



ENGINEERS  
INDIA LIMITED

# Full Spectrum Technology And Project Solutions



**54<sup>th</sup>** Annual Report  
2018-19

## Our Vision

To be a world-class globally competitive EPC and Total Solutions Consultancy Organization.

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## Our Mission

- Achieve 'Customer Delight' through innovative, cost effective and value added consulting and EPC services.
  - To maximize creation of wealth, value and satisfaction for stakeholders with high standards of business ethics and aligned with national policies.
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## Risk Management

EIL is committed to effective management of risks across the organization by aligning its risk management strategy to its business objectives through instituting a risk management structure for timely identification, assessment, mitigating, monitoring and reporting of risks. Risk management at EIL is the responsibility of every employee both individually as well as collectively.





## Core Values

- Benchmark to learn from superior role models.
- Nurture the essence of Customer Relationship and Bonding.
- Foster Innovation with emphasis on value addition.
- Integrity and Trust as fundamental to functioning.
- Thrive upon constant Knowledge updation as a Learning organization.
- Passion in pursuit of excellence.
- Quality as a way of life.
- Collaboration in synergy through cross functional Team efforts.
- Sense of ownership in what we do.



## Who We Are

- One of India's leading Engineering Consultancy and EPC companies in Hydrocarbons and Petrochemicals.
- Over five decades of experience on landmark projects with global energy majors.
- Significant track record across entire Oil & Gas value chain.
- Focused diversification into other sectors:
  - Fertilizer and LNG
  - Non-ferrous Metallurgy
  - Infrastructure
  - Strategic Crude Oil Storage
  - Nuclear and Solar energy
  - E&P
- Over 2300 highly experienced professionals and technical workforce.
- In-house and collaborative R&D support with 28 registered patents.
- Expanding overseas presence in MENA and South East Asia.
- Zero debt firm with track record of healthy earnings and consistent dividend payout.



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**J.C. Nakra**  
Chairman & Managing Director

## Chairman's Statement

Dear Shareholders,

It gives me immense pleasure to present to you the performance of your Company during the 54<sup>th</sup> year of its service to the Nation. I am happy to inform that EIL has maintained its position as India's leading engineering consultancy and EPC company and continues to contribute to the progress of the country by providing its services in the core hydrocarbons sector and for Infrastructure projects as well.

Despite a challenging business environment and intense competition, EIL has posted a strong performance in FY 2018-19 in terms of new business secured raising the order book to a new high.

During the fiscal year 2018-19, your Company has secured new business worth ₹ 5,891 Crores. This includes business worth ₹ 1,495 Crores from domestic consultancy, ₹ 4,305 Crores from domestic turnkey and overseas business worth ₹ 91 Crores. Major contribution in order inflows has been from Rajasthan Refinery Project of HPCL wherein the Company has secured both Consultancy contract for the main process complex as well as Turnkey contract on Open Book Estimate (OBE) basis for Residual Utilities & Offsite (U&O) and associated works. In the International domain, your Company has secured number of major assignments including Additional PMC/ EPCM Services for new units in Dangote Refinery, Nigeria, PMC Services for Hail Full Field Development Project of ADOC, Japan and Detailed engineering services for DM & Distillate Water inter-transfer system for L&M stations for Jebel Ali power station complex of DEWA, UAE, among others.

On the financial front, your Company has registered an Annual Turnover of ₹ 2,444 Crores. Profit Before Tax (PBT) and Profit After Tax (PAT)

during the year were ₹ 567 Crores and ₹ 370 Crores, respectively. As compared to previous financial year 2017-18, the topline of your Company for FY2018-19 has grown by 35.70%, while PBT and PAT have remained stable.

Your Company continues to make good progress in all its core and diversified business segments.

In the upstream segment, EIL secured assignment for design for utilization of waste heat from produced water for heating well fluid of ONGC Energy Centre and extension of consultancy services contract for the Life extension of Well Head Platform of ONGC.

In the midstream segment, EIL secured assignments for preparation of DFR for pipelines for Rasayani complex of BPCL, DFR for crude unloading and storage facilities at Mundra of HMPL, PMC Services for Balance Jobs of Dabhol LNG Terminal of Konkan LNG Pvt. Ltd.

In the downstream hydrocarbon sector, orders secured in the Refining sector include Project Management Consultancy (PMC) for Rajasthan Refinery Project, EPCM services for Bio-Refinery project at Assam for ABRPL, EPCM services for INDJET unit of IOCL Barauni refinery, DFR for expansion of Guru Gobind Singh Polymer Addition Project of HMEL and water consumption study for IOCL, BPCL, HPCL and CPCL refineries, among various others.

In the Infrastructure sector, breakthrough was achieved in securing Supervision and PMC services for High Speed Rail Terminal project at Sabarmati of National High Speed Rail Corporation Limited, Gujarat, PMC services for design of new campus for IIM- Nagpur, EPCM services for development of Khajekhalan Ghat at Patna of IOCL, Engineering



Review and Procurement & Construction management services for Phase-II of HP Green R&D centre at Bengaluru of HPCL and Independent Engineer services for modernization and restructuring of Delhi Airport of AAI, among various others.

In the Metallurgy segment, EIL secured assignment for preparation of DFR for proposed brown field expansion of Smelter for NALCO, Preparation of Technical Assessment Report for requirement of land, water and power for NALCO's aluminium downstream project, and consultancy services for assessment of land requirement for expansion of Alumina Refinery of Vedanta.

Consolidating its international footprint, EIL successfully secured various engineering and consultancy assignments in Middle East and Africa against stiff global competition. The new business secured in overseas markets comprises of variation orders from Dangote group in Nigeria for ongoing refinery project and also includes consultancy assignments for both onshore and offshore projects in UAE and Bahrain. As a result of its new initiatives for providing Training Services in the hydrocarbon sector, EIL was also able to secure training assignments in Bahrain under General Engineering Services Agreement.

During the year, EIL also completed the DFR Study for Grass-root refinery in Mongolia. EIL was also pre-qualified for providing PMC Services for this project. This project is being funded by the Government of India under Line of Credit to Government of Mongolia and it will provide a unique opportunity to support the 'Make In India' initiative.

This year witnessed number of critical projects completed by your Company and good progress was achieved on other ongoing projects. In the refinery segment, EIL successfully completed PMC services (Phase-II) for Revamp and Capacity Enhancement Project of BOREL Refinery which aims to increase the refining capacity from 6.0 MMTPA to 7.8 MMTPA, EPCM services for Heat Traced Pipeline projects with associated facilities at Mumbai & Kochi refineries of BPCL and Surge Analysis Study for Vadinar-Bina Pipeline Project of BOREL, Madhya Pradesh, among others. DFR for expansion of DFSU capacity from 1200 KTPA to 1500 KTPA for HMEL was also completed during the year and project is in progress.

During the year, major overseas projects completed include Detailed Feasibility Study (DFS) for construction of an Oil Refinery Plant with a Crude Oil Supply Pipeline Project in Mongolia, Engineering design services for BAPCO, Bahrain, Detailed Feasibility Study for LNG Regasification Terminal at Kutubida Island, Bangladesh, Feasibility study of crude receiving facilities at Ruwais of ADNOC Refining, UAE, among many others.

EIL has made its mark in the Infrastructure sector by providing a wide spectrum of services such as Project Management, Third Party Inspection (TPI), Quality Assurance, Independent Engineer and Lender's Engineer services, Project Appraisal and Project Execution Services in some of the important projects of key clientele in the sector. During the year, your Company completed PMC services for Headquarter Building of UIDAI in Delhi, Data Centre at Hyderabad for SBI, Housing Project of Gujarat Housing Board and Bhamashah State Data Centre, Jaipur.

Good progress has been achieved in various assignments including EPCM services of various projects, including Distillate Yield Improvement Project at IOCL, Haldia Refinery, DHDt and supporting facilities project at Numaligarh Refinery of NRL, and LPG Import facility

at Haldia for BPCL among others. Construction works for BS-VI upgradation project for nine refineries for various clients are in advanced stages of execution.

Significant progress has been made on various petrochemical projects, including Propylene Derivative Petrochemical Plant (PDPP) of BPCL, Kochi Refinery, LEPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited, Namrup, and EPCM services for GGSr Polymer Addition Project of HMEL at Bhatinda, Punjab.

EIL has developed an enviable track record in design, engineering and execution of cross-country pipelines for transportation of crude oil, refined petroleum products, natural gas and LPG across diverse geographies and demanding terrains.

Pipeline projects in progress include PMC services for Re-routing of Mumbai-Manmad Pipeline for BPCL, PMC services for Replacement of KG Basin Pipeline for GAIL, Modification/ Revamp of Vijapur and Vaghodia HBJ/ DVPL system for GAIL and EPCM services for Palanpur-Vadodara Pipeline and Mundra-Delhi Pipeline capacity expansion Project of HPCL, among various others.

As part of strategic investment in the Fertilizer sector, EIL has taken 26% equity stake in a JV Company M/s Ramagundam Fertilizers & Chemicals Ltd. (RFCL) along with NFL and FCIL. RFCL has been formed to pilot the Revival of Ramagundam Fertilizer Project, Telangana. EIL is executing this project on EPCM Mode. Good progress has been achieved for this project which is nearing completion.

In Nuclear Power sector, Detailed Engineering Consultancy and Construction Supervision for setting-up Greenfield Nuclear Fuel Complex at Rawatbhata, Kota, Rajasthan is in progress.

EIL's new venture into Alternate Fuels - the Assam Bio Refinery Project, has been making steady progress with initiation of various site activities.

As an organization devoted to continuous technology upgradation, EIL places utmost importance to R&D in order to enhance its operational capabilities. The Company is pursuing developmental activities, both in-house and in collaboration with prestigious academic institutes like IITs and other R&D organizations like IOCL, CSIR-IIP, BPCL, HPCL etc. Apart from these established R&D organizations, EIL (R&D) has also been collaborating and cooperating with small companies to promote the innovative ideas generated by them. During this fiscal, the Company filed seven new patents and four patents filed earlier were granted this year. With this the patent portfolio of your Company has augmented to 28 granted patents with 25 pending patent applications.

As part of IT efforts of your Company, the Online Human Resource Management System (HRMS) was successfully completed, thus achieving the Company milestone of MOU target. With this, the HR system is end-to-end automated. Other IT projects completed in FY 2018-19 include ISO/IEC 27001:2013 Accredited Certification for the Management and Operations of EIL's Primary Data Center (PDC), located at its Head Office, Enhancement of Internet bandwidth by multifold to 200 Mbps and upgrading the existing end-point cyber security solution in line with the Government of India's cyber security mandate. Your Company has also launched a state-of-the-art cloud-based Email System of NIC with enhanced security, performance and mailbox size thus enabling better communication and collaboration.

EIL takes its sustainability mandate seriously and is conscious of its role as a responsible organization, transparent to all its stakeholders. The Company's project designs support sustainability right from conceptualization to plant commissioning and subsequently, the commercial operation. Energy efficiency, resource optimization and safety of plant personnel and society at large are the cornerstones of our business operation.

EIL has refocused its engineering philosophy and business models to achieve long term sustainable growth. It has also initiated evaluation and reporting of performance on the triple bottom lines pertaining to economic, social and environmental aspects. The sustainability initiatives at EIL shall definitely propel the organization on an upward growth trajectory.

Your Company has always accorded the highest priority to Health, Safety & Environment (HSE) across its operations. EIL sustained its OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environmental Management system) certifications by successfully passing through the third party audits during this year, which demonstrates our commitment to safety and sustainability. Apart from ensuring effectiveness of the HSE Management system, these certifications provide an edge in securing business, especially overseas.

EIL has received widespread recognition for its employee-centric work culture and dynamic HR processes. Human Resources of any organization play a crucial role in overall organizational performance and quality of services that the employees deliver has a direct bearing on the success of the organization. Your Company strives to develop a motivated workforce which is committed and aligned with the organization's strategic goals and objectives. To ensure an enabling work culture and an engaged work force, various policies and development initiatives have been adopted from time to time.

At the end of FY 2018-19, your Company had 2768 employees, including 2339 professionally qualified employees. Approximately 2.24 % of our employees are located outside India, operating in international work environments.

Your Company's CSR policy aims at creating a sustainable ecosystem through its activities for the community and environment. As per the Companies Act 2013, a budgetary allocation of 2% of the average net profit made during three immediately preceding financial years has been done in the financial year 2018-19 for CSR activities.

The Company's CSR initiatives cover a wide spectrum of activities, including art and culture, education, healthcare, drinking water and sanitation, rural electrification, women empowerment and skills training.

EIL supported the setting up of Mini Science Centre in 2 schools in Ratnagiri district, Maharashtra and setting up of a computer centre for

underprivileged youth in Tughlakabad, Delhi. EIL is also supporting the construction of Government School Building in Kabennur, Dharwad, Karnataka. Your Company also conducted ten camps for distribution of assistive aids and appliances to poor & needy Persons with Disabilities (PwDs), at various locations across the country.

EIL has supported the construction of 100 number of community toilets in remote villages of Aligarh district and 32 number of school toilets along with potable drinking water facilities in schools of Pataudi block of Gurugram district, Haryana. EIL also supported the establishment of Skill Development Institute at Ahmadabad and providing operational fund to Skill Development Institutes at Bhubaneswar, Kochi, Guwahati, Raebareli and Vishakhapatnam.

Your Company continues to contribute towards the flagship "Make In India" initiative launched by the Hon'ble Prime Minister with an objective to revive and revitalize the manufacturing sector in the country. As part of the "Make In India" campaign, your Company has been pursuing several initiatives, including encouraging indigenization, vendor interactions to upgrade indigenous manufacturing technologies, conducting regular supplier meets, indigenization of equipment manufacturing to increase domestic content and vendor enlistment/ enhancement through continuous interaction, assessment and evaluation.

During the FY 2018-19, your Company won multiple awards and honours at the national level, which are a testament to the commitment and dedication of Team EIL.

The significant awards include the CII National Energy Efficiency Circle Awards in two categories: "Energy Efficient Technology" and "Best Energy Efficient Case Study", IEI Industry Excellence Award 2018 instituted by The Institution of Engineers (India), 6<sup>th</sup> Governance Now 2019 Award for "Excellence in Corporate Communications and Technology Adaption", Petrotech Special Technical Award 2019 for "Greening of Oil & Gas Business and Sustainability" category jointly with IOCL, Petrotech Special technical Award 2019 for "Women Executive in Hydrocarbons Sector", among various other prestigious awards.

Your Company is committed to good Corporate Governance as per the requirements of SEBI Regulations and DPE Guidelines in this regard. Your Company is compliant with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance to the extent compliance are within the ambit of EIL.

I am thankful to you for your continued support and faith in the Company and look forward to your valuable feedback and advice. EIL management joins me in wishing you and your family lot of prosperity and good health.

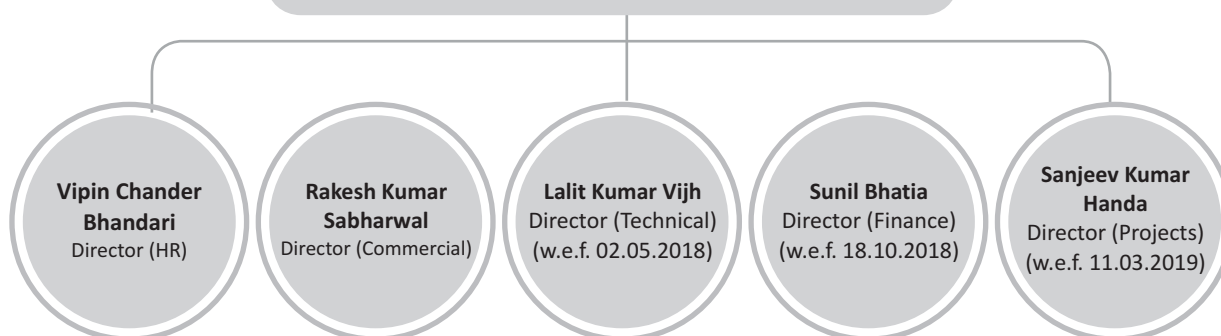
J. C. Nakra  
(Chairman & Managing Director)



## Board of Directors

### Jagdish Chander Nakra

Chairman & Managing Director



## Non-Executive Directors

|  |   |   |
|--|---|---|
| <b>Sandeep Poundrik</b><br>Director (Govt. Nominee)<br>(till 30.04.2019) | <b>Ashish Chatterjee</b><br>Director (Govt. Nominee)<br>(w.e.f. 26.07.2018) | <b>B.N. Reddy</b><br>Director (Govt. Nominee)<br>(w.e.f. 27.05.2019)              |
| <b>Dr. (Prof.) Mukesh Khare</b><br>Non-official Independent Director     | <b>Arusha Vasudev</b><br>Non-official Independent Director                  | <b>Vikas Khushalrao Deshpande</b><br>Non-official Independent Director            |
| <b>Umesh Chandra Pandey</b><br>Non-official Independent Director         | <b>Shazia Ilmi Malik</b><br>Non-official Independent Director               | <b>Rajesh Kumar Gogna</b><br>Non-official Independent Director                    |
| <b>Chaman Kumar</b><br>Non-official Independent Director                 |   | <b>M. Arulmurugan</b><br>Non-official Independent Director<br>(w.e.f. 17.07.2019) |

### Company Secretary

- Narendra Kumar (09.08.2018 - 15.01.2019)  
- Suvendu Kumar Padhi (w.e.f. 15.01.2019)



## Brief Profiles of the Directors



**Shri J.C. Nakra** is the Chairman & Managing Director of our Company. In a career spanning over 38 years, Shri Nakra has worked in a wide array of domains including Projects, Construction & Marketing. He joined EIL in 1983 in Construction Division (Offshore). Subsequently, he served in various capacities in Marketing and Project Divisions. He has steered the Marketing initiatives of EIL for business development in India and abroad and has also led Project teams for implementation of major projects. Prior to assuming charge of C&MD, Shri Nakra was Director (Projects) in EIL. A Mechanical Engineering Graduate from Punjab Engineering College, Chandigarh (1981 Batch), he also possesses a Post-Graduate Diploma in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai.



**Shri V.C. Bhandari** is the Director (HR) of our Company. He has a degree in Engineering and an MBA from Faculty of Management Studies, Delhi. He joined EIL in 1981 as a Management Trainee and has vast and rich experience of more than 37 years in the areas of Design and Engineering, Project Management and Human Resource Management. He started his career as a Design Engineer and has worked in a wide variety of projects of Refineries, Petrochemicals, Gas Processing, Onshore and Offshore Pipeline, Offshore Platforms etc. He was the Project Manager for the prestigious Guru Gobind Singh Refinery Project of HMEIL which set international benchmarks in project execution. Subsequently, he spearheaded EIL's diversification into Power and Renewable energy sectors.

With an aim to build a high performance culture, Sh. Bhandari has been overseeing the integration of HR in the business process in EIL while also promoting creating an inclusive workplace ecosystem. He has been deeply involved in various strategic exercises and in developing the Mentoring process and Management Pipeline Programme. He has continually endeavoured to transform HR as a strategic partner in the Company's operations and has taken several initiatives towards Talent Management, Training & Development, Performance Management, Employee Engagement & Retention, CSR & Brand Building. He is a Chartered Engineer and a member of the Institution of Engineers.



**Shri R.K. Sabharwal** is the Director (Commercial) of our Company. He has more than 36 years of experience in various positions in all areas of commercial function since 1983. He has hands on experience in International and Domestic Commercial domain. His expertise covers various aspects of International trade, EXIM procedures, Taxation, legal aspects etc. He has proven competence in systems development. His job responsibilities include establishing fair and transparent systems, planning manpower allocation, finalizing e-enabling strategies including e-procurement, evaluation techniques, negotiation methodologies and interface management, development of suitable commercial procedures, finalization of detailed contractual terms for domestic and global commerce. He was also posted in Dubai for independently leading entire commercial function for Gasoline Facilities Project of Iso Octane Company, Dubai during 1998 – 1999. He has successfully demonstrated leadership skills over the years. He has successfully managed various functions including day-to-day operations under complex management situations. He was also actively involved with IT Applications in various business processes in the company and has been spearheading IT applications in Commercial Function for the last several years. He is a Member of All India Management Association, Indian Institute of Materials Management and Indian Institute of Foreign Trade.





**Shri Lalit Kumar Vijn** is the Director (Technical) of our Company. A Chemical Engineering graduate of 1981 from DCET, Punjab University, Chandigarh, he joined EIL as Management Trainee. Shri Vijn has over 37 years of extensive design and engineering consultancy experience across entire hydrocarbon value chain and has handled many major green field and brown field expansion projects from concept to commissioning in all areas of Hydrocarbon sector. His varied experience includes Process Design & Development, Plant Operation, Process Safety, Environmental Engineering and corrosion control in areas of Refineries, Petrochemicals, Oil & Gas Processing, Fertilizers, Pipelines, Storage terminals, LNG terminal and Strategic Petroleum Reserves (caverns) etc. He specializes in Master Planning & configuration studies/ DFRs, Technology selection, Design and Engineering of Open art and licensed units in refineries, petrochemicals and other areas and has undertaken project execution on EPCM & LSTK mode and as PMC. He has widely travelled and worked closely with various licensors and international engineering contractors. He has worked for about 2 years in Middle East and has successfully led process and engineering teams on EIL project assignments.

He is responsible for functioning of the Technical Directorate of EIL comprising of all the Technology & Engineering Divisions namely Process Design & Development, Heat & Mass Transfer, Plant Operations & Process Safety, Research & Development, Information Technology, Specialist Materials & Maintenance, Engineering Technology & Design, Civil & Structural, Architectural, Geo-Technical, Static/Mechanical/Fired Equipment, Piping, Electricals & Instrumentation etc. He is also responsible for various Technology initiatives of the company identifying technologies of future interest, plan and coordinate their research, scale up & design development and commercialization etc. including collaborative research programme and technology tie ups. He has been responsible for development and commercialization of many indigenous process technologies in areas of Oil & Gas and Refineries. He has been part of many diversification and business growth initiatives of company and has led many system and process improvements initiatives including use of many digital applications to enhance productivity.

He is also a Part time Director on the Board of Ramagundam Fertilizers & Chemicals Limited (RFCL), a joint venture company of EIL, NFL & FCIL. Previously he had served as part time Director on the Board of EIL's wholly owned subsidiary, Certifications Engineers International Limited (CEIL) for over two years. He is part of many committees and working group under MoPNG. He had represented EIL as a member in steering committee of OISD and was responsible for leading the development of many OISD standards.

He has steered many initiatives in EIL aligned with Govt. of India programmes such as Start-up India, Make-in-India, Bio-Fuel programmes, etc.



**Shri Sunil Bhatia** is the Director (Finance) of our Company. In a career spanning over 32 years, Shri Bhatia has worked in a wide array of domains including Financial Planning, Projects, Manufacturing, Marketing, setting up Joint Ventures, etc. He also possesses vast experience in Project execution, raising of debt & equity and financial closure of Projects.

Shri Bhatia is B.Com (Hons.) and M.Com alumni from Punjab University, Chandigarh and FCMA from the Institute of Cost Accountants of India.

Prior to joining EIL, Shri Bhatia was Chief Financial Officer of Ramagundam Fertilizers and Chemicals Ltd, Joint Venture company of EIL, National Fertilizers Ltd. and Fertilizer Corporation of India Ltd. He played pivotal role in formation of joint venture Company, achieving financial closure of the Project by successfully raising equity from Foreign and Indian investors as well as total debt for the Project, at competitive interest rates, getting sanction for fiscal incentives for the Project from the State Government, implementation of financial and operational procedures, establishing fair and transparent systems in the Company.

Shri Bhatia is on the Board of Ramagundam Fertilizers and Chemicals Limited (RFCL) and Certification Engineers International Limited (CEIL) as Nominee of EIL.



**Shri Sanjeev Kumar Handa** is the Director (Projects) of our Company. He joined EIL as Management Trainee in the year 1983 in the Process Design division. He worked in areas of technical directorate including Refineries, Pipelines, Oil & Gas & Petrochemicals. He has also served as part time Director on the Board of Certification Engineers International Limited (CEIL) from 29.06.2015 to 16.05.2019.



**Shri Ashish Chatterjee** is a Government Nominee Director of our Company. He is an IAS Officer From Tamil Nadu cadre (1999), who joined Government of India in 2014 and is currently posted as Joint Secretary in the Ministry of Petroleum and Natural Gas and holding charge of Secretary OADB. Previously in his cadre, he has held various positions at the District and State Level. His assignments have been mostly in Revenue Department, Municipal Administration and Water Supply Department. He was posted as Collector of Villupuram, Kanchipuram and Tiruvallur Districts. He has also handled charge of Joint Commissioner in Chennai Corporation looking after infrastructure works. He was also posted in the State Relief Commission's office in charge of Disaster Management.



**Shri B.N. Reddy** is a Government Nominee Director of our Company. He Joined the Indian Foreign Service (IFS) in 1993, and has served in Indian Missions in Indonesia (1995-98), Lao PDR (1998-2001), New York (Permanent Mission of India) (2005-2008), Malaysia (2008-2011) and Geneva (as the DPR in Permanent Mission of India) (2013-16). He has served in the Ministry of External Affairs in the Administration Division and subsequently as the Director/Joint Secretary to the External Affairs Minister of India. Shri Reddy has learnt Bahasa Indonesia at the University of Indonesia (UI) during his posting in Indonesia in 1995. Shri Reddy has a Master's Degree in Thermal Engineering from IIT Bombay, and Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology and Science (BITS), Pilani. Prior to joining the Ministry of External Affairs, Shri Reddy also served with TELCO (now Tata Motors) and also in the Indian Engineering Service (IES). Shri Reddy served as the High Commissioner of India to Nigeria from June 2016 to December 2018. He has assumed charge as OSD(IC) in the Ministry of Petroleum and Natural Gas.



**Dr. (Prof.) Mukesh Khare** is a Non-official Independent Director of our Company. He is the Fellow of Institution of Engineers India and Fellow of Wessex Institute of Great Britain. He is a Chartered Engineer and was born in Varanasi, India. He obtained his Ph.D. degree in Faculty of Engineering from Newcastle University, UK and has managed a range of environmental projects throughout his professional career. With a specialisation in air quality modelling, his experience has covered Research and Development studies, Teaching, Consulting, Modelling, Editorial Activities. In addition, he has authored more than 170 research publications primarily for peer reviewed journals and conference proceedings.





**Mrs. Arusha Vasudev** is a Non-official Independent Director of our Company. She is B.A. She joined the Custom and Excise Department, Ministry of Finance in 1979. She has held important positions in the department in Pune, Delhi, Mumbai, Bangalore and Ahmedabad as well as in the office of the Comptroller and Auditor General of India. In 2003, she was conferred the highest award in Indirect Tax administration namely the President's Award for Meritorious Record of Service. A highly capable officer with 36 years of experience with the Government of India mainly in the Customs, Excise and Service Tax. Excellent Leader and Manager of Human Resources with extensive experience of dealing with various strata of bureaucratic work force, as well as interaction with the Trade and Industry. Extensive experience in law enforcement including anti-smuggling and commercial frauds as well as anti-corruption measures.



**Shri Vikas Khushalrao Deshpande** is a Non-official Independent Director of our Company. He is B.E. (Civil) from Nagpur University. He has 43 years of rich experience in the fields of Project Management, Planning and Co-ordination, Tender Bid Preparation and Contracts Management, Budgeting and Costing of Infrastructure Projects and Heavy Industrial structures, with expertise in carrying out Techno-Economic Validation and viabilities studies of BOT/BOOT/BOOST and BOO projects. He is a founder member of Unison Project Management Pvt. Ltd. and has worked as Managing Director of the Company from 1997 till March, 2015.

Prior to Unison, he has worked with reputed corporate houses in India and abroad at various positions. He is also closely associated as Guest Faculty with various reputed Management and Engineering Institutes. He has conducted various training programmes on project management and also working as Advisor for corporate training assignments and training faculty. He has at his credit the publications on Project Management, Contracts and Claim Management, Business Development and Quality Management.



**Shri Umesh Chandra Pandey** is a Non-official Independent Director of our Company. He is a fellow member of the ICAI and is having more than 25 years of experience in the field of Statutory Audit of Listed and Public Limited companies, Banks and Public Sector Undertakings etc. He is also having a vast exposure in the matters of taxation for domestic and transfer pricing and statutory compliance audit under Direct, Indirect Tax and Labour Laws. He has specialised knowledge in due diligence of MSME and Heavy Industries and preparation of project reports of various types of projects.



**Ms. Shazia Ilmi Malik** is a Non-official Independent Director of our Company. She has 16 years of experience in electronic journalism, of which seven years were in India's prime Hindi news channel "Star News". She had regularly anchored daily news bulletins and specials, covering a large spectrum from International Politics to Local Elections. This included travelogues, election specials, developmental news reports and several exclusive interviews. She produced and directed several Current Affairs shows as part of her television career. Issues covered, produced/directed Travel Shows, Documentaries, Current Affairs, Panel discussions and Talk Shows.

She is a gender activist, dynamic political leader, Film Maker, former Television Journalist, Anchor and Spokesperson of the Global Citizen Forum and Member of the Film Certification Appellate Tribunal (FCAT). She is also a brand ambassador for the Prime Minister's "Swachh Bharat Mission" (Clean India initiative), 2014. She was among the nine selected by Delhi Government to spread the message of cleanliness and hygiene in Delhi. She was a founder member of India's "Aam Aadmi Party" and served in the party's National Executive Committee from 2012-2014. She quit the party in May 2014.

She was the Spokesperson and Media Strategist for the "India Against Corruption" movement led by social activist Anna Hazare during 2011-2012. The campaign was to institute an Ombudsman popularly known as "Jan Lokpal Bill". The campaign caught the imagination of millions of Indians and became a widespread protest across the nation. She has led campaigns and spoken out on gender issues over the years. She led scores of protests at Jantar Mantar and other places across the city for women's safety and empowerment. She has participated in various National and International Conferences and Seminars on Women's rights and issues.



**Shri Rajesh Kumar Gogna** is a Non-official Independent Director of our Company. He has been practicing as an advocate since 1988. He is presently working as Central Government Standing Counsel at the Delhi High Court. He has worked as Amicus Curiae in the Supreme Court of India and as Member of Executive Council of University of Delhi. He has also worked as Member of Court of University of Delhi. He is working as Secretary General of Human Rights Defense International.



**Shri Chaman Kumar** is a Non-official Independent Director of our Company. He Joined Indian Forest Service on 1<sup>st</sup> April, 1975. Served in Andhra Pradesh as Assistant Conservator of Forests from April, 1977 to July, 1978. Thereafter, joined Indian Administrative Service in July, 1978. At present, Independent External Monitor for Central Coalfields Ltd., a subsidiary of Coal India Limited, since November, 2013. He worked as Liquidator, Madhavpura Mercantile Cooperative Bank Ltd., Ahmedabad, from July, 2012-May, 2015.

He held various assignments such as Additional Secretary to Government of India & Financial Adviser in various Ministries/Departments viz. Labour and Employment, Food Processing Industries, Planning Commission etc. from November, 2008 to 31<sup>st</sup> December, 2011, Joint Secretary to Government of India in the Ministry of Defense from October, 2007 to October, 2008 and Joint Secretary to Government of India in the Ministry of Women & Child Development from May 2004 to September, 2007. As Secretary (Economic Affairs) and as Principal Secretary (Expenditure), Finance Department, Government of Gujarat, he was also Government Nominee on the Board of Directors of various state PSUs viz. GMDC, GACL, GIDC, GMB etc. Also worked as Managing Director of GIIC & GSFC and as such was on the Board of assisted companies viz. GHCL, Uncle Chipps Co. Ltd. and Welspun Gujarat Ltd.

Also held many other important assignments, both under Central and the State Government, such as Collector & District Magistrate, Bhavnagar District and District Development Officer, Mehsana and Director (Pharmaceuticals) in M/O Chemicals & Petrochemicals, New Delhi. Attended a number of in-service training programmes in leading institutions in the country, such as Indian Institute of Foreign Trade, NIPFP, LBSNAA Mussoorie, IIM Ahmedabad, IIM Kolkata and University of Bradford, U.K. He is also on the Board of National Commodities & Derivatives Exchange Limited.



**Shri M. Arulmurugan** is a Non-official Independent Director of our Company. He did his Graduation in Civil Engineering from VRCE Nagpur (1984-1988), Post Graduation in Structural Engineering from CIT Coimbatore under Anna University, Chennai (2010-2012). He is also Fellow in Institution of Valuer, Registered Valuer under Income Tax Act, Wealth Tax Act & Gift Tax Act category, did excellent valuations with remarkable commendations, valuer under o/o of the Custodian Ministry of Finance, Valuer for Major Banks and for Public Sector Undertakings, and did remarkable valuations for Infrastructural valuations for NHAI and Power plants.

He is also Member of American Society of Civil Engineers, Indian Society of Earthquake Technology, Indian Concrete Institute, Fellow in Association of Consulting Civil Engineers (I), Competent person for Stability of Structures. He completed various RCC structures with seismic resistant technology including structures for Tsunami affected people in Tamil Nadu. He is Social Activist, and Eminent person in ONGC School Management Committee. He is instrumental in retaining separate regional reservation quota for Professional students from backward areas. Honorary President in Welfare Associations, Guest Lecturer for NIT Architecture dept, President Registered Engineer Association.



## Ten Years' Performance at a Glance

(₹ in lakh)

| PARTICULARS/YEARS                          | 2009-10     | 2010-11     | 2011-12     | 2012-13     | 2013-14     | 2014-15     | 2015-16**   | 2016-17     | 2017-18     | 2018-19     |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>A OPERATING STATISTICS</b>              |             |             |             |             |             |             |             |             |             |             |
| Turnover*                                  | 1,99,379.70 | 2,82,328.44 | 3,69,882.43 | 2,50,596.70 | 1,82,359.17 | 1,71,300.42 | 1,51,101.47 | 1,44,864.31 | 1,78,758.25 | 2,44,433.85 |
| Other Income                               | 18,240.11   | 15,038.90   | 21,750.32   | 26,184.33   | 23,208.51   | 27,310.80   | 24,779.26   | 22,366.04   | 17,947.07   | 22,508.09   |
| Expenditure                                | 1,51,492.06 | 2,18,341.43 | 2,99,964.65 | 1,87,259.58 | 1,35,487.80 | 1,51,037.44 | 1,33,899.99 | 1,17,212.28 | 1,39,895.17 | 2,10,191.32 |
| Prior Period Adjustments (Net)             | 79.96       | 577.45      | 191.57      | 427.75      | 277.07      | 818.15      | -           | -           | -           | -           |
| Profit before Tax                          | 66,047.79   | 78,448.46   | 91,476.53   | 89,093.70   | 69,802.81   | 46,755.63   | 41,980.74   | 50,018.07   | 56,810.15   | 56,750.62   |
| Tax  | 24,972.04   | 29,608.15   | 31,707.33   | 28,446.97   | 21,276.40   | 16,048.18   | 11,927.49   | 21,472.27   | 22,202.33   | 18,872.56   |
| Deferred Tax (Assets)/ Liability           | (2,481.76)  | (3,411.63)  | (3,862.33)  | (2,210.82)  | 550.06      | (90.19)     | 2,433.86    | (3,957.89)  | (3,179.42)  | 871.04      |
| Profit after Tax                           | 43,557.51   | 52,251.94   | 63,631.53   | 62,857.55   | 47,976.35   | 30,797.64   | 27,619.39   | 32,503.69   | 37,787.24   | 37,007.02   |
| Other Comprehensive Income                 | -           | -           | -           | -           | -           | -           | (225.53)    | (2,323.06)  | 459.61      | (157.75)    |
| Total Comprehensive income for the year    | -           | -           | -           | -           | -           | -           | 27,393.86   | 30,180.63   | 38,246.85   | 36,849.27   |
| Amount Transfer from General Reserve       | 56,156.10   | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Dividend including Dividend Tax            | 69,620.58   | 19,510.55   | 23,438.99   | 23,507.42   | 25,554.95   | 20,148.82   | 16,129.55   | 28,285.30   | 22,674.46   | 36,052.02   |
| <b>B FINANCIAL POSITION</b>                |             |             |             |             |             |             |             |             |             |             |
| CAPITAL EMPLOYED                           | 111470.58   | 144211.97   | 184404.51   | 223754.64   | 246176.04   | 256790.09   | 275700.66   | 277595.99   | 226787.27   | 227584.52   |
| NON CURRENT ASSETS                         | 31413.90    | 35989.93    | 45193.81    | 57767.66    | 55007.63    | 58394.32    | 66011.19    | 78919.19    | 87425.20    | 93641.51    |
| CURRENT ASSETS                             | 251937.62   | 310934.04   | 329212.37   | 326699.21   | 320034.01   | 333200.35   | 343027.81   | 352940.92   | 355606.38   | 374807.32   |
| <b>EQUITY &amp; LIABILITIES</b>            |             |             |             |             |             |             |             |             |             |             |
| i) Share Capital                           | 5615.62     | 16846.84    | 16846.84    | 16846.84    | 16846.84    | 16846.84    | 16846.84    | 33693.67    | 31595.58    | 31595.58    |
| ii) Other Equity                           | 105854.96   | 127365.13   | 167557.67   | 206907.80   | 229329.20   | 239943.25   | 258853.82   | 243902.32   | 195191.69   | 195988.94   |
| NON CURRENT LIABILITIES                    | -           | 2101.85     | 2515.21     | 2,479.95    | 2,192.55    | 1,968.61    | 2,365.20    | 2,105.00    | 2,239.28    | 851.18      |
| CURRENT LIABILITIES                        | 171880.94   | 200610.15   | 187486.46   | 158232.28   | 126673.05   | 132835.97   | 130973.14   | 152159.12   | 214005.03   | 240013.13   |
| <b>C RATIOS</b>                            |             |             |             |             |             |             |             |             |             |             |
| PBT / Turnover                             | 33.13%      | 27.79%      | 24.73%      | 35.55%      | 38.28%      | 27.29%      | 27.78%      | 34.53%      | 31.78%      | 23.22%      |
| PAT/ Turnover                              | 21.85%      | 18.51%      | 17.20%      | 25.08%      | 26.31%      | 17.98%      | 18.28%      | 22.44%      | 21.14%      | 15.14%      |
| PBT / Capital Employed                     | 59.25%      | 54.40%      | 49.61%      | 39.82%      | 28.35%      | 18.21%      | 15.23%      | 18.02%      | 25.05%      | 24.94%      |
| PAT / Net Worth                            | 39.08%      | 36.23%      | 34.51%      | 28.09%      | 19.49%      | 11.99%      | 10.02%      | 11.71%      | 16.66%      | 16.26%      |
| Turnover / Net Worth (number of times)     | 1.79        | 1.96        | 2.01        | 1.12        | 0.74        | 0.67        | 0.55        | 0.52        | 0.79        | 1.07        |
| Sundry Debts / Turnover (Month's Turnover) | 1.91        | 1.31        | 1.00        | 1.59        | 2.26        | 2.98        | 2.88        | 3.17        | 3.66        | 2.03        |

**Notes:**

\* Turnover includes accretion/decretion to Work in Progress.

\*\*The Company has adopted Indian Accounting Standards ('Ind AS') from April 1, 2016 and accordingly, financials from 2015-16 presented in accordance with Ind AS.



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 Tel:011-26762121, Fax:011-26178210, E-mail: company.secretary@eil.co.in  
 Website: <http://www.engineersindia.com>  
 CIN: L74899DL1965GOI004352

## Notice

**NOTICE** is hereby given that the 54<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Thursday, the 26<sup>th</sup> September, 2019 at 3.00 P.M. at Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana) to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2019, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India and to pass the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2019, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India be and are hereby received, considered and adopted."
- To declare final dividend for the financial year ended 31.03.2019 and to pass the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** approval of the members be and is hereby accorded for payment of final dividend @15% (i.e. ₹ 0.75/- per share of ₹ 5 each) on equity share capital of the Company amounting to ₹ 4739.34 lakhs for the financial year ended 31.03.2019 as recommended by the Board in addition to the payment of interim dividend @65% (i.e. ₹ 3.25/- per share) as already declared by the Board and paid accordingly."
- To appoint a Director in place of Shri Vipin Chander Bhandari (DIN: 07550501), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Shri Vipin Chander Bhandari (DIN: 07550501), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (HR) of the Company."
- To appoint a Director in place of Shri Lalit Kumar Vijn (DIN:07261231), who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Shri Lalit Kumar Vijn (DIN: 07261231), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Technical) of the Company."
- To authorize Board of Directors of the Company to fix remuneration of Auditors for the Financial Year 2019-20 and to pass the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to provisions under section 139(5) read with Section 142 of the Companies Act, 2013, approval of the Members be and is hereby accorded, authorizing the Board of Directors of the Company to decide and fix the remuneration, Out of Pocket, Statutory Taxes and other Ancillary Expenses payable to Auditors of the Company appointed by the Comptroller and Auditors General of India, for the Financial Year 2019-20."

### SPECIAL BUSINESS

- To appoint Shri Sunil Bhatia (DIN: 08259936) as Director (Finance) of the Company and in this regard to consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:  
**"RESOLVED THAT** in accordance with the Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Sunil Bhatia (DIN: 08259936), who was nominated as Director (Finance) by President of India vide MoP&NG letter No.C-31016/3/2018-PNG(25938) dated 17.10.2018 and appointed as an Additional Director w.e.f. 18.10.2018 A/N (date of assumption of charge) by the Board of Directors to hold the post of Director (Finance) of the Company upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Director (Finance) of the Company, liable to retire by rotation to hold office from the date of his assumption of charge of the post (i.e. 18.10.2018) till the date of his superannuation (30.06.2021) or until further orders of the Government, whichever is earlier, on

such terms & conditions, remunerations and tenure as may be determined by the President of India/ Government of India from time to time.”

7. To re-appoint Dr. (Prof.) Mukesh Khare (DIN: 02029807) as Non-official Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution, as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Dr. (Prof.) Mukesh Khare (DIN: 02029807) who was re-appointed as an Non-official Independent Director by President of India vide MoP&NG letter No.C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from himself in writing proposing his candidature for the office of Director, be and is hereby re-appointed as Non-official Independent Director, not liable to retire by rotation, to hold office for a second term of one year commencing from the date of completion of his existing tenure i.e. 19.11.2018 or until further order, whichever is earlier.”

8. To re-appoint Mrs. Arusha Vasudev (DIN: 07370575) as Non-official Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution, as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Mrs. Arusha Vasudev (DIN: 07370575) who was re-appointed as an Non-official Independent Director by President of India vide MoP&NG letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from herself in writing proposing her candidature for the office of Director, be and is hereby re-appointed as Non-official Independent Director not liable to retire by rotation, to hold office for a second term of one year commencing from the date of completion of her existing tenure i.e. 19.11.2018 or until further order, whichever is earlier.”

9. To re-appoint Shri V.K. Deshpande (DIN: 01200938) as Non-official Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution, as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Shri V.K. Deshpande (DIN: 01200938) who was re-appointed as an Non-official Independent Director by President of India vide MoP&NG letter No.C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from himself in writing proposing his candidature for the office of Director, be and is hereby re-appointed as Non-official Independent Director, not liable to retire by rotation, to hold office for a second term of one year commencing from the date of completion of his existing tenure i.e. 19.11.2018 or until further order, whichever is earlier.”

10. To re-appoint Shri Umesh Chandra Pandey (DIN: 01185085) as Non-official Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution, as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Shri Umesh Chandra Pandey (DIN: 01185085) who was re-appointed as an Non-official Independent Director by President of India vide MoP&NG letter No.C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from himself in writing proposing his candidature for the office of Director, be and is hereby re-appointed as Non-official Independent Director, not liable to retire by rotation, to hold office for a second term of one year commencing from the date of completion of his existing tenure i.e. 19.11.2018 or until further order, whichever is earlier.”

11. To appoint Shri Sanjeev Kumar Handa (DIN: 07223761) as Director (Projects) of the Company and in this regard to consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Sanjeev Kumar Handa (DIN: 07223761), who was nominated as Director (Projects) by President of India vide MoP&NG letter No. CA-31018/3/2018-PNG(23210) dated 11.03.2019 and appointed as an Additional Director w.e.f. 11.03.2019 by the Board of Directors to hold the post of Director (Projects) of the Company upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Director(Projects) of the Company, liable to retire by rotation to hold office from the date of his assumption of charge of the post (i.e. 11.03.2019) till the date of his superannuation (30.09.2022) or until further orders of the Government, whichever is earlier, on such terms & conditions remunerations and tenure as may be determined by the President of India/ Government of India from time to time.”

12. To appoint Shri Bollavaram Nagabhushana Reddy (DIN: 08389048) as Director (Government Nominee) of the Company and in this regard to consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the Section 161 and other applicable provisions, if any, of the Companies Act, 2013 Shri Bollavaram Nagabhushana Reddy (DIN: 08389048), who was nominated as Director (Government Nominee) by President of India vide MoP&NG letter No. C-31033/1/2016-CA/FTS:42979 dated 27.05.2019 and appointed as an Additional Director w.e.f. 27.05.2019 by the Board of Directors to hold the post of Director (Government Nominee) of the Company upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from shareholder in writing proposing his candidature for the office of





Director, be and is hereby appointed as Director (Government Nominee) of the Company, liable to retire by rotation to hold office w.e.f. 27.05.2019 for a period of three years on co-terminus basis or until further orders, whichever is earlier.”

13. To appoint Shri M. Arulmurugan (DIN: 08512516) as Non-official Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri M. Arulmurugan (DIN: 08512516)), who was appointed as Non-official Independent Director by President of India vide MoP&NG letter No. No.C-31033/2/2018-CA/PNG(25758) dated 12.07.2019 and appointed as an Additional Director (Non-official Independent) by the Board of Director w.e.f. 17.07.2019 (date of allotment of DIN) to hold office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-Official Independent Director of the Company not liable to retire by rotation to hold office till 11.07.2022 or until further orders of the Government, whichever is earlier”.

14. To alter the Articles of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made thereunder including any amendment, re-enactment or statutory modification thereof, the new set of Articles of Association be and is hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** C&MD, Director (Finance) and Company Secretary of the Company be and are hereby severally authorized to sign all such documents in connection with the adoption of the new set of Articles of Association of the Company (including making e-filings with the Registrar of Companies / Ministry of Corporate Affairs).

**RESOLVED FURTHER THAT** C&MD, Director (Finance) and Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to the above resolutions and to do all such acts, deeds, matters and things, including delegating such authority, as may be considered necessary, proper or expedient in order to give effect to the above resolution.”

By order of the Board of Directors

Place: New Delhi

Date : August 9, 2019

(S. K. Padhi)

Company Secretary

Registered Office:

Engineers India Bhawan

1, Bhikaji Cama Place,

New Delhi – 110066

CIN:L74899DL1965GOI004352

Tel : 91 11 26100258

Email : company.secretary@eil.co.in

Website : www.engineersindia.com

## Notes

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under item Nos.6 to 14 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting in respect of all Special Business items, as set out above is given hereunder.
2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company.**  

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed, stamped and signed not less than FORTY EIGHT HOURS before the commencement of the AGM. Proxies, submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
4. Members, Proxies and Authorised Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20<sup>th</sup> September, 2019 to Thursday, 26<sup>th</sup> September, 2019 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after 3<sup>rd</sup> October, 2019 as under:
  - i. to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Thursday, 19<sup>th</sup> September, 2019;
  - ii. to all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company/ Registrar and Share Transfer Agent as of the close of business hours on Thursday, 19<sup>th</sup> September, 2019.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their

holding to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Karvy Fintech Pvt. Limited ("KFPL"), Karvy Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 (Tel No.040-67162222, Fax No.040-23001153, Email: einward.ris@karvy.com, Website: www.karvyfintech.com for assistance in this regard.

8. To support "Green Initiative", Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in the case the shares are held by them in electronic form and with KFPL in case the shares are held by them in physical form.

### 9. Updation of Member's Details :

The format of the Register of Members prescribed by the Ministry of Corporate Affairs requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

10. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to KFPL in case the shares are held in physical form.
11. Members holding shares in physical form in more than one folio are requested to send to the Company or KFPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificates will be issued to such Members after making requisite changes.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members seeking any information with regard to the accounts, are requested to write to the Company at least 10 days before the AGM so that the same may be attended properly.
14. Members are requested to note that, dividend, if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority, if they remain unclaimed for seven consecutive years. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to

- IEPF, may claim the same by making an application to the IEPF Authority, in Form No.IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
15. Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website [www.engineersindia.com](http://www.engineersindia.com) and on the website of KARVY <http://www.evoting.karvy.com>.
  16. The Route Map of the venue of 54<sup>th</sup> AGM along with prominent land-mark is given in the Annual Report.
  17. Payment of Dividend through electronic means:
    - (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solution Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent – M/s Karvy Fintech Private Limited. Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.
    - (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the Members.
  18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account/folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
  19. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.
  20. Pursuant to the requirements of Corporate Governance, brief resume of the Directors proposed for appointment/reappointment are annexed with the Notice.
  21. Voting through electronic means
    - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFPL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
    - ii. The Board of Directors has appointed Shri Santosh Kumar Pradhan, Practicing Company Secretary (C.P.No. 7647) as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
    - iii. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM to the members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.
    - iv. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
    - v. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
    - vi. The details of the process and manner for remote e-voting are explained herein below:
      - A. In case a Member receives Notice of 54<sup>th</sup> AGM through email [for members whose email IDs are registered with the Company/ Depository Participant(s)/RTA]:
        - i. Initial pass word is provided in the body of the e-mail.
        - ii. Launch internet browser by typing the following URL: <https://evoting.karvy.com>.
        - iii. Enter the login credentials i.e., User ID and password mentioned in your email. Your Folio No/DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
        - iv. After entering the details appropriately, click on LOGIN.
        - v. You will reach the Password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
        - vi. You need to log in again with the new credentials.
        - vii. On successful login, the system will prompt you to select the EVENT i.e., Engineers India Limited.
        - viii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes



assenting/dissenting to the resolution then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
  - x. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
  - xi. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail id [eil.scrutinizer@karvy.com](mailto:eil.scrutinizer@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name\_EVENT No."
  - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the "download" section of <https://evoting.karvy.com> or call M/s Karvy Fintech Private Limited on 1800 345 4001(toll free).
- B. In case a Member receives physical copy of the Notice of 54<sup>th</sup> AGM [for members whose email IDs are not registered with the Company/Depository Participants(s)/RTA or requesting physical copy]:
- i. User ID and Initial pass word as provided.
  - ii. Please follow all steps from Sl. No.(ii)to Sl. No.(xii)above, to cast vote.

#### General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upto five unsuccessful attempts to key in correct password. In such event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password/" option available on <https://evoting.karvy.com> to reset the password.
2. Details of the person who can be contacted for any grievances connected with facility for voting by electronic means:-

Shri Mohsin Uddin, Sr. Manager  
M/s Karvy Fintech Private Limited  
Karvy Selenium Tower-B,  
Plot No. 31&32 Gachibowli, Financial District

Nanakramguda, Serilingampally

Hyderabad-500 032

Toll Free No. 1800 345 4001 Email: [evoting@karvy.com](mailto:evoting@karvy.com)

#### Other Instructions

- I. The e-voting period commences on Monday, 23<sup>rd</sup> September, 2019 at 9.30 a.m. (IST) and ends on Wednesday, 25<sup>th</sup> September, 2019 at 5.00 p.m. (IST). During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 19<sup>th</sup> September, 2019, may cast their vote by remote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
- iii. Any person, who acquires shares of the Company and become a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Thursday, 19<sup>th</sup> September, 2019 may obtain the login ID and password by sending a request at [mohsin.mohd@karvy.com](mailto:mohsin.mohd@karvy.com).
- iv. The Chairman & Managing Director shall, at the 54<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the 54<sup>th</sup> AGM but have not cast their votes by availing the remote e-voting facility.
- v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman & Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vi. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company at <https://www.engineersindia.com> and on the website of KFPL at <https://evoting.karvy.com> immediately. The results shall be forwarded to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed within statutory period.
- vii. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 54<sup>th</sup> Annual General Meeting i.e. Thursday, 26<sup>th</sup> September, 2019.
- viii. **No Gifts, gift coupons or cash in lieu of gifts shall be distributed to Members in the Annual General Meeting or afterwards.**

### Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 6 to 14 of the accompanying Notice:

#### Item No.6

Shri Sunil Bhatia was appointed as an Additional Director and designated as Director (Finance) on the Board of EIL effective from 18.10.2018 (i.e. from the date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31016/3/2018-PNG (25938) dated 17.10.2018. Pursuant to the provisions under Section 161 of the Companies Act, 2013, he holds office upto the 54<sup>th</sup> Annual General Meeting of the Company. The Company has received a notice in writing from himself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri Sunil Bhatia, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company on such terms and conditions, remunerations, tenure as may be determined by the President of India/ Govt. of India from time to time.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Shri Sunil Bhatia, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to appoint him as Director of the Company. The Board recommends the resolution for your approval.

#### Item No. 7

In terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, the Board of Directors proposes for re-appointment of Dr. (Prof.) Mukesh Khare for a second term of one year commencing from the date of completion of his existing tenure i.e. 19.11.2018 or until further orders of the Government, whichever is earlier. The Company has received a notice in writing from himself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Dr. (Prof.) Mukesh Khare, if appointed, will not be liable to retire by rotation.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the condition specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Brief resume containing, inter-alia, the statutory disclosures have been

given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Dr. (Prof.) Mukesh Khare, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to re-appoint him as Director of the Company. The Board recommends the resolution for your approval as special resolution.

#### Item No. 8

In terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, the Board of Directors proposes for re-appointment of Mrs. Arusha Vasudev for a second term of one year commencing from the date of completion of her existing tenure i.e. 19.11.2018 or until further orders of the Government, whichever is earlier, not be liable to retire by rotation. The Company has received a notice in writing from herself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying her intention as candidate for the office of Director. Mrs. Arusha Vasudev, if appointed, will not liable to retire by rotation.

The Company has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. In the opinion of the Board, she fulfills the condition specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Mrs. Arusha Vasudev, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to re-appoint her as Director of the Company. The Board recommends the resolution for your approval as special resolution.

#### Item No.9

In terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, the Board of Directors proposes for re-appointment of Shri V.K. Deshpande for a second term of one year commencing from the date of completion of his existing tenure i.e. 19.11.2018 or until further orders of the Government, whichever is earlier, not be liable to retire by rotation. The Company has received a notice in writing from himself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri V.K. Deshpande, if appointed, will not liable to retire by rotation.

The Company has received a declaration from him to the effect that he

meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the condition specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the Management of the Company.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Shri V.K. Deshpande, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to re-appoint him as Director of the Company. The Board recommends the resolution for your approval as special resolution.

#### **Item No.10**

In terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, the Board of Directors proposes for re-appointment of Shri Umesh Chander Pandey for a second term of one year commencing from the date of completion of his existing tenure i.e. 19.11.2018 or until further orders of the Government, whichever is earlier, not be liable to retire by rotation. The Company has received a notice in writing from himself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri Umesh Chander Pandey, if appointed, will not liable to retire by rotation.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the condition specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the Management of the Company.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Shri Umesh Chander Pandey, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to re-appoint him as Director of the Company. The Board recommends the resolution for your approval as special resolution.

#### **Item No.11**

Shri Sanjeev Kumar Handa was appointed as an Additional Director and designated as Director (Projects) on the Board of EIL effective from 11.03.2019 (i.e. from the date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/3/2018-PNG(23210) dated 11.03.2019. Pursuant to the provisions under Section 161 of the Companies Act, 2013, he holds office upto the 54<sup>th</sup> Annual General Meeting of the Company. The Company has received a notice in writing from himself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri Sanjeev Kumar Handa, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company on such terms and conditions, remunerations, tenure as may be determined by the President of India/ Govt. of India from time to time.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Shri Sanjeev Kumar Handa, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to appoint him as Director of the Company. The Board recommends the resolution for your approval.

#### **Item No.12**

Shri Bollavaram Nagabhushana Reddy has been appointed as an Additional Director (Government Nominee) on the Board of EIL effective from 27.05.2019 in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/1/2016-CA/FTS:42979 dated 27.05.2019. In terms of Section 161 of the Companies Act, 2013, he holds office upto 54<sup>th</sup> Annual General Meeting of the Company. The Company has received notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying intentions to propose Shri Bollavaram Nagabhushana Reddy as candidature for the office of Director. Shri Bollavaram Nagabhushana Reddy, if appointed, will be liable to retire by rotation under Section 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company for a period of three years on co-terminus basis or until further orders, whichever is earlier.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Shri Bollavaram Nagabhushana Reddy, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

#### **Item No.13**

Shri M. Arulmurugan was appointed as an Additional Director (Non-official Independent) on the Board of EIL effective from 17.07.2019 (i.e.



from the date of allotment of DIN) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/2/2018-CA/PNG(25758) dated 12.07.2019. Pursuant to the provisions under Section 161 of the Companies Act, 2013, he holds office upto the 54<sup>th</sup> Annual General Meeting of the Company. The Company has received a notice in writing from himself pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention as candidate for the office of Director. Shri M. Arulmurugan, if appointed, will not be liable to retire by rotation.

Brief resume containing, inter-alia, the statutory disclosures have been given in the Annexure to the Notice of 54<sup>th</sup> Annual General Meeting.

Except Shri M. Arulmurugan, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned financially or otherwise in the resolution.

The Board of Directors considers that in view of the background and experience Shri M. Arulmurugan, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

#### Item No.14

The existing Articles of Association of the Company are based on the Companies Act, 1956. Upon enactment of the Companies Act, 2013,

various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 8<sup>th</sup> August 2019 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

Copy of the proposed AOA is uploaded on the website of the Company at [www.engineersindia.com](http://www.engineersindia.com) under the Investor Information section, and is available for inspection by members of the Registered Office of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the directors, Key Managerial Personnel and their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 14 except as may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the company.

Your Directors re-commend passing of this resolution by way of a special resolution.

*All documents referred in item nos. 6 to 14 are open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.*

By order of the Board of Directors

Place: New Delhi

Date : August 9 , 2019

Registered Office:

Engineers India Bhawan

1, Bhikaji Cama Place,

New Delhi – 110066

CIN:L74899DL1965GOI004352

Tel : 91 11 26100258

Email : [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in)

Website : [www.engineersindia.com](http://www.engineersindia.com)

(S. K. Padhi)  
Company Secretary

**NOTICE**  
**ANNEXURE TO THE NOTICE**  
**BRIEF DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT/RE-APPOINTMENT**  
**AT THE 54<sup>th</sup> ANNUAL GENERAL MEETING**

Item No. 3

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Shri Vipin Chander Bhandari   |
| <b>Date of Birth/Age</b>  | : | 22.02.1960/59 Years   |
| <b>Date of appointment</b>  | : | 26.08.2016  |
| <b>Qualification</b>  | : | B.Sc Engineering in Electrical from Delhi College of Engineering, 1981. MBA from FMS, University of Delhi.  |
| <b>Share holding in EIL</b>   | : | 280 equity shares   |
| <b>Experience in specific Functional Areas</b>  | : | He joined EIL in 1981 as a Management Trainee and has vast and rich experience of more than 37 years in the areas of Design and Engineering, Project Management and Human Resource Management. Sh. Bhandari has been overseeing the integration of HR in the business process in EIL while also promoting creating an inclusive workplace ecosystem. He has been deeply involved in various strategic exercises and in developing the Mentoring process and Management Pipeline Programme. He has continually endeavoured to transform HR as a strategic partner in the Company's operations and has taken several initiatives towards Talent Management, Training & Development, Performance Management, Employee Engagement & Retention, CSR & Brand Building. He is a Chartered Engineer and a member of the Institution of Engineers. |
| <b>Directorship held in other Public Companies</b>                                      | : | NIL   |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member- Stakeholders' Relationship Committee-EIL  |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |

Item No. 4

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | Shri Lalit Kumar Vijn  |
| <b>Date of Birth/Age</b>  | : | 30.07.1960/ 59 Years   |
| <b>Date of appointment</b>  | : | 02.05.2018   |
| <b>Qualification</b>  | : | B.Tech in Chemical Engineering from Department of Chemical Engineering & Technology, Punjab University, Chandigarh (1981)  |
| <b>Share holding in EIL</b>   | : | 680 equity share   |
| <b>Experience in specific Functional Areas</b>  | : | He has over 37 years of experience in EIL in various divisions of Technical Directorate in the fields of Process Design, Technology Development & Commercialization, Plant Operation, Process Safety and other Specialist Design & Engineering Services across entire hydrocarbon value chain in areas of Refineries, Petrochemicals, Oil & Gas Processing (both on-shore & off-shore), Fertilizers, cross country pipelines, crude oil & products storage terminal, LPG storage terminals, LNG storage & re-gasification terminal and strategic petroleum reserves (caverns). After joining EIL in 1982 in Process Design division, he has served in various capacities in technology directorate and has handled many green field and brown field expansion projects in all areas of EIL's operations. As Executive Director In-charge (Technical), he had been responsible for leading and guiding various Technical divisions in EIL involved in above areas and activities. Prior to joining EIL, he had a short stint in JCT, Fiber Division, Hosiarpur. |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers and Chemicals Limited (RFCL)  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | NIL  |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | Brother in-law of Shri Rakesh Kumar Sabharwal<br>Director (Commercial)   |

## Item No. 6

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Shri Sunil Bhatia   |
| <b>Date of Birth/Age</b>  | : | 09.06. 1961/58 Years  |
| <b>Date of appointment</b>  | : | 18.10.2018  |
| <b>Qualification</b>  | : | B.Com (Hons), M.Com, FCMA   |
| <b>Share holding in EIL</b>   | : | NIL   |
| <b>Experience in specific Functional Areas</b>  | : | In a career spanning over 32 years, Shri Bhatia has worked in a wide array of domains including Financial Planning, Projects, Manufacturing, Marketing, setting up Joint Ventures, etc. He also possesses vast experience in Project execution, raising of debt & equity and financial closure of Projects. Prior to joining EIL, Shri Bhatia was Chief Financial Officer of Ramagundam Fertilizers and Chemicals Ltd, Joint Venture company of EIL, National Fertilizers Ltd. and Fertilizer Corporation of India Ltd. |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers and Chemicals Limited (RFCL)<br>Certifications Engineers International Limited (CEIL)  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member – Audit Committee -RFCL<br>Member – Stakeholders’ Relationship Committee - EIL<br>Member – Audit Committee - CEIL  |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |

## Item No.7

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Dr. (Prof.) Mukesh Khare  |
| <b>Date of Birth/Age</b>  | : | 01.01. 1956/63 Years  |
| <b>Date of appointment</b>  | : | 20.11.2015  |
| <b>Qualification</b>  | : | B. Tech (Civil Engineering), University of Roorkee M. Tech (Civil Engineering), University of Roorkee Ph.D (Faculty of Engineering), Newcastle University, UK   |
| <b>Share holding in EIL</b>   | : | Nil   |
| <b>Experience in specific Functional Areas</b>  | : | He is the Fellow of Institution of Engineers India and Fellow of Wessex Institute of Great Britain. With a specialisation in air quality modelling, his experience has covered Research and Development Studies, Teaching, consulting, Modelling, Editorial activities. In addition, he has authored more than 150 Research publications primarily for peer reviewed journals and conference proceedings. |
| <b>Directorship held in other Public Companies</b>                                      | : | Nil   |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member – Stakeholders’ Relationship Committee - EIL   |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |



**Item No.8**

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | Mrs. Arusha Vasudev  |
| <b>Date of Birth/Age</b>  | : | 15.03.1955/64 Years  |
| <b>Date of appointment</b>  | : | 15.12.2015   |
| <b>Qualification</b>  | : | BA   |
| <b>Share holding in EIL</b>   | : | Nil  |
| <b>Experience in specific Functional Areas</b>  | : | A highly capable ex-officer with 36 years of experience with the Government of India mainly in the Customs, Excise and Service Tax. Excellent Leader and Manager of Human Resources with extensive experience of dealing with various strata of bureaucratic work force, as well as interaction with the trade and industry. Extensive experience in law enforcement including anti-smuggling and commercial frauds as well as anti-corruption measures. |
| <b>Directorship held in other Public Companies</b>                                      | : | Nil  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member – Audit Committee -EIL  |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None   |

**Item No.9**

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | Shri V.K. Deshpande  |
| <b>Date of Birth/Age</b>  | : | 26.10. 1953/65 Years   |
| <b>Date of appointment</b>  | : | 20.11.2015   |
| <b>Qualification</b>  | : | B.E. (Civil), MIE  |
| <b>Share holding in EIL</b>   | : | Nil  |
| <b>Experience in specific Functional Areas</b>  | : | He has 45 years of rich experience in the fields of Project Management, planning and coordination, Tender Bid Preparation and contracts management, budgeting and costing of Infrastructure Projects and heavy industrial structures, with expertise in carrying out Techno-Economic Validation and viabilities studies of BOT/ BOOT/BOOST and BOO projects. He is a founder member of Unison Project Management Pvt. Ltd. and has worked as Managing Director of the Company from 1997 till March, 2015. Prior to Unison, he has worked with reputed corporate houses in India and abroad at various positions. |
| <b>Directorship held in other Public Companies</b>                                      | : | Nil  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Nil  |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None   |



## Item No.10

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Shri Umesh Chandra Pandey   |
| <b>Date of Birth/Age</b>  | : | 01.01. 1961/58 Years  |
| <b>Date of appointment</b>  | : | 20.11.2015  |
| <b>Qualification</b>  | : | B.Com, FCA  |
| <b>Share holding in EIL</b>   | : | Nil   |
| <b>Experience in specific Functional Areas</b>  | : | He is a fellow member of the ICAI having more than 28 years of experience in the field of Statutory Audit of Listed and Public Limited Companies, Banks and Public Sector Undertakings etc. He is also having a vast exposure in the matters of taxation for domestic and transfer pricing and statutory compliance audit under Direct, Indirect Tax and Labour laws. He has specialised knowledge in due diligence of MSME and Heavy Industries and preparation of project reports of various types of projects. |
| <b>Directorship held in other Public Companies</b>                                      | : | Nil   |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Chairman -Audit Committee -EIL  |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |

## Item No.11

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Shri Sanjeev Kumar Handa  |
| <b>Date of Birth/Age</b>  | : | 24.09.1962/56 years   |
| <b>Date of appointment</b>  | : | 11.03.2019  |
| <b>Qualification</b>  | : | B. Tech(Hons.), ICWA (I)  |
| <b>Share holding in EIL</b>   | : | 2143 equity shares  |
| <b>Experience in specific Functional Areas</b>  | : | He has Joined EIL as Management Trainee in the year 1983 & worked as Process Design Engineer in various areas of technical directorate including Refineries, Pipelines, Oil & Gas & Petrochemicals. |
| <b>Directorship held in other Public Companies</b>                                      | : | Nil   |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member – Audit Committee -EIL   |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |

**Item No.12**

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Shri Bollavaram Nagabhushana Reddy  |
| <b>Date of Birth/Age</b>  | : | 01.06.1966/53 years   |
| <b>Date of appointment</b>  | : | 27.05.2019  |
| <b>Qualification</b>  | : | Master's Degree in Thermal Engineering from IIT, Bombay, and Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology and Science (BITS), Pilani.BA   |
| <b>Share holding in EIL</b>   | : | Nil   |
| <b>Experience in specific Functional Areas</b>  | : | Shri. B.N. Reddy joined the Indian Foreign Service (IFS) in 1993, and has served in Indian Missions in Indonesia (1995-98), Lao PDR (1998-2001), New York (Permanent Mission of India) (2005-2008), Malaysia (2008-2011) and Geneva (as the DPR in Permanent Mission of India) (2013-16). He has served in the Ministry of External Affairs in the Administration Division and subsequently as the Director/Joint Secretary to the External Affairs Minister of India. Shri. Reddy served as the High Commissioner of India to Nigeria from June 2016 to December, 2018. He is currently working as joint Secretary OSD(IC) in the Ministry of Petroleum and Natural Gas. |
| <b>Directorship held in other Public Companies</b>                                      | : | Indian Strategic Petroleum Reserves Limited, ONGC Videsh Limited  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Nil   |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |

**Item No.13**

|   |   |   |
|---|---|---|
| <b>Name</b>   | : | Shri M. Arulmurugan   |
| <b>Date of Birth/Age</b>  | : | 05.04.1966/ 53 years  |
| <b>Date of appointment</b>  | : | 17.07.2019  |
| <b>Qualification</b>  | : | Graduation in Civil Engineering from VRCE Nagpur, Post Graduation in Structural Engineering from CIT Coimbatore under Anna University Chennai.  |
| <b>Share holding in EIL</b>   | : | Nil   |
| <b>Experience in specific Functional Areas</b>  | : | Shri M. Arulmurugan is Valuer for Major Banks, Public Sector Undertakings, valuations for Infrastructural valuations for NHAI and Power plants. Member American Society of Civil Engineers, Indian society of Earthquake Technology, Indian Concrete Institute, Fellow in Association of Consulting Civil Engineers (I), Competent person for Stability of Structures. Completed Various RCC structures with seismic resistant technology including structures for Tsunami affected people in Tamilnadu. Social Activist, Eminent person in ONGC School Management Committee. |
| <b>Directorship held in other Public Companies</b>                                      | : | Nil   |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Nil   |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None  |

\* Audit & Stakeholders Relationship Committee

## Directors' Report

To

The Shareholders  
Engineers India Limited

Dear Members,

Directors of your Company have great pleasure in presenting the 54<sup>th</sup> Annual Report for the Financial Year ended March 31, 2019 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

### 1. 2018-19 in Retrospect

Your Company sustained its good performance during FY 2018-19. The key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with the corresponding performance for the previous year are as under:

#### Financial Performance

(Figures in ₹ Lakhs)

| Sl. No.                                 | Description                                   | Actual 2018-19 | Actual 2017-18 |
|---|---|----------------|----------------|
| <b>A. INCOME</b>                        |   |                |                |
| i)                                      | Consultancy & Engineering Contracts           | 134947         | 137929         |
| ii)                                     | Turnkey Contracts                             | 109487         | 40829          |
| iii)                                    | Other Income                                  | 22508          | 17947          |
|   | <b>TOTAL INCOME</b>                           | <b>266942</b>  | <b>196705</b>  |
| <b>B. EXPENDITURE</b>                   |   |                |                |
| i)                                      | Cost of rendering services                    | 207955         | 137512         |
| ii)                                     | Depreciation & Amortization                   | 2236           | 2383           |
|   | <b>Total</b>                                  | <b>210191</b>  | <b>139895</b>  |
| <b>C. PROFIT BEFORE TAX (A-B)</b>       |   | <b>56751</b>   | <b>56810</b>   |
| D.                                      | Provision for Current tax                     | 19470          | 21669          |
| E.                                      | Provision for Deferred Tax                    | 871            | (3179)         |
| F.                                      | Earlier Year Tax Adjustments, Short/ (Excess) | (597)          | 533            |
| <b>G. PROFIT FOR THE YEAR (C-D-E-F)</b> |   | <b>37007</b>   | <b>37787</b>   |
| <b>H. OTHER COMPREHENSIVE INCOME</b>    |   | <b>(158)</b>   | <b>460</b>     |
| <b>I. TOTAL COMPREHENSIVE INCOME</b>    |   | <b>36849</b>   | <b>38247</b>   |

#### Segment wise Performance

(Figures in ₹ Lakhs)

| Consultancy & Engineering Projects | Year ended 31.03.2019 | Year ended 31.03.2018 |
|------------------------------------|-----------------------|-----------------------|
| <b>Segment Revenue</b>             |                       |                       |
| Consultancy & Engineering Projects | 134947                | 137929                |
| Turnkey Projects                   | 109487                | 40829                 |
| <b>Total</b>                       | <b>244434</b>         | <b>178758</b>         |

| Consultancy & Engineering Projects    | Year ended 31.03.2019 | Year ended 31.03.2018 |
|---------------------------------------|-----------------------|-----------------------|
| <b>Segment Profit From Operations</b> |                       |                       |
| Consultancy & Engineering Projects    | 38938                 | 43027                 |
| Turnkey Projects                      | 6279                  | 7537                  |
| <b>Total (A)</b>                      | <b>45217</b>          | <b>50564</b>          |
| Interest                              | 123                   | 57                    |
| Other un-allocable expenditure*       | 10851                 | 11644                 |
| <b>Total (B)</b>                      | <b>10974</b>          | <b>11701</b>          |
| <b>Other Income (C)</b>               | <b>22508</b>          | <b>17947</b>          |
| <b>Profit Before Tax (A-B+C)</b>      | <b>56751</b>          | <b>56810</b>          |
| <b>Income Tax Expense</b>             | <b>19744</b>          | <b>19023</b>          |
| <b>Profit for the year</b>            | <b>37007</b>          | <b>37787</b>          |
| <b>Capital Employed **</b>            | <b>227585</b>         | <b>226787</b>         |

\* Financial year 2018-19 includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹ 1794 Lakhs (previous year: ₹ 2,643 Lakhs)

\*\* Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

### 2. Dividend

The Board of Directors of the Company has recommended a final dividend of ₹ 0.75/- per share (of face value of ₹ 5/- per share) for the financial year 2018-19, in addition to ₹ 3.25/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2018-19 works out to ₹ 4/- per share amounting to ₹ 25276.46 Lakhs excluding dividend distribution tax. The payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company which shall be paid to the Members whose names appear in the Register of Members as well as beneficial ownership position provided by NSDL/ CDSL as on 19<sup>th</sup> September, 2019.

### 3. Transfer to Reserves

The Company is proposing to transfer to general reserve, after adjustment of payment of proposed final dividend (including dividend tax-subject to the approval of the shareholders in AGM), from retained earnings balance of ₹ 12039.47 Lakhs as on 31<sup>st</sup> March, 2019.

### 4. Disinvestment by the Government of India

During the year, the President of India acting through the Ministry of Petroleum & Natural Gas has disinvested 1,25,738 equity shares to "Bharat 22 ETF" through a New Fund Offer in terms of scheme framed in this regard. Consequently, the Government of India (Promoter) share holding as on 31.03.2019 stands reduced to 52% (32,85,63,993 equity shares).



## 5. Investor Relations

It has been a constant endeavour of your Company to achieve highest standards of corporate governance and all measures are undertaken to enhance market confidence and improve shareholder engagement through periodic, regular, transparent and open communication.

The Management is committed to sharing information with investor community on the Company's performance and convey essential updates on likely expected projects, new business initiatives, future outlook, industry insights and avenues of growth potential and investment plans periodically.

Investor Relations provides timely communication of such information which acts as an effective bridge between the Management and Investor community. The Investor Relations Cell handles all investor concerns and issues efficiently, aligning it with disclosure requirements, transparency and Corporate Governance Rules & Regulations, thereby inculcating a "trust relationship" with the stakeholders.

The Management and Investor Relations Cell are actively communicating with the investors by means of one-on-one meetings, conference calls, investor conferences, road shows, etc. The print and web media are also being utilized for timely dissemination of vital information, which is extremely significant in the financial world.

## 6. Management Discussion & Analysis

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis is set out in this Annual Report.

## 7. Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for top 500 listed entities based on market capitalisation. In compliance with the Listing Regulations, we have integrated BRR disclosures into our Annual Report.

## 8. Consultancy Assignments (Domestic)

### 8.1 Offshore Oil & Gas and LNG Projects

During the year, EIL continued to make considerable progress in Offshore Oil & Gas and LNG sectors.

The following consultancy assignments were successfully completed during the year:

- Underwater structural repair of HC Platform in Heera Field of Oil and Natural Gas Corporation (ONGC), Western Offshore.
- Feasibility of Developing a Crude Oil Tank Farm and associated POL storage facilities at Jawahar Dweep, Mumbai Port Trust, Maharashtra.

The following assignments are currently under execution:

- Construction of Fifth Oil Berth at Jawahar Dweep Island of Mumbai Port Trust, Maharashtra.
- Life extension of Well Head Platform of ONGC, Western Offshore.
- PMC services for Dahej Expansion Phase –III B1 project at Dahej LNG Terminal, Gujarat for Re-gasification facilities for Petronet LNG Limited, Gujarat.

During the year, EIL secured the following assignments against stiff competition and works are under implementation:

- Consultancy services for preparation of DFR for Additional Crude Unloading, Storage & Transportation Facilities at Mundra, Gujarat.
- Study/ Demo Unit Design for Utilization of Waste Heat from

produced water for heating well fluid in ONGC Group Gathering Station (GGS) IV, North Kadi, Mehsana, Gujarat.

## 8.2 Pipelines

EIL is credited with design, engineering and execution of 48 pipeline projects including cross-country pipelines for transportation of crude oil, refined petroleum products, natural gas and LPG across diverse geographies and demanding terrains.

The following Pipeline Projects were successfully completed during the year:

- EPCM services for Heat Traced Pipeline projects with associated facilities at Mumbai & Kochi refineries of Bharat Petroleum Corporation Limited (BPCL).
- Surge Analysis Study for Vadinar - Bina Pipeline Project of Bharat Oman Refineries Limited (BORL), Madhya Pradesh.

During the year, considerable progress has been achieved in the following pipeline projects:

- PMC services for 18" x 45 km Re-routing of Mumbai-Manmad Pipeline for BPCL.
- PMC services for 24"/18"/8"/4" x 243 km Replacement of KG Basin Pipeline for GAIL.
- PMC services for 12"/ 8" x 450 km Kochi-Salem LPG Pipeline for Kochi Salem Pipeline Private Limited (KSPPL).
- PMC services for capacity augmentation of Jamnagar-Loni LPG Pipeline for GAIL.
- Modification/ Revamp of Vijapur and Vaghodia HBJ/ DVPL system for GAIL for rich gas/lean gas interconnection.
- PMC services for 30"/ 24"/ 18"/ 12" x 827 km Dobhi-Durgapur-Haldia Natural gas pipeline of GAIL.
- PMC services for 36" x 357 km Vijapur-Auraiya Natural Gas Pipeline of GAIL.
- EPCM services for Palanpur-Vadodara Pipeline and Mundra-Delhi Pipeline capacity expansion Project of Hindustan Petroleum Corporation Limited (HPCL).
- Engineering and Procurement Services for Capacity Expansion of Mundra-Bhatinda Pipeline of HPCL-Mittal Pipeline Ltd.
- Upgradation project for enhancement of pumping capacity of Barauni-Bongaigaon-Guwahati Sector of Naharkatia-Barauni Crude Oil Pipeline for Oil India Limited (OIL).
- PMC services for new selected C<sub>2</sub>-C<sub>3</sub> product injection scheme in HVJ pipeline at GAIL, Vijapur.
- Engineering, Procurement, Inspection & Expediting, Construction Supervision, Pre-commissioning & Commissioning assistance services for laying of 16" x 4.2 km pipeline from H<sub>2</sub>SO<sub>4</sub> Tank of Indian Oil Corporation Limited (IOCL) Haldia Refinery to existing IOCL jetty.
- PMC services for HPCL Rajasthan Refinery Limited (HRRL) Onshore Pipeline Project: 52" x 210 km-Raw Water Pipeline, 12" x 70 km-Mangla Crude Pipeline, 30" x 510 km Crude pipeline and 16" x 90 km-Rageshwari Gas Pipeline.

The following project assignments were secured by the Company during the year and are in various stages of execution:

- Owner Engineer services for 30"/18"/12" x 931 km Mehsana Bathinda Pipeline Project (Balance Section-30") of GSPL India Gasnet Limited.

- EPCM services for 10" x 131 km, HSD, Siliguri, India to Parbatipur, Bangladesh Pipeline of India-Bangladesh Friendship Pipeline Project (IBFPL).
- PMC services for Storage Augmentation of LHC Products at GAIL, Vijaipur.
- PMC services for sustained evacuation of natural gas from ONGC Gandhar Fields into High Pressure HVJ-DVPL and DVPL Upgradation Natural Gas Pipeline network.
- Detailed Feasibility Report (DFR) for Pipelines for Rasayani Complex, Raigad for BPCL.
- PMC Services for Balance Jobs of Dabhol LNG Terminal of M/s. Konkan LNG Pvt. Ltd.
- DFR, QRA/RRA for Revamp of LPG Import Facility at Uran for BPCL.

### 8.3 Petroleum Refining

EIL has played a pivotal role in shaping the contours of refinery sector in India, having built combined refining capacity of more than 150 MMTPA (3 million BPD) in the country. Its portfolio includes grass root refineries, Diesel Hydro-desulphurization projects, Fuel Specification Upgradation Projects and revamp/ modernization projects for most of the oil & gas majors.

The following Refinery Projects were successfully completed during the year:

- PMC services (Phase-II) for Revamp and Capacity Enhancement Project of BOREL Refinery for increasing refining capacity from 6.0 MMTPA to 7.8 MMTPA.
- Pre-Project Activity for Vizag Refinery Modernization Project: Construction of new utility buildings for relocating existing facilities as part of revised pre-project activities of Vizag Refinery Modernization Project (VRMP), HPCL, Andhra Pradesh.
- HGU Revamp, SRU/O<sub>2</sub> enrichment, SWS revamp and CDU-III revamp of BPCL, Mumbai Refinery.
- Preparation of DFR and Licensor Selection for process units of Cauvery Basin Refinery project of Chennai Petroleum Corporation Limited (CPCL) at Nagapattinam, Tamil Nadu.

During the year, the Company achieved significant progress in the following projects:

- Distillate Yield Improvement Project at IOCL Haldia Refinery.
- EPCM services for 0.7 MMTPA DHDT and supporting facilities project at Numaligarh Refinery of NRL.
- EPCM services for LPG Import facility at BPCL, Haldia.
- MR-II Tankages project at HPCL Mumbai Refinery.
- Vizag Refinery Modernization Project of HPCL Vizag.
- BS-VI up-gradation project for six refineries of IOCL at Vadodara, Panipat, Mathura, Haldia, Bongaigaon and Digboi.
- EPCM Services for BS-VI Fuel Quality Project of HMEL, Bathinda Refinery.
- EPCM services for BS-VI project & associated facilities at MRPL Refinery at Mangalore.
- Mumbai Refinery Expansion Project (MREP) at HPCL Mumbai Refinery.
- PMC and EPCM services for Gasoline Hydro treating Unit Project at BPCL Mumbai Refinery.
- PMC and EPCM services for BS-VI Project at BPCL Kochi Refinery.
- Pre Feasibility Report (PFR) and Site Selection for West Coast

Refinery of RRPCL (Ratnagiri Refinery & Petrochemicals Corporation Limited).

- BDEP and other services for installation of INDJET Unit (ATF Hydro Treating Process) at IOCL Barauni Refinery.
- License, BDEP and other related services for new 0.235 MMTPA NHT Unit and revamp of existing DHDT Unit at Bongaigaon Refinery of IOCL.

The following project assignments were secured by the Company in the Petroleum Refining Segment during the year and good progress has been achieved in these projects:

- State-of-the-art Grassroot Rajasthan Refinery Project of HRRL at Barmer, Rajasthan: Project comprises PMC services for Refinery units (CDU/VDU, DCU, VGO-HDT, DHDT/HGU, PFCC, MS Block, Sulphur Block), Petrochemical units (DFCU, LLDPE/HDPE, PPU & Butene-1), SPM/COT, Township & associated Pipelines and execution of Residual Utilities & Offsite on OBE basis.
- Detailed Design Consultancy services contract, awarded by NRL for MS Block Revamp Project at Numaligarh.
- EPCM Services for Elevated Hot LPG Flare System at BDT Bina project of BPCL.
- Health Assessment, Engineering, Procurement Assistance for Revival of Hydrocracker Unit at BPCL Mumbai Refinery.
- Licensor Selection of Hydrogen-based Residue Upgradation Unit (RUF), HGU and SRU under MREP Phase-II at HPCL Mumbai Refinery.
- Consultancy services for preparation of Feasibility Study for capacity expansion of BOREL Bina Refinery, Madhya Pradesh from 7.8 MMTPA to 15 MMTPA with integrated petrochemical complex.
- Water consumption studies of all IOCL, BPCL, HPCL and CPCL refineries.
- EIA & RRA Study for PRFCC at Mumbai Refinery (MR) of BPCL, Polypropylene Unit at Rasayani and Pipelines from MR to Rasayani.

### 8.4 Petrochemicals

EIL has been involved in the establishment of Ten mega petrochemical complexes in India. The Company has provided Engineering Consultancy services for various processes including Gas based/ Naphtha based cracker complexes and Aromatic plants comprising Naphtha splitters, pre-treaters/ reformers, Benzene-Toluene extraction units, pyrolysis gasoline hydrogenation units, Xylene fractionation and Isomerization units including overall integration and optimization of such complexes.

The following Petrochemical assignments were successfully completed during the year:

- DFR for expansion of DFSU capacity from 1200 KTPA to 1500 KTPA for HMEL, Bathinda, Punjab.

Significant progress has been made in the following petrochemical project assignments:

- Propylene Derivative Petrochemical Plant (PDPP) of BPCL Kochi Refinery.
- LEPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited at Namrup.
- GGSR Polymer Addition Project of HMEL at Bhatinda.
- Consultancy Services for DFR, EIA/RRA and Licensor Selection for Propane Dehydrogenation (PDH)/ Polypropylene (PP) Unit at GAIL Usar.

The following assignments were secured by the Company in Petrochemical sector during the year and are in progress:

- Consultancy services for preparation of DFR for capacity expansion of Guru Gobind Singh Polymer Addition Project of HMEL.
- Process development and BEDP preparation of Carbonation Process for Alkaline Waste water at GAIL Pata.

#### 8.5 Strategic Storages

The Strategic Crude Oil Storage Programme is the flagship energy security initiative of the Govt. of India which aims at creating a buffer stock of crude oil in underground caverns to meet requirements in case of any disruption of supplies from abroad.

Under Phase-I of the Strategic Storage programme, EIL provided PMC services to Indian Strategic Petroleum Reserves Limited (ISPRL) for construction of underground unlined rock cavern storages in Vishakhapatnam, Mangalore and Padur having a total capacity of 5.33 MMT. During the year, Mangalore-Padur Pipeline, 110 kV HT line and Padur carven in Karnataka have been commissioned. The strategic storages at Vizag, Mangalore and Padur were also dedicated to the nation by Hon'ble Prime Minister of India.

#### 8.6 Metallurgy

EIL is a leading engineering consultancy service provider for non-ferrous metallurgy sector having executed a large number of green field smelter and alumina refineries in India.

During the year, following key metallurgy assignments were completed:

- DPR for National Aluminium Company Limited's (NALCO) brownfield smelter of APXe (500 KA) pot line and upgradation of existing pot line from 180 KA to 220 KA.
- Consultancy Services for Comprehensive Geostatistical Resource Evaluation and Resource Classification of Polymetallic Nodules in the Central Indian Ocean Basin for National Institute of Oceanography.
- Study for structure strengthening in Hindalco plant.
- PMC services for commissioning of Rectifier in NALCO Alumina Refinery, Damanjodi.

During the year, the Company achieved significant progress in following assignments:

- Consultancy services for 2nd Raw Water Plant at NALCO Alumina Refinery, Damanjodi.
- Consultancy services for implementation of revised plant operation philosophy (Electrical) for NALCO Alumina Refinery, Damanjodi.
- Consultancy services for procurement and installation of Reclaimer and Associated Facilities in NALCO Alumina Refinery, Damanjodi.
- DFR for mechanized production and evacuation for Kurmitar Iron Ore Mines of Odisha Mining Corporation Limited.
- DFR for Kodingamali Bauxite Mines of Odisha Mining Corporation Limited.
- Consultancy services for Retrofitting of HRD (High Rate Decanter) and DCW (Deep Cone Washer) in Stream-1, Stream-2 & Stream-3 of NALCO's Alumina Refinery at Damanjodi.

The following assignments were secured by the Company in Metallurgy sector during the year and were successfully completed:

- Preparation of Technical Assessment Report for requirement of

land, water & power for NALCO's aluminium downstream project.

- Consultancy services for assessment of land requirement for expansion of alumina refinery of Vedanta.

#### 8.7 Infrastructure

EIL's foray into the Infrastructure sector has met with great success with the Company having executed a large number of projects for key clients in the sector. The Company's wide spectrum of services for this sector include Project Management, Project Management on Depository Basis, Third Party Inspection (TPI), Quality Assurance, Independent Engineer & Lender's Engineer services and Project Appraisal and Project Execution Services.

During the year, following major assignments were completed:

- PMCServices for
  - Headquarter Building in Delhi for Unique Identification Authority of India (UIDAI).
  - Data Centre in Hyderabad for SBI.
  - Housing Project of Gujarat Housing Board.
  - Bhamashah State Data Centre in Jaipur for Department of Information Technology & Communication (DoIT&C), Government of Rajasthan.

EIL continued to achieve substantial progress in the following assignments:

- PMCServices for
  - Rejuvenation of 9 cities of Odisha under AMRUT Scheme.
  - Development of IIT Patna Campus, Bihar.
  - Establishment of Main Campus of Central University of Punjab at Bathinda.
  - Establishing Cold Storage Facility at Guntur, Andhra Pradesh.
  - Construction of Domestic Terminal of Leh Airport, Jammu and Kashmir.
  - Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad, Haryana.
  - TPI Services of DoIT&C, Rajasthan.
- Extension of TPI services for Infrastructure Projects of Pune Municipal Corporation, Maharashtra.
- Independent Engineer for Development and Construction of Green Field International Airport at Mopa, Goa.
- PMC for Development of Tourist Infrastructure facilities in and around Khajuraho Group of Temples, Madhya Pradesh.
- Engineering, Procurement, Construction Management and Consultancy Services for Development of Infrastructure Facilities at Khajekhalan Ghat, Patna Sahib, Patna, Bihar.

The Company secured the following Infrastructure assignments during the year:

- PMC Services for Design & Development of new campus for IIM Nagpur at MIHAN.
- Independent Engineering Services for Development and Expansion of IGI Airport at Delhi for AAI.
- PMC services for Residential Complex of UIDAI in Delhi.
- Supervision and PMC services for High Speed Rail Terminal project at Sabarmati of National High Speed Rail Corporation Limited, Gujarat.
- Engineering review and procurement & construction management services for Phase-II of HP Green R&D centre at Bengaluru of HPCL.

### 8.8 Fertilizers

EIL is leveraging its capabilities and global network to tap significant business opportunities presented by fertilizer sector in India and Overseas. As part of strategic investment in Fertilizer sector, EIL has taken 26% equity stakes in a JV Company M/s Ramagundam Fertilizers & Chemicals Ltd. (RFCL) along with NFL and FCIL. RFCL has been formed to pilot the Revival of Ramagundam Fertilizer Project, Telangana. EIL is executing this project on EPCM Mode.

Engineering activities for the project have been completed. Ordering of all equipment has been completed and equipment have been received/ erected at site. Site activities are in full swing and are nearing completion.

### 8.9 Water and Waste Management

EIL's capabilities in Water and Waste Management sector encompass a wide array of Water Treatment projects such as Raw Water intake and treatment systems, Desalination plants, Cooling Water plants, Water Injection plants, Demineralization Plants, Condensate Polishing plants etc. The Company has also evolved basic engineering for standard modules for municipal sewage treatment plants as well as standalone recycle plants.

The following Water and Waste Management assignment was completed during the year:

- Submission of Due Diligence Report for DPR prepared for Narmada Clean Tech.

During the year, the Company achieved significant progress in following assignments:

- Execution of entry level activities including development of Ghats and Crematoriums within Uttar Pradesh and implementation of Sewerage Infrastructure works under the Namami Gange Programme.
- Technical and Financial Audit of Infrastructure works in various Urban Local Bodies (ULB) of Punjab for Punjab Municipal Infrastructure Development Company (PMIDC).
- PMC Services for sewerage system in Ponda Colony- Zones IA & IB of Goa for Sewerage and Infrastructure Development Corporation of Goa Limited (SIDCGL).
- PMC Services for the Interceptor Sewer Project of Delhi Jal Board (DJB) for abatement of pollution in River Yamuna.
- Consultancy Services for Techno-commercial service for Environmental Feasibility Study for Construction of De-salination Plant at Mori, Kesarapally and Malleswaram of ONGC Rajahmundry Asset, Andhra Pradesh.
- EPCM Services for Effluent Treatment Plant at Tengakhat, Assam for OIL.
- PMC services for ETP revamp at BPCL, Mumbai Refinery.

The following assignments were secured by the Company in Water and Waste Management sector during the year and are in progress:

- Preparation of DPR for Development of Treatment Plant and Infrastructure facilities at Jhagadia Pumping Station for Narmada Clean Tech.
- Preparation of DFR for Treated Effluent Pipelines from Ankleshwar and Jhagadia Pumping Station to Gulf of Khambat for Narmada Clean Tech.
- DFR for development of treatment facilities and future pipelines for National Green Tribunal.

### 8.10 Nuclear Power

EIL is making promising inroads in Nuclear power sector as well. Detailed Engineering Consultancy and Construction Supervision for setting-up of Greenfield Nuclear Fuel Complex at Rawatbhata, Kota, Rajasthan is in progress.

### 8.11 Alternate Fuel

In the Alternate Fuel segment, EIL is providing EPCM services for Assam Bio Refinery Project of M/s Assam Bio Refinery Pvt. Ltd., which is a pioneering effort for using state-of-the-art technology for conversion of ligno-cellulosic bio-mass to ethanol on a commercial scale. The project is progressing well on engineering, procurement and construction fronts.

### 8.12 Overseas Assignments

EIL has leveraged its strong track record in the Indian hydrocarbon sector to successfully expand its international operations. Over the years, the Company has emerged as a global player with the execution of a number of prestigious assignments for international energy majors in Middle East, Africa and South East Asia.

During the year, the following overseas assignments were completed:

- Detailed Feasibility Study (DFS) for construction of an Oil Refinery Plant with a Crude Oil Supply Pipeline Project in Mongolia from Ministry of Mining and Heavy Industry, Government of Mongolia.
- Feasibility Study of crude receiving facilities at Ruwais of ADNOC Refining, UAE.
- Design and Detailed Engineering services for EPC for enhancement of Steam Condensate System at ASAB-2 and Implementation of PCR PE1695 Segregation of Hydrocarbon Flare Headers at Unit 13 Habshan-1 for ADNOC Gas Processing, UAE.
- Front End Engineering Design (FEED) for Upgradation of Ethane Flow meter Skid in Train I, II & III (Ruwais) of ADNOC Gas Processing.
- PMC Services for AL DABBIAH ASR Gas Development Project of ADNOC Onshore, UAE.
- FEED/ Detailed Engineering for provision to route high C<sub>3</sub> content sales Gas from H2 to THAMMAMA-F Injection wells of ADNOC Gas Processing.
- Project Management Assistance (PMA) services for improvement of Fire fighting Facilities at Abu Dhabi Refinery for TAKREER, UAE.
- Pre-FEED studies for Crude Receiving Facilities at Ruwais, UAE.
- Consultancy Services for technical study on failure of emergency shutdown valves in Ruwais Refinery (West), UAE.
- Design, drawing and documentation of electrical engineering works for G-station HPH GT#12, GT#21, GT#22 & GT#31 system installation at Jebel Ali, DEWA, UAE.
- FEED to divert excess MP fuel gas to MP gas header – Habshan complex of ADNOC Gas Processing.
- Consultancy study for Waste Water Management at Ruwais Refinery (East) and Abu Dhabi Refinery Division of ADNOC Refining, UAE.
- Technical Consultancy services for CNG station equipment packages, Phase-III of ADNOC Distribution, UAE.
- Engineering services for relocation of Suction Valves in Hot Oil Pumps and resultant piping modifications at Condensate Units 211 and 411 in Ruwais Refinery (East) of ADNOC Refining, UAE.



- Pre-FEED and FEED for enhancement of sales gas export from ASAB for ADNOC Gas Processing.
- FEED for provision of cross over among condensate stabilizers U27 and U200 of ADNOC Gas Processing.
- Installation of Chemical Injection Skids and Solar Power systems in US and ZK Wellhead Towers (WHTs) of ADMA-OPCO, UAE.
- Conduct Study on Upgradation of DEO Flow Meter Skids in Train-1, 2 and 3 in GASCO Ruwais, UAE.
- Technical Support services for Structural Integrity/ Adequacy check of existing Pipe racks at Habshan Plant - Phase 4 of ADNOC Gas Processing.
- Various Engineering Services Assignments under Technical Support Services Agreement (TSSA) for ADNOC Gas Processing (2013-2018).
- Training programs on Heat Exchangers and Heaters as well as engineering design services for BAPCO, Bahrain.

EIL achieved substantial progress in the following overseas assignments:

- EPCM services for the prestigious Dangote Refinery and Petrochemical Project, Nigeria comprising a 650,000 BPSD grassroots Petroleum Refinery and 830 KTPA Petrochemical Complex at Lekki Free Trade Zone, Nigeria for Dangote Oil Refining Company (DORC).
- FEED for 3 MMTPA grass root refinery of Eastern Refinery Limited in Bangladesh.
- PMC services for Rehabilitation and Adaptation of Algiers Refinery of SONATRACH having new units of MS Block, RFCCU, SRU, and revamp of existing units.
- PMC services for Rehabilitation of Ethylene Unit at Skikda Petrochemical Complex of SONATRACH, Algeria.
- Design, Consultancy and PMC Services for Miscellaneous Tank Farm, Piping, Instrumentation and Control System, Inspection, Repair, Maintenance & Upgrade works at various depots of ADNOC Distribution, UAE.
- Detailed Engineering Services for recommended Synergy Tie-ins and MP Steam Lines at Ruwais Fertilizer Complex (FERTIL) for ALSA Engineering & Construction, UAE.
- DFR of 306 km White Petroleum Oil (Multiproduct) Pipeline from Chittagong to Dhaka for Padma Oil Company Limited, Bangladesh.

The following assignments were secured by the Company during the year and are in progress:

- Additional PMC/ EPCM Services for new units, namely, DHDT, SWS and ARU in Dangote Refinery, Nigeria.
- PMC Services for Hail Full Field Development Project of M/s ADOC, Japan.
- Detailed Engineering services for DM & Distillate Water inter transfer system for L&M stations for Jebel Ali power station complex of M/s DEWA, UAE.
- Feasibility Study for energy reduction & optimization at Ruwais Refinery (West) of M/s ADNOC Refining.
- Technical Support Services Agreement (TSSA) (2018-2023) for ADNOC Gas Processing.
- Integrity Assessment of circulation Water Tank T- 5601 of ADNOC Fertilizers, UAE.

- PMC Services for Integrated small & medium sized projects (2018-21) for ADNOC Gas Processing.
- PMC and Engineering Services on Call Off Basis (2018-23) for ADNOC Offshore, UAE.
- Studies/ Engineering Packages (package-1) under ESA for Upper and Lower Zakum/ Artificial Island facilities.

### 8.13 Turnkey Projects

EIL's turnkey project portfolio consists of projects executed on LSTK mode or on the 'Open Book Estimate (OBE)' basis.

The following OBE/ LSTK project assignments were commissioned during the year:

- Modification work at Hazira Plant, Surat, Gujarat under Daman Development Project of ONGC on OBE basis.
- Installation of Lean Gas Compressor at Hazira Plant, Surat, Gujarat of ONGC.

The following OBE/ LSTK projects were in progress during the year:

- Offsites & Utilities facilities for Vizag Refinery Modernization Project.
- BS-VI Project at Manali Refinery of CPCL.
- Revamping of Slug Catcher at Uran Plant of ONGC in Maharashtra.
- Revamping of SRU at Hazira Plant of ONGC in Gujarat.

During the year, EIL was successful in securing the following project on OBE basis, which is now in progress:

- Execution of Residual Utilities and Offsites for Rajasthan Refinery Project of HRRL.

## 9. Performance of Divisions / Departments

### 9.1 Process Design & Development

The Process Design & Development Division is responsible for providing design services for grassroots as well as revamp projects in the fields of Refineries, Petrochemicals, Oil & Gas & cross country Pipelines. The division is also entrusted with design of heat & mass transfer equipment viz., columns, heat exchangers, fired heaters etc. & selection of material of construction for various applications, failure analysis as well as residual life assessment services. The activities undertaken by the division include Configuration Studies using LP modelling techniques, preparation of Feasibility Studies, Technology Evaluation Studies for licensed technologies, Basic design of open art units, EIL licensed units as well as utilities & offsite facilities, Residual process design of licensed units, Detail engineering follow up, Pre-commissioning / Commissioning, Plant start up assistance & Trouble shooting.

The division is also actively involved in supporting Marketing Division towards securing new business for the Company from existing as well as new clients, both in India and overseas.

Major assignments undertaken by the division during the year are as under:

- Basic design of New DHDT (Diesel Hydrotreating) unit at IOCL, Haldia. This Project has received the "PETROTECH 2019 Special Technical Award in the Greening of Oil & Gas Business and Sustainability category".
- Detailed Feasibility Study (DFS) for setting up a grassroots refinery in Mongolia based on local crude. This is the first assignment completed by EIL in Mongolia in a challenging climatic condition.
- PMC for FEED preparation at ERL Refinery Expansion Project, Bangladesh for Eastern Refinery Limited (ERL).

- Completion of Configuration Study and Preparation of Pre-Feasibility Report for 60 MMTPA West Coast Refinery of Ratnagiri Refinery and Petrochemicals Ltd.
- DFR for setting up grassroot marketing terminal facility for petroleum products at Mauritius. The assignment was awarded to EIL based on the Pre-Feasibility Studies (PFR) prepared by EIL. This project will establish the Company's footprints in a new geographical location.
- Completion of DFR for PDH (Propane Dehydrogenation)/PP facility at GAIL, Usar which is a stepping stone towards a new technology.
- PFR for new crude oil tanks and single buoy mooring for ORPIC Sohar Refinery.
- Completion of DFR for Guru Gobind Singh Polymer Addition Project at HMEL, Bhatinda for capacity expansion of Dual Feed Cracker unit and downstream Polymer units.
- Various Process Studies for Crude & Vacuum Distillation unit for BAPCO refinery, Bahrain.
- Study to develop CPP configuration for first grassroot Integrated Refinery cum Petrochemical complex at Barmer, Rajasthan.
- Process activities for Pipeline & LNG assignments undertaken by EIL through various modes of execution.
- Technical Feasibility Study of proposed modifications at Gas Processing Unit, GAIL Vaghodia.
- DFR for revamp of LPG import facility at BPCL, Uran.
- Feasibility Study for expansion of BORL Refinery Project to 15 MMTPA with Integrated Petrochemical Complex.
- Revised DFR for Hydrogen based Residue Up-gradation Project (MREP Phase-II), HPCL Mumbai Refinery.
- DFR for CPCL's 9 MMTPA Cauvery Basin Refinery Project.
- PFR for Ethylene Cracker and Associated Facilities at Rassayani for BPCL, Mumbai.
- Pre-commissioning/ Commissioning of Utilities Systems of Aishwarya Project of IOCL, Haldia Refinery.
- Pre-commissioning of DCU and CGOT of Aishwarya Project of IOCL, Haldia Refinery.

## 9.2 Engineering

During the year, the Engineering Divisions of EIL continued their efforts towards providing optimized and value added services for all ongoing projects consistent with the client requirements and objectives of the Company. The various divisions maintained focus on key areas like System Improvement and quality of deliverables, enhanced productivity by adopting knowledge from past data, repeatability of design, enhanced software application and implementation of Electronic Data Management System (eDMS) along with improved information exchange and communication systems resulting in lesser manual interfaces. Major emphasis was laid on Automation and Standardization of systems, implementation of Internal Audit and Monitoring and updation of specifications standards and guides. Some of the major activities undertaken are as under:

### 9.2.1 Equipment

Equipment Division provides optimal design and techno-commercial solutions for Design, Engineering and Procurement of various types of Rotating Equipment, Static Equipment, Packaged Equipment and Fired Equipment. Equipment Division, through its vast database/ standards/ specifications/ vendor lists/ knowledge pool, ensures procurement of

energy efficient equipment with advanced technologies in compliance with latest International codes. Equipment division has also taken strides towards implementation of "Make In India" policy of Govt. of India, in order to boost local manufacturing of critical & bigger size equipment. Details/ Highlights of major activities & achievements of the Equipment division during the year are:

- Engineering for procurement & execution of around 13 Reactors, 33 Columns, 100 Exchangers, 150 Vessels, 18 Tanks, 2 Spheres, 4 Mounded Bullets, 15 Compressors, 300 Pumps & 30 Other Packages for Cracker, LLDPE Swing, HDPE, Polypropylene, Butene-1 & Utilities and Offsite of HMEL Petrochemical Project.
- Engineering for procurement & execution of around 15 Reactors, 45 Columns, 250 Exchangers, 300 Vessels, 21 Tanks, 40 Compressors, 300 Pumps & 15 Other Packages for IOCL BS VI Projects at six refinery locations.
- Engineering for procurement of Reactor mounted Ebulating Pumps, 13 MW Reciprocating Compressors (one of the biggest in India) and 2 MW Hydraulic Power Recovery Turbine (one of the biggest HPRTs worldwide) along with around 10 compressors & 300 Pumps for Vizag Refinery Modernization Project (VRMP) of HPCL.
- Engineering for procurement of New Staged Flare System and Integration of New flare system with existing HC flare system for forming common staged flare system, Condensate Recovery Packages, Pitch Solidification Package, Process Chillers, catalyst handling system, VPSA Oxygen Plant, Sulphur forming plant, Compressed Air and Cryogenic Nitrogen Plant, PSA Hydrogen Plant, catalyst loading system, Cranes etc for VRMP of HPCL.
- Design, engineering and engineering for procurement of Columns for CDU and VDU, Coke Drum, Extruder Package Reactors for Rajasthan Refinery Project. These columns and reactors are among the largest designed by EIL.
- Engineering for procurement & execution of Integrated Shaft Design Centrifugal Air Compressor-Steam Turbine, pumps, compressors, for various units of PDPP Project of BPCL, Kochi.
- Engineering for procurement of Recirculation air cooler for Mumbai Refinery Expansion of HPCL Mumbai. Strict air control is required to avoid congealing of process fluid at ambient temperature. Such an air cooler has been procured for the first time in EIL.
- Engineering for procurement & execution of Screw Pump (850 KW) in HSVR service handling fluid of 1500 cSt for Sect P/L at KR & MR with Associated Facilities Project of BPCL, Kochi.
- Engineering for procurement & execution of Steam Turbine driven Integrally Geared Centrifugal Compressor (6.51 MW) for PDPP Project of BPCL, Kochi.
- Replacement of conventional fireproofing by intumescent fireproofing for the first time in EIL history, introduced in HMEL.
- Furnace packages designed for Dangote Refinery are the biggest ever designed and engineered furnaces and are getting erected seamlessly in the project site at Nigeria.
- Design, Engineering and procurement of skid mounted prototype desalter package for development of Desalter technology.
- Combined Heat & Power (CHP) Plant based on unique Bio fuel fired boiler is being executed by EIL at Numaligarh for Assam Bio Refinery Project. The fuels - bio coal, stillage cake & stillage syrup - are by-products of Ethanol Bio refinery having bamboo as feed. This is the first time in the world that such bio coal shall be fired in boiler.

- Engineering for procurement of Digester, Raw Bamboo Handling, Rotary drum vacuum filter and twin roll press filter, Ethanol distillation and Dehydration unit, Fermentation package for Assam Bio Refinery Private Limited. This bio-fuel project is first of its kind being executed by EIL.
- Submerged Incinerator System is being executed by EIL for Petrochemical complex of BPCL Kochi. It is a very rare kind of incinerator system which can incinerate multi streams of Waste Gases & Liquids simultaneously. This is first such installation in India and only few installations exist worldwide with limited suppliers.
- Extensive modularization concept has been adopted in Dangote job for Boilers (4x400TPH) package, HRSGs (8x110TPH) package and Flue Gas Steam Generators (FGSGs) (2x 380TPH) package considering geographical location of job site in Nigeria. This Concept has reduced the construction schedule by at least by 8-9 months (70-80% of total duration).
- Engineering for procurement for mechanical equipment for New Domestic Terminal Building at Leh Airport.
- Engineering for procurement & subsequent execution of various drinking water pumps, intake well pumps, DG sets in seven cities of Odisha under AMRUT project.
- Engineering for procurement of DG set/ HVAC at Interpretation Center near Sun Temple, Konark and for Development of Tourist Infrastructure Facilities at Khajuraho Group of Temples, Madhya Pradesh.
- Design & Engineering for procurement of VRF type Air-conditioning System for Administrative Building (G+2, Green Building, target to achieve minimum Gold rating) for MR-II Project of HPCL.

### 9.2.2 Electrical

Major responsibilities of Electrical Division include the following:

- Activities related to Project Engineering which include basic engineering e.g. Preparation of SLD, Hazardous Area classification, Electrical load Analysis, Equipment sizing/cable sizing/MTPs, Engineering for Procurement including MRs/PSs/Vendor drawing review & tendering and Engineering for Construction including layouts.
- Specialized functions include Power System of Studies e.g. Load Flow/ Short Circuit / Motor start up/ Harmonic Analysis / Transient Analysis/ Protection coordination/ Power factor improvement capacitor sizing, Micro Processors, Based Electrical Control System, Metering, Protection, Relay Coordination, Cathodic Protection system for onshore and offshore projects.
- Assistance in development of Electrical Suppliers/ Manufacturers & Contractors and their enlistment /registration with EIL.
- Adoption of newer technologies e.g. GIS Indoor switchboards for different voltage levels starting from 3.3 KV to 400 KV, IP based Plant Communication system, two wire control for MOVs, Nitrogen Injection Fire Protection/ Fighting system for transformers, Intelligent MCC, promoting & maximization of digitization in Electrical arena, state of art technologies in Electrical power system etc.

Major achievements of the Division during the year include:

- Introduction & implementation of 400 kV & 220 kV Gas Insulated Indoor Switchboard Panels for two mega Projects viz., Dangote Refinery and BPCL Kochi BS-VI Project.

- Implementation of new specifications for XLPE insulated Fire Retardant Low Smoke Extra High Voltage Cable suitable for working voltages from 66 KV to 220 KV. This has been implemented in mega projects like Dangote Refinery, HMEI Petrochemicals and VRMP, wherein 66 kV voltage cables have been extensively used.
- Use of energy efficient Electrical equipment/ systems has been initiated in a big way in all projects irrespective of industry type. As a responsible corporate having concern for global warming and with objective for reduction of carbon foot print, use of energy efficient motors of minimum IE2 type and 100% LED fixtures for lighting of process/offsite and utilities areas is being implemented in all projects. This has been made a standard practice for all projects being handled. For one of the projects, energy efficient motors of category IE3 have been deployed. Besides this, all distribution transformers having rating up to 2500 kVA, 33 kV (Primary Voltage) complying to star 1 (Efficiency Class) rating as per latest Govt. of India Gazette Notification order No.S.O.4062(E), S.O.513(E) are being procured and used in all current projects under execution. The standard specification for Distribution Transformers has been revisited and revised accordingly.
- DFR for NALCO Angul Aluminium Smelter Expansion Project involving conversion of existing 4 nos. Potlines, with capacity enhancement of each Potline from 180 KA to 220 KA and one no. new Potline of rating 500KA, 1560 V DC. Total electrical power for this project is estimated to be approx. 1000MW.
- Development and implementation of 3 nos. Standard Specifications for Cathodic Protection (CP) of Storage Tanks, Underground vessels and Mounded Bullets.
- Development of Standard Design Basis & Data sheets for CP System – Plants and Pipelines.
- Revamping the existing CP system for LPG mounded storage tanks at HPCL Mangalore Refinery.
- CP design, survey and installation of new pipeline along with existing pipelines for Dhobi – Durgapur & Durgapur-Haldia Pipeline Project of GAIL & NBPS Phase –II Project of OIL.

### 9.2.3 Instrumentation

Instrumentation Division has always been in the forefront with respect to adoption of latest digital technology. Various state-of-the-art measures like Fieldbus-based Distributed Digital Control Systems (DCS), Emergency Shutdown System (ESD), alarm management system, asset management system, CCTV systems, gas detection system & smart field instrumentation, advance diagnostic analysis system for critical rotating equipments and monitoring of all the non-critical pumps centrally through wireless instrument & gateways in the DCS System are being implemented in all on-going major projects like VRM Project of HPCL, DHT & GTU Project of BPCL Mumbai Refinery and PDPP & MS Block project of BPCL Kochi Refinery.

EIL is also leading in implementing IIoT (Industrial Internet of Things) in mega refinery and petrochemical projects like HRRL for pump seal monitoring, rotating equipment monitoring, PSV and Flare valves leak monitoring through acoustic sensors. In the on- going HMEI Petrochemical project, Cloud based detailed engineering until FAT, simulation of plant graphics and logics through IIoT, Plant Development Model through OTS (Operator Training Simulator),

Virtualisation Server & PC and usage of Universal I/O is also implemented.

The Division is contributing towards digitalization and end to end work flow integration of EIL including integration of data from Smart Plant P&IDs (SP- P&ID), Smart Plant Instrumentation Module (SPI) and Smart Plant 3D Model (SP3D), enabling smooth work flow from each of these modules. Conversion of in-house sizing software of instruments into web- based software to upgrade to latest technology & integration is underway as a continuous quality improvement system along with updating of standards and specification. For the BOM program, incorporation of all job standards and integration of work flow of Instrumentation with IPMCS of Piping and SORPS software has been carried out.

Instrumentation Division is also participating actively in Make In India initiatives of EIL by enlisting Indian suppliers who maximize domestic content and optimizing Original Equipment Manufacturers' scope in high tech areas like Analysers, Metering Skids, Communication systems, Radars and electronic transmitters.

### 9.3 Project Services

#### 9.3.1 Cost Engineering

Cost Engineering Department provides cost related services for various projects in all fields of operations from inception to commissioning and beyond, for domestic as well as overseas jobs. Cost Engineering provides services such as preparation of capital cost estimates and financial/ economic analysis for diverse activities ranging from technology selection to preparation of feasibility reports and option study estimates for investment decisions pertaining to projects handled by EIL in various areas like Refineries, Petrochemicals, Fertilizer, Cross country pipelines, Power projects, Metallurgy, Mines, Strategic Storage, Offshore Oil & Gas, Infrastructure (such as Namami Gange, AMRUT, Data Centers, Airports) etc.

The Department provides cost estimates for procurement and tendering, assistance during price negotiation, cost monitoring and control during execution of projects under conventional and LSTK mode of execution. It also prepares cost estimates for bidding in EPC contracts. Cost Engineering is also providing independent services like Project cost estimation, feasibility studies and review of the cost estimate prepared by others.

#### 9.3.2 Planning

The Planning Division continued to provide planning, scheduling, monitoring, risk management and material control services to various projects. Using state-of-the-art tools and its database, the department caters to diverse project execution roles of the Company, viz. EPCM, PMC, LSTK/ OBE modes. The department also provides project monitoring services to the Ministry of Petroleum and Natural Gas.

### 9.4 Supply Chain Management

EIL offers integrated Supply Chain Management Services through its highly effective team of Supply Chain professionals. The functions of SCM are very critical with respect to timeliness of deliverables, customer satisfaction and ensuring high standards of quality. Different roles are assigned to different Departments within SCM viz., SCM - C&P responsible for indenting and Pre-award process and SCM - Inspection and Shipping for handling post-award process. SCM - PDD is a unique function which takes care of Supplier & Contractor Enlistment.

#### Key Areas

- Contracts & Purchase
- Procurement Development Department
- Inspection Services
- Expediting & Monitoring Services

#### 9.4.1 Contracts & Purchase

Contracts & Purchase division of SCM offers complete range of Procurement Services to Clients to ensure timely availability of desired materials/ services at site as well as fulfils its own in-house procurement requirements. Handling multiple global clients and their different methodologies for sourcing, positions EIL uniquely to have a comparative analysis and evolve best practices across the new projects being executed. This provides flexibility and agility to cater to the dynamic needs of various clients/projects. SCM has been able to successfully provide support to many global clients (Public & Private) through its expertise in domestic and global contracting/ procurement, its competent manpower, well defined procedures, rules, policies & a strong supplier/ contractor database. Entire Procurement process is carried out in consonance with Public Procurement Principles, viz., Transparency, Equity and Fairness, ensuring desired quality within the designated time frame at the most competitive prices and against comprehensive competition.

In order to enhance efficiency, effectiveness and transparency of the procurement processes, SCM has leveraged latest IT tools/ technologies to develop packages like Electronic Procurement System (EPS) reducing procurement cycle and errors. It automates various stages of Contracting/ purchasing, viz., Need Identification, RFQ preparation, Inviting Bids, Processing bids and award of orders/ contracts.

#### Ordering highlights for Financial Year 2018-19:

- » ₹ 1,247 Crore of direct purchase and contracts on suppliers/ contractors for various LSTK/ OBE/ Depository projects.
- » ₹ 156 Crore of direct purchase and contracts for In-house requirements of EIL.
- » ₹ 17,213 Crore were placed for other projects of various clients, where EIL worked as a consultant
- » Total procurement of ₹ 18616 Crore
- » SCM handled in total, 2207 cases (MRs + Tenders) during the year.

EIL has always played a key role in and remained committed towards implementation of various procurement policies of the Govt. of India including Public Procurement Policy (PPP)-2012 for Micro and Small Enterprises, ensuring increased participation of MSEs in Company's procurement and overall development of the MSE sector by giving special preference to MSE owned by SC/ST and woman entrepreneurs. Ensuring more participation by MSE players, during FY 2018-19, EIL has been able to procure goods and services of ₹ 219 Crore from MSEs, which is around 34% of the total value of direct purchase orders for goods and services contracts, placed by EIL.



In addition to MSE sector, SCM division has always been playing a major role in developing the Indian Industry as well as Start-ups through awareness drives, seminars and vendor meets. Under the Government of India's "Make In India" drive, EIL has taken several steps to increase the local industry participation and provide encouragement to foreign companies towards setting up plants in India. Under GOI policy, many bidders were given preference though Purchase Preference-Local Content (PP-LC) Policy, Domestic Manufactured Iron and Steel Policy (DMI-SP) and domestically manufactured Electronic and Telecom products.

#### 9.4.2 Procurement Development Department

SCM – PDD, a specialised department within SCM, is responsible for developing new suppliers/contractors and monitoring existing suppliers/contractors, thereby, ensuring the Quality and Value of Money in terms of increased competition. A complete end to end EPS sub-system of Supplier Relationship Management for Supplier/contractor related processes like Enlistment, Enhancement, Revalidation and Performance monitoring. A new interactive website for supplier/contractor Enlistment with more features and information was also launched in the last year. The process of Suspension/ Banning was automated and now complete digital transparency is achieved in this critical process.

During the year, EIL organized two Supplier/ Contractor meets and participated in five programs organized through various platforms under Ministry of MSME. EIL, with its robust supplier and contractor enlistment management system, has been able to develop transparent, accountable system and processes, for development of manufacturing capacity. During the year, 43 new Suppliers and 26 new Contractors were added in EIL Master Supplier/ Contractor List, wherein 2 new Suppliers were added under "Make In India". Additionally, for 106 nos. Suppliers and 27 nos. Contractors, Range/Product Profile was upgraded.

#### 9.4.3 Inspection & Shipping

Inspection Department is a multidisciplinary team of engineers with great experience, professional judgment & compliance to codes /specification/practices. The entire gamut of Shipping activities (Customs clearance, Transportation planning and control) of a project are determined, Co-ordinated & executed for meeting specific project deadlines by a team of experienced personnel in the field of Logistics. During the year 2018-19, Inspection Department catered to inspection of around 5500 orders worth ₹ 18000 Crores including Thousands of Kilometres of Pipes and Lakhs of Fittings which were first of its kind:

- » FCHCU Reactor of 1700 MT in single piece having Wall Thickness of 250 mm, fabricated at L&T, Hazira.
- » CDU Column having a diameter of 13 meters and length of 74 Meters weighing 950 MT, fabricated and shipped in single piece from L&T Hazira.
- » Reactors for RFCL in specialized metallurgy for Fertilizer Sector and Air Fin Coolers of Incoloy 625 for IOCL Panipat that have been fabricated for the first time in India.
- » Special Valves that have been tested for Fugitive Emission test to meet the stringent guidelines of Ministry of Environment, Forest and Climate Change (MOEF&CC).

Shipping department surveyed the routes for transportation of large equipment in single piece and developed procedures for hassle free transportation. Special barges that can travel under limited clearance below the bridges were fabricated for transporting heavy equipment through river to BPCL Kochi site where transportation over the bridges for such heavy equipment is not allowed. Several ODCs were shipped in single piece from various locations to Project Site across India through Sea/Road Transportation.

#### 9.5 Construction

The Division offers services for Construction Management in totality including Contract Administration, Construction Quality surveillance, Feedback Analysis, HSE and Warehouse Management for various projects of EIL, withstanding diverse challenges and local impediments associated with climatic conditions, difficult terrain and space constraints etc. which are unique to the nature of the project.

During the year 2018-2019, Construction Division continued to provide Construction Management Services for various clients at more than 70 diverse domestic project locations and 2 overseas locations.

Concurrent prestigious commitments for the Division include Dangote Refinery in Nigeria, Vishakh Refinery Modernization Project, Petrochemical Project and BS-VI project of M/s HMEL, Revival of Ramagundam Fertilizer Complex, BS-VI projects of IOCL at Vadodara, Panipat, Haldia, Mathura, Bongaigaon and Digboi, BS-VI project of CPCL at Chennai, PDPP & MSBP of BPCL at Kochi, MREP and MR-II project of HPCL at Mumbai, Aishwarya project of IOCL Haldia Refinery, Palanpur - Vadodara Pipeline Project of HPCL, BS-VI of MRPL at Mangalore, NBPS-II of OIL, Mumbai - Manmad pipeline of BPCL, APL-Namrup, GTU of BPCL Mumbai, Jamnagar-Loni pipeline of GAIL, KSPPL Kochi, LGC Hazira, Namami Gange, NFC Kota and AMRUT Odisha.

The Construction Division leverages its highly skilled and motivated team for establishing and monitoring adherence of Construction Quality Management system. The system advocates quality plans, inspection test plans and implementation of special processes for concreting, welding involving latest NDT techniques, digital radiography, ultrasonic test, software for piping management system etc. during all phases of construction to ensure trouble free commissioning /operation of critical units.

The Construction Division implemented a host of innovative construction techniques and improvised equipment/machineries to minimize construction schedule across project sites. Some of them are outlined below:

- Erection of equipment in dressed up condition.
- Modular construction of Tech Structure, Piperack and Heaters.
- Use of Pre-fabricated/Bolted structures.
- Use of Auto Blasting and auto beveling machines.
- Use of monsoon shelter/ hanging platform.
- Introducing extensive use of Auto UT/TOFD techniques as an alternative to hazardous conventional NDT method like radiography.
- Use of Digital Radiography.
- Use of Piping Management Software.

The Company's commitment towards adherence of world-class

Health, Safety and Environment standards in the execution of projects was epitomized by the multitude of accolades received from clients, during the year:

- 28.5 Million LTA free man hours at Aishwarya project of IOCL, Haldia.
- 15 Million LTA free man hours for PDPP, Kochi.
- 13.6 Million LTI free man hours at Algiers Refinery Project.
- 7 Million LTA free man hours at DHDT, NRL Project.
- 7 Million LTA free man hours at BS-VI project of GGSRL, Bathinda.
- 6 Million LTA free man hours at BS-VI project Gujarat.
- 5 Million LTA free man hours at Nuclear Fuel Complex, Kota.
- 4 Million LTA free man hours at LPG Import Facility, Haldia.
- 3 Million LTA free man hours at BS-VI Project, Haldia.

### 9.6 Environmental Engineering

EIL is committed to ensuring compliance to all health, safety and environment requirements during delivery of products/services to customers. Minimizing environmental impact by conserving resources, reducing waste generation and preventing pollution in all our activities have always been an integral part of our policy. The Company has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL helps enable the adoption of innovative & integrated water and wastewater management for industries & municipalities, while working to increase environmental, social and economic benefits. EIL has executed several hundred projects in diversified fields of environmental engineering, including water & wastewater treatment; effluent recycle & reuse; Environmental Impact Assessment studies; environmental feasibility studies; air quality assessment, modeling & control; environmental management plans; etc.

Some of the major projects undertaken by the Company in the area of Environmental Engineering include the following:

- PMC & OBE services for HRRL Rajasthan Refinery Project including effluent recycle & reuse to meet zero liquid discharge concept to minimize the fresh water consumption by refinery.
- Consultancy services to CPCL CBR Project for preparation of basic engineering design packages for their sea water desalination plant and integrated effluent treatment & recycle facilities.
- PMC services for AMRUT project in Odisha (Atal Mission for Rejuvenation and Urban Transformation) for construction/ rehabilitation of Raw Water Treatment Plants.
- Environmental Clearance from Ministry of Environment, Forest and Climate Change was successfully obtained by EIL for BPCL's 2G lingo-cellulosic based Ethanol Plants at Bargarh (Odisha), HMEL's Fuel Quality Upgradation Project at Bhatinda Refinery, Coal Conversion of Iron ore to Coal terminal of Kamarajar Port Limited, Additional tankages projects at Sidhpur, Bareja, Kandla and Hazira of IOCL, Expansion of Kochi refinery complex by manufacturing petrochemical product of BPCL, IOCL's MEG/ERU Plant in Paradip Refinery cum Petrochemical complex and expansion of BPCL's Kochi Refinery Complex.
- EIL has been accredited by Quality Council of India (QCI) for

carrying out EIA studies in India in fourteen sectors. The accreditation is valid up to the year 2019.

### 9.7 Research & Development

R&D activities are the cornerstone of a knowledge-driven organization like EIL. It is a matter of great pride that EIL has rendered stellar services to the country in not only imbibing technology, but also developing its own technology independently, as well as in association with other companies. The Company is pursuing developmental activities, both in-house and in collaboration with academic institutes like IIT Delhi, IIT Kanpur, IIT Roorkee, IIT Madras and other R&D organizations like IOCL (R&D), CSIR-IIP, BPCL(R&D), HPCL(R&D) etc. Apart from these established R&D organizations, EIL (R&D) has also been collaborating and cooperating with small companies to promote the creative ideas generated by them.

During the year, the Division has undertaken the following initiatives for development of new capabilities and up-gradation & commercialization of existing capabilities:

#### Technology development projects initiated:

- Development of Novel Chimney type air distributor for Fluidized Bed Gasifier handling high ash coal.
- Computational Fluid Dynamics (CFD) studies of new Air Injection System for monitoring and controlling stack temperature in Sulphur Recovery Unit.
- Gasification studies of high ash coal in pilot Coal Gasifier.
- Kinetic model development for slurry phase hydrocracking reactions.
- Development of slurry phase reactor model.
- Development of high level Oxygen Enrichment ( $O_2 > 35\%$ ) Technology for capacity enhancement of Sulphur Recovery Units (SRU).
- Development of Incinerator waste heat boiler bypass system for trouble free operation of SRUs.
- Development of Process Scheme and reactor design for production of Dimethyl ether (DME) from Methanol.
- Development of process for utilization of  $CO_2$  for neutralization of alkaline stream in Effluent Treatment Plant.
- Recovery of Ammonia from refinery sour gases for production of Anhydrous Ammonia.
- Technology Development and Demonstration for production of Methanol from Syngas by coal gasification.
- Recovery of low level heat from process streams.
- Development of Organic Rankine cycle (ORC) technology.
- Development of Population Balance Model for Particle Size Distribution changes due to attrition during pneumatic transport of coal—A tool for scale up and design of gasifier feeding system.
- Development of 3D CFD model for Fluidised Bed Coal Gasifier.
- Setting up of experimental facilities for water treatment by electrocoagulation.
- Setting up of experimental facilities for study of attrition of solids in solid processing systems.

#### Technology commercialization efforts:

- Commissioning of SRUs (3 x 180TPD) of BORL.
- Commissioning of both Tail Gas Treating Units (TGTUs) of BPCL Mumbai Refinery licensed by EIL.
- Performance Guarantee Test Run of Sulfur Recovery Units (SRUs) at BPCL Kochi Refinery licensed by EIL.
- Design of Oxygen enrichment facilities for capacity enhancement of two SRUs upto 25% (2x 421 TPD) at BPCL- Kochi.
- Basic Engineering Design Package (BEDP) preparation for Straight Run LPG treating and CR LPG treating for HRRL Refinery project.
- BEDP preparation for EngHOG unit at HRRL Refinery project.
- Commissioning of EngHOG unit at BORL licensed by EIL.
- Implementation of Indjet unit at IOCL Barauni.
- Implementation of Process Integration and Solar Integration at GGS, ONGC Mehasana.
- CFD Study of Feed Distributors of Fluid Bed Reactor System for M/s Jubilant Life Sciences Ltd.
- CFD study for M/s ADNOC Fertilizers, Abu Dhabi as part of Integrity Assessment Study for their Circulation Water Tank.
- Energy Efficiency Improvement Studies for 15 PSU Refineries.
- Energy Efficiency Improvement Study for Ruwais Refinery of ADNOC, Abu Dhabi.
- Supply of PARLPAK (as part of EIL-Kevin MOU) in Amine Absorption Column, 307-C-01(M) of FCC Gasolene Desulphurization unit of IOCL-Mathura.

#### Initiatives taken for strengthening technology tie ups:

Following efforts are made to focus on collaborative R&D work and strengthening tech tie-ups:

To take advantage of research being done at various international research consortia, EIL has renewed the existing membership of the following International Research consortia:

- Process Science Technology Center (PSTC), an industry academia collaborative research program initiated by University of Texas, USA.
- Fractionation Research Incorporated (FRI), a non-profit cooperative research organization based at Oklahoma, USA.
- Process Integration Research Consortium (PIRC), University of Manchester UK.
- MOU signed with BHEL for joint development of Coal to Methanol production technology by gasification of Indian Coal.
- MOU signed with BEE for Energy Audit of Petrochemical Plants.
- MOU under process with CSIR NCL-Pune for joint development of Methanol to Dimethyl Ether through dehydration route.

#### Patents / Trademarks filed / granted:

To safeguard EIL's knowhow and technologies, the following 7 patents have been filed during the year:

- An apparatus and process for neutralization of alkaline waste water using CO<sub>2</sub> enriched stream.
- A system for continuously operating the Tail gas generation unit

and the process for the same.

- A process and system for capacity enhancement of SRU by utilizing waste nitrogen, oxygen and steam.
- A process for dimethyl ether production from methanol.
- A system and a process for efficient energy recovery from low temperature heat source.
- A system and a process for high pressure, temperature and moisture content synthesis gas sampling.
- A system and a process for purification of syngas from high ash Indian Coal for Methanol production along with recovery of high purity CO<sub>2</sub>.

#### The following patents filed earlier have been granted during the year:

- An apparatus and method for treatment of a sour stream.
- Novel process for selective removal of Sulphur compounds from LPG with caustic.
- High-pressure fluidized bed gasifier and gasification process thereof
- High level capacity enhancement of Sulphur recovery plant.

With this the total number of granted patents stands at 28 with 25 nos. of pending patent applications.

#### Trademarks applied and granted:

Two applications made earlier for registration of Trademark pertaining to in-house technologies to enhance the brand image of the company, have been granted during the year.

- Trademark EngCHP granted on 23.09.2018: permits real-time modelling and monitoring of the energy use in process plants to make allocation decisions accurately thus increasing profitability.
- Trademark EngEJC granted on 23.09.2018: is a static and compact device for recovering and separating a low pressure fluid.

#### 9.8 Information Technology Services

Information Technology Services (ITS) Division continued to make advances, providing high-tech IT enabled services to EIL's mainstream activities by developing/ implementing IT solutions to deliver better quality services with emphasis on increased efficiency and improved productivity.

As part of commitment towards digitization and automation in work execution, the following initiatives were taken during the year:

- Online Human Resource Management System (HRMS) was successfully completed. With this, HR system is now end to end automated.
- EIL has achieved ISO/IEC 27001:2013 Accredited Certification for the Management and Operations of its Primary Data Center (PDC), located at its Head Office, New Delhi from M/s DAS Certifications, accredited to United Kingdom Accreditation Service (UKAS).
- New state-of-the-art cloud-based Email System of NIC has been launched in EIL. The new Email System provided enhanced security, performance and mailbox size thus enabling better communication and collaboration.
- With a view to creating future-ready infrastructure, the Company has enhanced Internet bandwidth by multifold to 200 Mbps and also enhanced IPVPN bandwidth substantially at various sites.

- In keeping with the Government of India's cyber security mandate, the existing end-point cyber security solution has been upgraded to provide latest security features and updates. Further, the coverage of the solution has been expanded to all offices in the country which are on IPVPN network.
- The workflow based, Mechanical completion (MC) and Pre-commissioning Activities Management Software (PCAMS), developed wholly by EIL, has been upgraded and being in use for all Refineries, Petrochemicals and Fertilizers plants for commissioning. The online system provided transparency, quality and with monitoring tools enhances the productivity. Various Clients including IOCL, BPCL, CPCL, RFL and site contractors of various groups have benefitted for all BS-VI projects from this software.
- Online web based software developed for IT Asset management including Data Center operations for life cycle management of IT assets from acquisition to eWaste.
- New website launched for Supplier Enlistment, Enhancement and revalidation.
- Online web based software developed for Bill Tracking system to automate work flow for end to end bill processing.

### 9.9 Sustainable Development

EIL's sustainability mandate has evolved from compliance to environmental regulations and norms in a way that make it a responsible organization, transparent to all its stakeholders. The Company's project designs support sustainability right from conceptualization to plant commissioning and subsequently, the commercial operation. Energy efficiency, resource optimization and safety of plant personnel and society at large are the cornerstones of our business operation. They also ensure business continuity.

EIL has refocused its engineering philosophy and business models to achieve long term sustainable growth. It has also initiated evaluation and reporting of performance on the triple bottom lines pertaining to economic, social and environmental aspects. The sustainability initiatives at EIL shall definitely propel the organization on an upward growth trajectory.

Separate Report on Sustainable Development is annexed to this Report.

### 9.10 Corporate Strategy & Business Development

Corporate strategy and plans for diversification are imperative for any organization with a vision and long term perspective. Corporate Strategy and Business Development (CS&BD) division performs the role of evaluating market opportunities, pursuing business development initiatives, venturing into new geographies, initiating tie-ups with licensors/vendors/collaborators and augmenting the portfolio of EIL by diversifying into sunrise sectors.

The division has been mapping the evolving market scenarios and developing strategies required for envisioned growth of the organization. In the current market scenario, it is essential that EIL, while harnessing its core strengths, should also explore projects in sunrise sectors and new geographies. Thus, the CS&BD Division while focusing on core hydrocarbon sector requirements, is also seeding ideas and exploring business possibilities with new and potential clients.

As part of enhanced value creation, CS&BD has been in continuous dialogue with various licensors/technology providers, with the objective of collaboration and provision of a bouquet of niche services to the owners.

The CS&BD Division has initiated sustained business development activities in sectors like Bio Fuels, Water and Waste Water Treatment, Urban Infrastructure like SMART Cities, LNG Terminals, Ports and Harbours, Defence, etc as a part of possible diversification initiatives thus aligning with Government of India initiatives.

Through a self sustaining seeding exercise and extensive outreach approach, Corporate Strategy & BD division is focused towards enhancing the footprint of EIL and augmenting the current business portfolio.

### 10. HSE Management System

EIL sustained its OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environmental Management system) certifications during this year. Apart from ensuring effectiveness of the HSE Management System, these certifications provide an edge in securing business, especially overseas.

Corporate HSE department audits the HSE Management system of all divisions/departments including construction sites. The results of these audits are reported to the Management through Management Review Committee (MRC) Meetings wherein the performance of the HSE Management system and opportunities for improvement are presented.

On the operations front, Company has put in place Emergency Preparedness and Response Plans (EPRP) across all its office locations to secure the safety of its employees and assets, including IT assets. Regular mock drills are being conducted to test and improve the preparedness towards the emergencies.

On the engineering front, HSE aspects that are to be addressed in the design engineering phases are built into the procedures/specifications of various engineering departments. Exhaustive HSE checklists separately for Health, Safety & Environment are in place to ensure that these aspects are complied positively during process design and engineering phases by all divisions and departments.

Being a renowned engineering consultant in the hydrocarbon sector, EIL deploys proven risk assessment methodologies like HAZOP, RRA, QRA, SIL and SIMOPS etc to ensure the process safety of the plants being designed.

On the construction front, the specification for HSE Management at construction sites, which specifies the HSE requirements to be complied by construction contractors, has been revised during this year in line with the current trends and to improve the HSE performance. Award to construction sites based on HSE performance, Issuance of appreciation certificates to best performing construction contractors, are a couple of other examples of improvements, implemented during this year based on both quantitative and qualitative scoring mechanism. During the year, EIL also celebrated National Safety Week across its offices and sites and the celebrations were used as a platform for improving safety awareness amongst the employees.

### 11. Quality Management System

Quality is inbuilt into our processes, workplace, deliverables and services. The Quality Management System (QMS) in respect of the



Company's services has been reassessed this year as per the requirements of ISO 9001:2015. Post audit, the QMS of the Company continues to conform to ISO 9001:2015 and the certificate of approval is valid up to 13.10.2021.

Important ingredients of our quality initiatives are effective & comprehensive Internal Quality Audit process, planned customer perception surveys, analysis of feedbacks from stakeholders and regular reviews & directions from the MRC. Regular monitoring is done to analyze the data & feedback for recommending improvements in processes, deliverables and QMS to reduce costs, shorten cycle time, cross functional issues, improve visibility and credibility without affecting the environment. QMS implementation and its effectiveness have been further increased by computerization of certain processes through in-house developed software.

During the year, the Quality Management System of Company's UAE (Abu Dhabi) office was also independently audited and reassessed for certification and post-audit the Quality Management System of the Company continues to conform to the International Standard ISO 9001:2015. The certificate of approval is valid up to 30.03.2022.

In addition, the Company participated as a prominent and active member in various committees of Bureau of Indian Standards for formulating products and quality system standards.

Quality Management System of the Company provides the competitive edge in securing and executing projects with focus on full customer delight.

## 12. Risk Management

The objective of the corporate Risk Management function is to ensure sustainability of the organization by professionally managing the Enterprise Risks. Enterprise Risk Management (ERM) involves identification, assessment, analysis, mitigation and monitoring of the Risks. The ERM system of your Company performs the above mentioned Risk Management activities across the business functions of the organization. EIL's Risk Management framework is based on ISO 31000 (Risk Management Principles and Guidelines) and meets regulatory requirements namely SEBI LODR, Companies Act 2013 and Department of Public Enterprises (DPE) Guidelines. Risk Management process has also been integrated with the Quality Management System requirements as per ISO 9001. The Risk Management framework of your Company is overseen by the Risk Management Committee of the Board.

Key risks across various business processes namely Procurement, Construction, Project Management, Marketing, Human Resources, Legal, Accounts & Recovery have been identified. During this year, EIL reviewed the Key Risks with respect to the current business environment. The changes in the Key Risks have been approved by the Risk Management Committee of the Board. Mitigation plans have been developed for the new risks and are being deployed across the organization. Also, the Mitigation plans of all other Risks have been reviewed and revised with respect to the current scenario. An independent group (Corporate Risk Assurance) audits the implementation of these mitigation plans regularly and the results are presented to the Risk Management Committee of the Board. Your company uses its in-house developed software package Enterprise Risk Management System (ERMS) to conduct these audits across multiple locations and departments.

Being a Project Management organization, Project Risk Management framework has been put in place so that project specific risks are identified, assessed and mitigated. Regular Risk Management meetings are conducted and reports are issued to the stakeholders.

The status of Enterprise Risk Management (ERM) & Project Risk Management (PRM) Systems is presented to the Risk Management Committee of the Board regularly.

A digital newsletter 'Risk Screen' is being issued to all employees, to promote awareness and to sustain & improve the Risk Management culture. The newsletter covers case studies, survey reports and best practices on Risk Management apart from apprising the employees on the Risk Management updates within the company. Employees across all levels are being continuously trained on Risk Management to improve awareness levels and increase their contribution and involvement towards the Risk Management function.

EIL is continuously improving its risk management capabilities in order to protect and enhance the interests of its stakeholders.

## 13. Vigilance

During the year, various CTE type examination of EIL's jobs, random inspection of in-house contracts/ purchases, scrutiny of Immovable Property Returns, investigation of complaints from different sources etc. were carried out by the Vigilance Department with the focused objective of ensuring conformity to the Company procedures, CVC and Government guidelines. For systemizing the work, various rules, regulations and procedures were reviewed during the year. The observations reported by CTE/CVC were examined and necessary actions were taken. System improvements were suggested to the Management and necessary measures were undertaken for modification/ improvement by way of issuance of around 17 system improvements.

As part of Vigilance Awareness Week-2018 (VAW-2018), a series of programs were held in line with this year's theme "Eradicate Corruption-Build a New India." During the VAW-2018, two seminars were organized on the topic "Changing Business Practices under Competition Law" and "Whistle Blower Mechanism, Protection & Tool of Good Governance" with an intention to create awareness about Public Procurement, its imperatives and precautions to be taken. As part of VAW-2018 celebration and to spread Vigilance awareness amongst students and teachers, EIL organized drawing competitions in two schools in Delhi, in association with "The Hindu Group of Publications". Besides all the above, awareness programs /competitions were also organized involving local community, at Colleges/ Schools in the local areas around various project sites.

This year also, Vigilance Department released the journal named "ABHIJATASYA" containing messages from C&MD, CVO and Directors on the occasion of VAW-2018. Advisories issued by the CVO and a few case studies from other organizations/ EIL have also been included in the journal for reference. A "Vigilance Statement" was also released during VAW-2018.

As per directions issued by the Central Vigilance Commission and the Department of Public Enterprises, details of vigilance activities were presented to the Board for the period ending June 2018 and December 2018.

Vigilance continued to monitor the progress of the following program(s)/policy(ies):

- **Integrity Pledge**

Online System has been developed for taking 'Integrity Pledge' by EIL officials/ family members and the visitors coming to EIL-HO and EIL-Gurugram Offices. All the visitors are required to take Integrity pledge along with issuance of entry passes at reception. The system is being implemented at other regional offices also.

- **Leveraging Technology**

Reverse auctioning, e-tendering, e-payment, e-receipt etc. are already in place in the Company and being monitored regularly against the set targets. Clearance of vendors' bills on 'First in, First Out' (FIFO) under Bill Tracking system (BTS) is ensured. BTS has provision for details about pendency of vendors' bills.

- **Complaint Handling Policy (CHP)**

As per CVC Guidelines, EIL has formulated Complaint Handling Policy (CHS) to resolve complaints/grievances from public, contractors, vendors, suppliers etc. A web portal for online complaint handling is available on the Company's website and Complaint Boxes are also placed in various EIL offices which are regularly monitored by Vigilance with respect to the status of complaints.

- **Job Rotation**

Job rotation of sensitive posts is being done and reporting of the same is being done on monthly basis. Vigilance has requested for development of an online system for monitoring of status of rotation on sensitive posts and the same is being developed by HR & ITS.

- **Integrity Pact**

EIL is committed to higher ethical standards in contracts and procurement as well as transparency in all of its business dealings. In EIL, Integrity Pact Program was adopted in November, 2011 for all Contracts & Purchases on EIL's account for enquiries having threshold value ₹ 1 Crore.

- **Online Vigilance Clearance (OVC) & Scrutiny of IPRs**

On line Vigilance Clearance and Immovable Property Returns of employees is being carried out through Vigilance website - "Avalokan" on OVC portal.

#### 14. Finance

The Company continued its strong cash generation driven by business performance. The efficient financial and cost management system continued to facilitate cash generation as well as creation of wealth. EIL optimized the returns on cash reserves by deploying cash surplus in safe and liquid instruments as per the approved investment policy of the Company.

#### 15. Internal Audit

The Company has an Internal Audit Department having competent professionals. During the year, several internal audit assignments with focus on checks and controls on system and procedures, monitoring compliances and continuous upgrade of controls have been carried out and the reports are regularly submitted to the Management and the major findings are presented to the Audit Committee of the Board.

#### 16. Corporate Management Information System

To help improve Resource Engagements, Automation of Employee

Centric Systems and Real-Time Management Information on both Projects, Manpower and Future Workload aspects, Company has created a Corporate Management Information System Department having multi-disciplinary professionals. During the year, several automated software modules were launched by the Department resulting in improved resource engagement and optimization along with various automated reports for the Company Management.

#### 17. Human Resource & Industrial Relations

Human Resources of any organization play a crucial role in overall organizational performance and quality of services that the employees deliver has a direct bearing on the success of the organization. HR Directorate strives to develop a motivated workforce which is committed and aligned with the organization's strategic goals and objectives. To ensure an enabling work culture and an engaged work force, employee-centric policies and development initiatives have been adopted from time to time. The policies are regularly re-visited and updated to keep them relevant.

HR has enhanced its role as a strategic business partner and is directly associated with the project verticals providing services in delivery of projects.

As on March 31 2019, EIL has 2768 employees, including 2339 professionally qualified employees. Approximately 2.24% of our employees are located outside India, functioning in international work environments.

- **Talent Acquisition**

Our talent acquisition strategy aims at identifying and developing a well equipped talent pool to address both short term and long term requirements. Diverse recruitment models are adopted to meet our dynamic business needs with intake of fresh talent, domain specialists, short term hiring through empanelled agencies, fixed term hiring and on boarding consultants/advisors. Planned job rotation has been implemented for optimum utilization of available human resources.

- **Performance Management System**

In the area of Talent Assessment and Appraisal, EIL has in place a robust and transparent Performance Management System that gives weightage to both performance & potential and ensures holistic assessment. The Performance Management System is an online process. The outcome of Performance Management System is used for career progression, performance related pay, training & development and succession planning.

- **Employee Welfare**

During the year, efforts were made for aligning welfare measures towards enhancement of work life balance for employees. Various employee welfare initiatives were taken including talk cum interactive sessions on emerging health issues and building awareness on lifestyle enrichment matters, extension of medical benefits through empanelment of hospital & diagnostic centres etc. besides sports and other family get-togethers for enhancing the quality of life.

- **Sports**

Providing a supportive role in health and fitness, EIL promotes a culture of sports by organizing weekend sessions and inter-

departmental tournaments of various sports for participation in PSPB Tournaments. EIL organises indoor sports like Table Tennis, Carrom and Chess during lunch time & after office hours besides weekend sessions of Badminton and Tennis. Employees are also encouraged to participate in marathons, cyclothon, various trekking expeditions and sports tournaments at regional and national levels. EIL employees participated in 12 PSPB tournaments during the year. EIL also successfully hosted PSPB Badminton Tournament at Pullela Gopichand Badminton Academy, Greater Noida from 29<sup>th</sup> January to 2<sup>nd</sup> February, 2019.

#### • Annual Awards

Recognizing the contribution of team(s) and individuals, employees were felicitated in following categories of Annual Awards on Independence Day:

- Best Employee of the Year in Staff Category.
- Young Executive of the Year.
- Innovation Awards—Individual Innovation and Team Innovation
- Technical Paper Writing competition on technical/domain knowledge.

For 2017-18, a total of 35 employees were awarded in different categories.

#### • Training & Development

EIL, being a technology driven organization, strongly believes that training and development of personnel is strongly correlated to the growth of the Company. As a talent driven and knowledge based consultancy organization, it is important for EIL to enhance the capabilities of its human capital by increasing domain knowledge and behavioural competency to maximize contribution towards achievement of organizational objectives.

Training in EIL focuses on domain, behavioural and leadership training through a well-designed Annual Training Calendar wherein inputs for training requirement are taken from Heads of Departments/Divisions. Faculties were identified for specialist domain training, Aarohan (Leadership Development Program) and some of the behavioural and general training through internal resources during the year. Management Development Program and specialized soft-skill training programs were conducted through empanelled agencies.

73 numbers of in-house domain training programs attended by 1180 participants were conducted during the year. Some of the important training programs organised included Changes in ISO 14001 and ISO 9001 from previous versions - its impact, Drafting of Contracts, General Vigilance Awareness, Contract Management Nuances, Urban Planning: City Management, Design of Piping/ Equipment Layouts, Industrial Laws: PF, Gratuity, ESI, Payment of Minimum Wages, Maternity Benefits Contracts, Labour: Managing Issues, Concerns & Problems, Procedure for locating fire & gas detectors, 3 D Model Progress Measurement & Exploring 3D Space through SP3D, Offshore Geotechnical Engineering - design aspects of offshore platforms, jetties and SPM.

Eleven number of Behavioural/Soft-skills programs were organized during the year to strengthen behavioural competencies, Planning for Superannuation, Mind Mapping through Mediation, Yoga for physical and mental fitness and Women Development skills.

Leadership Development Program (Aarohan – Batch-X) focusing on delivering core leadership skills in line with EIL 'Competency Model', 'Group Development Outcome', and 'Individual Learning & Development Plan' was imparted through a mix of case studies, simulation-based exercises, interactive games, role plays, videos and concept based movies to a group of 30 participants at GM/DGM Level.

A three day Management Development Program for AGMs/DGMs with faculty support from M/s Attitya HR & Training Consultants with 25 participants was organized in which participants were exposed to learning of various Management concepts such as Time Management, Communication Skills, Negotiation Skills, Financial Planning through training tools, viz. practice exercises, role plays, simulation and case studies. Participants rated the programs as 'very significant', considering knowledge-gained, usefulness, course structure and program delivery by the faculty.

332 participants were nominated to 76 external training programs organized by reputed organizations and institutions in India and abroad. The Company also sponsored 93 participants to PETROTECH - 2019 organised during February 10-12, 2019 at Greater Noida.

#### ➤ Training of Management Trainees (MTs)

112 Number of MTs - Batch 2018 joined during the year. Three months class-room training covering topics on overview of company, functional areas under different directorates, campus to corporate, domain functions in respective discipline was organized at Training Centre.

#### ➤ Skill Development Initiatives

As part of Government of India's "SKILL INDIA MISSION" on providing thrust to "Skill Development", 182 nos. Apprentices are undergoing apprenticeship training in various disciplines at Head Office, Branch/Regional Offices and Construction Sites. Inputs on the following topics were provided to Apprentices through two Familiarization Programs:

- ❖ Company and its areas of operation
- ❖ Conduct & Discipline Rules of Company applicable to Apprentices
- ❖ Health, Safety & Environment.
- ❖ Leave Rules & Procedure for sanction of leaves.
- ❖ All India Trade Test (AITT).
- ❖ Training under respective trades as per requirement under Apprentice Training Scheme.
- ❖ Filling of Clearance and issuance of Training Completion Certificates.

Organization has achieved engagement of 10% apprentices against the total manpower for the year 2018-19 as mandated by the Government of India.

#### ➤ L&D Initiatives with Oil PSUs

Under the aegis of HR Taskforce constituted by MoP&NG, an industry wide platform L.E.A.P. (Learn. Engage. Act. Progress) was formed as a concerted effort of industry members to partner in the developmental initiatives of common interest.

Under such initiative by the L&D Centres of Oil PSUs, a seminar by Shri Ram Charan, a leading management consultant and

eminent international speaker and a member of Thinkers 50, on “Leadership needs in the era of talent and technology” was conducted on August 13, 2018 in New Delhi. 25 Senior Executives of the Company participated in the seminar and highly appreciated the initiative.

- **Mentorship Development**

With an objective to foster professional relationships and provide a forum for offering constructive advice to support the career development of the mentee, EIL supports a Mentorship Development Programme allocating trained mentors in the ratio of 1:3 (Mentor: Mentee) for all new entrants to the organization. Structured interactions are encouraged for building positive relationships between the mentor and mentees for long time benefits, both to the mentee and the organisation.

- **Leveraging IT in HR**

IT assisted HR processes are regularly updated to comply with existing rules and policies with emphasis on ease of use and user friendly GUIs (Graphic User Interface). More than 530 news items/reports were uploaded on web based EIL Connect which recorded more than 15 Lakh hits during the financial year, effectively maintaining an interactive environment with employees located in India and abroad.

- **Implementation of Government Directives on Scheduled Castes/Scheduled Tribes**

With a view to accelerate the pace of socio-economic development of the nation, EIL has been endeavouring towards safeguarding the interests of SC/ST employees.

The Company has appointed a Liaison Officer to work as a facilitator in ensuring that due attention is paid to the issues of SC/ST employees. Management also encourages communication with the office bearers of the SC/ST Employee's Welfare Association by holding periodical meetings with the Association.

Scholarships were awarded by EIL to 50 SC & ST (SC – 36 and ST – 14) undergraduate engineering students. The percentage of employees belonging to Scheduled Castes and Scheduled Tribes was 18.9% and 4.7% respectively of the total employee strength of the Company (as on March 31, 2019).

- **Initiatives for the benefit of Persons with Disabilities (PwDs)**

EIL is implementing the provisions of the Persons with Disabilities Act, 1995 by way of providing reservation for Persons with Disabilities. As on March 31, 2019, there are 43 PwD employees on the rolls of the Company. Online module for PWD in accordance with latest Government of India guidelines has been developed and implemented.

- **Women Development**

Women constitute approximately 11.9% of EIL's human resource, of which 87.57% are in the officer cadre. EIL has in place, a Women's Forum comprising of senior officials as Patron, Chairperson and Co-Chairperson to cater to the development needs of women employees.

Ample opportunities are made available to women employees for participation in national as well as international Conferences and Symposiums so that they benefit from the knowledge of Industry and Domain Best Practices.

## 18. Corporate Social Responsibility

EIL's CSR initiatives underscore the Company's commitment to operate as a socially responsible corporate citizen in an economically, socially and environmentally sustainable manner to enhance overall contribution to society. As per Companies Act 2013, a budgetary allocation of 2% of the average net profit made during three immediately preceding financial years has been done in the financial year 2018-19 for CSR activities.

**Art & Culture:** EIL is providing support for setting up of KD Malviya National Oil Museum at Guwahati. The Museum aims to create awareness with regard to the development of the Oil Industry in India and also the Infrastructure and Technology available in the country in Petroleum sector. It will serve as an archive for vintage equipment relating to the Petroleum industry in India.

**Education:** EIL supported the setting up of Mini Science Centre in 2 schools in Ratnagiri district, Maharashtra and a computer centre for underprivileged youth in Tughlakabad, Delhi. The Company is also supporting the construction of Government School Building in Kabennur, Dharwad, Karnataka. In order to support children with Intellectual Development Disorder and creating inclusive education opportunities for them, EIL is conducting 10 Workshops for training of teachers in mainstream schools to address the teaching needs of such students.

**Health Care:** EIL conducted ten camps for distribution of Assistive Aids and Appliances to poor & needy Persons with Disabilities at Udaipur, Kota, Delhi, Haldia, Kochi, Udupi, Ratnagiri, Dharamshala, Bargarh and Cuttack.

EIL is also providing support for conducting 4-5 screening camps for eye ailments and 200 cataract operations for people from marginalised sections of society.

**Drinking Water/ Sanitation:** EIL has supported the construction of 100 nos. of community toilets in remote villages of Aligarh district and 32 nos. of school toilets and potable drinking water facilities in schools of Pataudi block of Gurugram district, Haryana.

The Company has supported the maintenance of 161 nos. of toilets constructed as part of Swachh Bharat Abhiyaan in Assam (150) and Tamil Nadu (11) and made a contribution to Swachh Bharat Kosh to supplement Government's effort towards Swachhta Mission.

EIL is supporting the construction and installation of three water purification plants (ROs) in villages of Sheohar district, Bihar.

**Rural Electrification:** EIL supported installation of 100 Solar Photovoltaic based LED Street Lighting Systems in various villages of Poonia District, Uttar Pradesh.

**Environment Protection/ Sustainability:** EIL is supporting the setting up of plant for conversion of Waste to Fuel in Mathura and installation of solar system and solar lights at Ayudham Campus for old & infirm.

**Women Empowerment:** EIL supported the functional literacy programme of 120 tribal women in Mushroom Cultivation and Bee-Keeping at Bolangir District in Odisha.

**Vocational Training/Skill Centres:** EIL supported the establishment of Skill Development Institute at Ahmedabad and is providing operational fund to Skill Development Institutes at Bhubaneswar, Kochi, Guwahati, Raebareli and Vishakhapatnam.

To enhance skill set of Persons with Disabilities (PwDs), EIL conducted Skill Development Training for 1200 PwDs in various trades at



Faridabad, Rajkot, Ujjain, Gwalior, Gondia, Ahmednagar, Nashik, Nagpur, Thane, Jalgoan, Solapur, Pune, Kalyan, Hanumangarh, Ismailabad, Shahabad, Sirsa and Fatehabad.

EIL supported residential Skill Development Training Programme of 100 candidates from backward classes in Haryana and Bihar.

## 19. Make In India

“Make In India” is a flagship initiative launched by the Hon’ble Prime Minister with an objective to revive and revitalize the manufacturing sector in the country. As part of the “Make In India” campaign, EIL has been pursuing several initiatives:

- Contribution to Government’s Policy formulations to encourage indigenization.
- Vendor interaction to upgrade indigenous manufacturing technologies.
- Indigenization of equipment manufacturing to increase domestic content.
- Vendor enlistment/ enhancement through continuous interaction, assessment and evaluation.
- Relaxation of PTR criteria for 51% owned subsidiaries.

EIL is piloting the midstream sectors for Make In India initiative under MoP&NG and is a member of the Steering Committee set up for the purpose. To this effect, regular supplier meets are being organized for interaction with the specific domain based industries and empanelment of suppliers through an online web based process.

EIL has been actively engaged with MoP&NG and other Oil & Gas sector organizations for this initiative through participation in several stakeholder meets and contributing to various draft policy formulations such as Purchase Preference for Local Content Policy which has now been mandated under the ambit of Make In India.

## 20. Official Language

### • Implementation of official language policy

- i. Quarterly meetings were held regularly wherein the progress in use of Hindi was reviewed. The meetings of different OLICs of Regional/ Field/Procurement Offices were also organized as per schedule and the targets of four meetings as per schedule have been achieved in the financial year in all offices.
- ii. Senior Officers of the Company participated in the meetings of the Town Official Language Implementation Committee (TOLIC).
- iii. Employees are nominated for the competitions organized by other undertakings under the aegis of TOLIC and some of them were suitably awarded.
- iv. Hindi workshop for other undertakings was successfully held under the aegis of TOLIC Gurugram.
- v. Provisions of the Section 3(3) of the Official Language Act and the Official Language Rules have been complied with.
- vi. The initiatives taken in the field of IT includes activating Unicode facilities in all computers, Providing Indic IME, booklet for Standard Noting, PDF of Email Signature in Hindi and Google voice typing and other software on the computers and training of above software were given during Hindi Workshops. Necessary Hindi software, Glossary and other material are installed in the Company Portal for ready use of employees. The facility of Google translation, MahashabdKosh of Home Ministry is provided on computers.

vii. For better implementation of Official Language, inspections have been conducted in the offices and departments.

### • Hindi Teaching & Training

In pursuance of the Official Language Policy of the Government of India, newly joined employees, not conversant with Hindi language, are nominated in correspondence course of Ministry of Home Affairs, Govt. of India. Target has been achieved in respect of stenographers and typists.

### • Hindi Workshops

Twenty three Hindi workshops in different Offices, three Official Language conferences i.e. one in region ‘B’ and two in region ‘C’ were organized during the year. Two Hindi workshops were organized for GM and above level Officers. One special Hindi conference was also organized for the members of EIL Official Language Implementation Committee, in which C&MD, Directors and Executive Directors took part.

### • Hindi Fortnight Celebration

The Hindi Fortnight was celebrated during September 1 - 14, 2018 in the Company. Various competitions were organized to encourage the progressive use of Hindi wherein winners were awarded. On this occasion, HODs/Heads of Office and their Hindi Coordinators were awarded who performed maximum work in Hindi during the year.

## 21. Awards and Accolades

During the FY 2018-19, your Company was conferred with multiple awards and honours at national level. The significant ones among them are as follows:

- CII National Energy Efficiency Circle Awards in two categories: Energy Efficient Technology - Implementation of Oxygen Enrichment Technology in SRU and Best Energy Efficient Case Study - combined Heat & Power Optimisation of a Refinery in May, 2018.
- Petroleum Rajbhasha Shield (Consolation award) by the Ministry of Petroleum and Natural Gas for excellent Hindi work done during 2017-18, presented on September 28, 2018.
- IEI Industry Excellence Award 2018 instituted by The Institution of Engineers (India), received on December 21, 2018.
- 6<sup>th</sup> Governance Now 2019 award in the categories of Outreach (Communications) and Technology Adaption, conferred on January 17, 2019.
- Petrotech Special Technical Award 2019 in the Greening of Oil and Gas Business and Sustainability category jointly with IOCL, conferred on February 11, 2019.
- Petrotech Special Technical Award 2019 in the Women Executive in Hydrocarbon Sector category to Ms. R. Priyamvada, ex-GGM (Technical) conferred on February 11, 2019.
- “Pride of HR Professional” Award to Sh. V.C. Bhandari, Director (Human Resource) by World HRD Congress on February 15, 2019.
- 11<sup>th</sup> CIDC Vishwakarama Awards for Best Construction Projects to DHDT Project, Numaligarh Refinery, Assam on March 7, 2019.
- 11<sup>th</sup> CIDC Vishwakarama Awards for Best Practices in Construction Health, Safety & Environment to BS-VI Quality Fuel Project, HMEL Guru Gobind Singh Refinery, Bathinda (Punjab) on March 7, 2019.

## 22. Joint Venture

Ramagundam Fertilizers & Chemicals Ltd. (RFCL) has been incorporated as a joint venture company of Engineers India Limited (EIL), National Fertilizer Limited (NFL) and Fertilizer Corporation of India (FCIL), for setting up Gas based Urea Manufacturing Plant at Ramagundam, Peddapalli district in the State of Telangana, with capacity of 2200 MTPD Amonia Unit and 3850 MTPD Urea Unit. The Plant is expected to be commissioned by December 31, 2019.

## 23. Subsidiary Company

Certification Engineers International Limited (CEIL), a wholly owned subsidiary of EIL, continued to provide Certification as well as Third Party Inspection (TPI) services to various clients. During the year, CEIL secured a number of assignments from VMC, SMC, GSPL, GAIL, PSCDCL, KRCL, NLC and various State Governments, notable among these being:

- VMC, SMC : TPI for various infrastructure Projects undertaken by Municipal Corporations.
- Gujarat State Petronet Limited (GSPL): TPI for various pipeline projects viz. GITL, MBBVPL.
- GAIL: TPI at steel source or mills for GITL.
- Special Protection Group (SPG): TPI services for Residential cum Training Complex.
- Konkan Railway Corporation Limited: Quality Assurance Services for USBRL Project.
- Dedicated Freight Corridor Corporation (DFCC): TPI services of steel web girder bridges for western corridor.
- Pune Smart City Development Corporation Limited (PSCDCL): Third Party Quality Audits and Site Quality Control Inspection.
- Sardar Sarovar Narmada Nigam Limited (SSNNL): Third Party Inspection for underground pipeline.
- ERDMP Certification of Torrent Power Limited.

Apart from these, CEIL secured many Third Party Inspection assignments from clients like BPCL, OPaL, GSPL/GITL, HPCL, Technimont/KTI, T4S Audit of TNGCL CGD Network, IMS Audit of IGL CGD Network etc. Earlier Certification and TPI jobs for ONGC Sagar Samrat, Daman Development projects continued this year also.

The Board of Directors of the company have recommended for the financial year 2018-19, a final dividend of ₹ 350 Lakhs (9,00,000 equity shares of ₹100/- per share) in addition to ₹ 300 Lakhs (1,00,000 equity shares of ₹100/- per share) interim dividend already paid during the year. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result into total dividend outflow of ₹650.00 Lakhs and dividend distribution tax of ₹133.61 Lakhs aggregating to total outflow of ₹783.61 Lakhs.

## 24. Corporate Governance

The Company is committed to good Corporate Governance as per the requirements of SEBI Regulations and DPE Guidelines in this regard. The Board of Directors support the broad principles of Corporate Governance. In addition to the basic issues, EIL Board lays strong emphasis on transparency, accountability and integrity. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, the

Report on Corporate Governance, together with the Auditors' Certificate on compliance of conditions of Corporate Governance, along with the Management's Reply on the comments of Auditors is annexed to this report.

## 25. Number of Meetings of the Board

The Board met 7 times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

## 26. Composition of Audit Committee

The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of Audit Committee like composition, terms of reference, meetings held are provided in the Corporate Governance Report that forms part of this Annual Report.

## 27. Declaration of Independent Directors

The Company has received necessary declaration from each independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

The Board of Directors in their 344<sup>th</sup> meeting held on May 17, 2019 has also take on record the declaration and confirmation submitted by the independent director after undertaking due assessment of the veracity of the same.

## 28. Training to Independent Directors

The Company has a well defined Training Policy for training to Board Members which inter-alia include the various familiarization programmes in respect of their roles, rights, responsibilities in the company, nature of the industry in the company operates, business model of the company etc. Further, the same is also taken care during the various strategy meets of the Company and different presentations in the Board/ Committee meetings on the statutory Laws. The details of such familiarization programmes / Training Policy have also been posted on the website of the Company at the <https://engineersindia.com/investors/corporate-governance-web-link>.

## 29. Directors and Key Managerial Personnel

### Directors

#### • Inductions

Shri Sunil Bhatia was appointed as Additional Director in the capacity of Director (Finance) w.e.f 18<sup>th</sup> October, 2018 (Date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31016/3/2018-PNG(25938) dated 17.10.2018. Shri Sanjeev Kumar Handa was appointed as Additional Director in the capacity of Director (Projects) w.e.f 11<sup>th</sup> March, 2019 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/3/2018-PNG(23210) dated 11.03.2019. Shri Bollavaram Nagabhushana Reddy was

appointed as Additional Director, Director (Government Nominee), w.e.f. 27.05.2019 vide MoP&NG letter No. C-31033/1/2016-CA/FTS:42979 dated 27.05.2019. Shri M. Arulmurugan was appointed as Additional Director, Non-official Independent w.e.f. 17.07.2019 (date of allotment of DIN) vide MoP&NG letter No. No.C-31033/2/2018-CA/PNG(25758) dated 12.07.2019.

- **Re-appointments**

In terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, the Board of Directors of the Company had recommended for reappointment of Dr. (Prof.) Mukesh Khare, Mrs. Arusha Vasudev, Shri V.K. Deshpande and Shri Umesh Chander Pandey Non-Official Independent Directors for a second term of one year commencing from the date of completion of their existing tenure i.e., 19.11.2018 or until further orders of the Government, whichever is earlier. They shall not be liable to retire by rotation. In accordance with the provisions of the Act and Articles of Association of the Company, Shri Vipin Chander Bhandari, Director (HR) and Shri Lalit Kumar Viji, Director (Technical) would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offers themselves for reappointment. In accordance with the provisions of the Companies Act, 2013, Shri Sunil Bhatia, Director (Finance), Shri Sanjeev Kumar Handa, Director (Projects), Shri Bollavaram Nagabhushana Reddy, Director (Government Nominee) and Shri M. Arulmurugan, Non-official Independent Director, who were appointed as Additional Director after the date of last Directors' Report shall vacate their office at the ensuing Annual General Meeting. Necessary Notices have been received under section 160 of the Companies Act, 2013, proposing their candidature for appointment. The Board recommends their appointments. Brief resume of the Directors seeking appointment / reappointment together with the nature of their expertise in specific functional areas, disclosure of relationships between Directors inter-se, names of companies in which they hold Directorships and the membership/ chairmanship of Committees of the Board along with their shareholding in the Company etc. as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and other statutory provisions are given in the Annexure to Notice of 54<sup>th</sup> Annual General Meeting.

- **Retirements**

After the date of last Directors' Report i.e. 10<sup>th</sup> August, 2018 Shri Sandeep Poundrik, Director (Government Nominee) ceased to be Director of the Company w.e.f. 01.05.2019. The Board placed on record its sincere appreciation for the valuable services rendered and contribution made by Shri Sandeep Poundrik, Director (Government Nominee).

- **Additional Charge**

Shri Jagdish Chander Nakra, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Finance) which continued till 30.04.2018 and was further continued for a period of 6 months w.e.f. 1.05.2018 or till the appointment of a regular incumbent to the post or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31/1/2017-PNG (14564) dated 14.06.2018. Shri Jagdish Chander Nakra,

Chairman & Managing Director was also entrusted with the additional charge of the Post of Director (Projects) for a further period of 6 months from 13.11.2018 or till the appointment of a regular incumbent to the post or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/2/2018-PNG (23190) dated 04.10.2018.

#### **Key Managerial Personnel**

##### **Company Secretary:**

The Board of Directors in their meeting held on 15.01.2019, appointed Shri Suvendu Kumar Padhi as Company Secretary of the Company (w.e.f. 15.01.2019) in place of Shri Narendra Kumar, Manager (CS) who was appointed as Company Secretary of the Company as an interim measure till appointment of senior Company Secretary.

##### **Chief Financial Officer (CFO) :**

During the period under review, Shri Vipin Chander Bhandari, Director (HR) was holding the position of CFO of the Company till appointment of Shri Sunil Bhatia, Director(Finance), as CFO of the Company w.e.f. 13.11.2018.

#### **30. Secretarial Auditors**

M/s Agarwal S. & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for the financial year 2018-19 along with the Management's Reply on the comments of Secretarial Auditor is annexed to this Report.

#### **31. Vigilance Mechanism/Whistle Blower Policy**

The Company has formed the Whistle Blower Policy/Vigil Mechanism and no personnel have been denied access to the Audit Committee. The same has also been given on the website of the Company at <https://engineersindia.com/investors/corporate-governance>.

#### **32. Dividend Distribution Policy**

As per Regulation 43A of the SEBI (LODR) Regulations 2015, your Company has formulated a Dividend Distribution Policy. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the Company's website, at <https://engineersindia.com/investors/corporate-governance>.

#### **33. Transfer of Amounts/ Securities to Investors Education and Protection Fund**

A detailed disclosure regarding the same has been given in the Corporate Governance Report which forms part of this Annual Report. The same has also been given on the website of the Company at <https://engineersindia.com/investors/corporate-governance>.

#### **34. Listing on Stock Exchanges**

The Company is listed on the BSE Ltd. and National Stock Exchange of India Ltd. The Company has paid Listing fees for the Financial Year 2018-19 to the above Stock Exchanges in time.

#### **35. Nomination and Remuneration Committee**

EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors, both Executive and Non-Executive are made by the Government of India and are being paid remuneration as per the terms of their appointment. The Company has a Nomination and Remuneration Committee and detailed disclosure in this regard has

been given in the Corporate Governance Report which forms part of this Annual Report.

### 36. Performance Evaluation of the Board

EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

### 37. Particulars of Contracts or Arrangements made with Related Parties (RPTs)

In line with the provisions of the Companies Act, 2013 and the Listing Regulation, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company at <https://engineersindia.com/investors/corporate-governance>. The Company gives the disclosure regarding material transactions with related parties on quarterly basis along with the compliance report on Corporate Governance. As per requirements of Section 134 (3) of Companies Act, 2013 read with rule 8 of Companies (Accounts) Rule, 2014, particulars of contracts or arrangements with related parties as referred in section 188 (1) of the Companies Act, 2013 is annexed to this report. During the year, there were no material RPTs. Further, suitable disclosure as required by the Indian Accounting Standard (Ind AS-24) "Related Party Disclosures" has been given in the Notes to the Financial Statements.

### 38. Details of Loans/Investments/Guarantees

In compliance with the provisions of the Companies Act, 2013, the details of investments made and loans/guarantees provided as on 31.03.2019 are given in the respective Notes to the financial statements.

### 39. Reporting of Frauds by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Directors' Report.

### 40. Extracts of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed to this report. The same has also been given on the website of the Company at <https://engineersindia.com/investors/corporate-governance>.

### 41. Cost Auditors

EIL does not fall under the cost audit rules and therefore, there is no requirement of cost audit for the Company in terms of amended Companies (Cost Records and Audit) Rules.

### 42. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

In accordance with the provision of the Companies Act, 2013 and rules framed thereunder, particulars relating to Energy Conservation Technology Absorption are given under Research & Development and Sustainable Development Sections of the Directors' Report.

Information regarding imports, foreign exchange earnings and expenditures etc. (excluding exchange difference on conversion of foreign currency) is as following:

(Figures in ₹ Lakhs)

| Sl. No. | PARTICULARS   | STANDALONE                              |   |
|---------|---|---|---|
|         |   | Year ended 31 <sup>st</sup> March, 2019 | Year ended 31 <sup>st</sup> March, 2018 |
| a)      | Expenditure (disbursement basis) in foreign Currency on account of:   |   |   |
| (i)     | Knowhow and professional fees including sub-contracts (others)  | 1182.22                                 | 591.70                                  |
| (ii)    | Sub-contractor/Construction Material turnkey projects   | 3351.58                                 | 1100.43                                 |
| (iii)   | Others (foreign travel, living allowance, membership fees, agency commission, foreign office expenses)  | 3466.40                                 | 3096.58                                 |
| b)      |   |   |   |
| (i)     | Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 78.29 Lakhs (Previous year: ₹ 107.79 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 88.82 Lakhs (Previous year: ₹ 38.69 Lakhs) incurred in local foreign currencies. | 17985.38                                | 22583.95                                |

### 43. Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 44. Other Disclosures

No disclosure or reporting is required in respect of the following item as either these were not applicable or there were no transactions on these items during the financial year 2018-19:-

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

Further, the names of Companies which have become or ceased to be its subsidiaries during the year are NIL and the companies which have become or ceased to be joint ventures or associate companies during the year are also NIL.

The Company has complied with the applicable Secretarial Standards (SS-1&SS-2).



The Company has complied with the provisions and has in place Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, during the financial year 2018-19, there were no cases filed under the above act.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

#### 45. Code of Conduct

EIL has formulated a Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Board Members and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by C&MD is given under para 2(e) of the Report on Corporate Governance annexed to this Report. The Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel are given on the website of the Company at <https://engineersindia.com/investors/corporate-governance>.

#### 46. Right to Information

An elaborate mechanism has been implemented within the Organization to deal with requests received under Right To Information Act, 2005. A dedicated RTI Cell is available at HO-New Delhi to deal with the matters pertaining to RTI Act.

Under the provisions mentioned in Section 4(1) (b) of RTI Act, every public authority is required to display mandated information to citizens to secure access to the information under the control of public authority, in order to promote transparency and accountability in its functioning. EIL, being a responsible public sector undertaking, has displayed the mandated information on its corporate website under 'Right to Information' section. Details of CPIO and First Appellate Authority have also been notified, in line with the requirements of the Act.

During the period April 01, 2018 to March 31, 2019, a total of 224 (Two hundred and twenty four) RTI applications were disposed off timely, by providing information in line with provisions mentioned in the Act. Company also received a number of First Appeals in response to the information provided by CPIO. 32 (Thirty two) number RTI Appeals were attended and appropriately disposed off by First Appellate Authority during the aforesaid period.

#### 47. Directors' Responsibility Statement

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

Company and for preventing and detecting fraud and other irregularities;

- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 48. Auditors

M/s Arun K Agarwal & Associates, Chartered Accountants were appointed as Auditors of the Company for the financial year 2018-19 by the Office of Comptroller & Auditor General of India.

#### 49. Bankers

Bankers of the Company include State Bank of India, Indian Overseas Bank, Vijaya Bank, Corporation Bank, Bank of Baroda, Punjab National Bank, Union Bank of India, HDFC Bank, ICICI Bank, Indian Bank, Bank of India, Oriental Bank of Commerce, Canara Bank, IDBI Bank, Axis Bank and IndusInd Bank.

#### 50. Particulars of Employees

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government Companies are exempted from inclusion of the statement of particulars of employees. The information has, therefore, not been included as part of the Directors' Report.

#### 51. Acknowledgement

Directors are grateful for all the help, guidance and support received from Ministry of Petroleum & Natural Gas and from other Ministries of the Government of India. Directors are also grateful to the Bankers, Statutory Auditors, Comptroller & Auditor General of India and the investors for their continued patronage and confidence in the Company.

Directors thank all our esteemed clients for the faith and trust reposed in the Company. With continuous learning, skill upgradation, technology development, your Company continue to provide world class professionalism and services to our clients.

Directors thank all associates, vendors and contractors within the country and abroad, for their continued support without which EIL could not have achieved the desired results. Your Directors are grateful to all the Foreign Missions in India and Indian Missions abroad in countries where EIL has business operations for their continued help and support.

Directors wish to convey their appreciation to all employees for the valuable services and cooperation extended by them and are confident that they will continue to contribute their best towards achieving still better performance in future.

For and on behalf of the Board of Directors

Place: New Delhi  
Date : August 9, 2019

J.C. Nakra  
Chairman & Managing Director

## Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2018-19 and the business outlook for this year:

### 1. Business Overview

For the year 2018-19, the Company secured business worth ₹ 5,891 Crore with segment-wise breakup as follows:-

- Domestic Consultancy : ₹ 1,495 Crore
- Domestic Turnkey : ₹ 4,305 Crore
- Overseas Consultancy : ₹ 91 Crore

Major contribution in order inflows for Consultancy segment was from Rajasthan Refinery Project of HPCL wherein the Company secured Consultancy contract for the main process complex as well as Turnkey contract on Open Book Estimate (OBE) basis for Utilities & Offsites (U&O) and associated works.

#### Domestic

In the upstream hydrocarbon segment, EIL secured orders for design for utilization of waste heat from produced water for heating well fluid of ONGC Energy Centre and extension of consultancy services contract for Life extension of Well Head Platform of ONGC.

In the midstream segment, EIL secured orders for PMC services for LNG truck loading facilities of Konkan LNG, DFR for pipelines for Rasayani complex of BPCL and DFR for crude unloading and storage facilities at Mundra of HMPL.

In the downstream sector, orders secured in the Refining sector include PMC for Rajasthan Refinery Project, Execution of Residual Utilities and Offsites for Rajasthan Refinery Project on OBE Basis, EPCM services for Bio-Refinery project in Assam, EPCM services for INDJET unit of IOCL Barauni refinery, Consultancy services for preparation of DFR for expansion of Guru Gobind Singh Polymer Addition Project of HMEL, Licensor selection for Residue Upgradation project of HPCL-Mumbai, and water consumption study for IOCL, BPCL, HPCL and CPCL refineries, among various others.

In the Infrastructure sector, breakthrough was achieved in securing PMC services for High Speed Rail Terminal project at Sabarmati of NHRCL, PMC services for design of new campus for IIM-Nagpur, EPCM services for development of Khajekhalan Ghat at Patna of IOCL, Engineering Review and procurement & construction management services for Phase-II of HP Green R&D centre at Bengaluru of HPCL, DFR for development of treatment facilities and future pipelines for NGT, Independent Engineer services for modernization & restructuring of Delhi Airport of AAI, among various others.

In the Metallurgy segment, EIL secured order for DFR for proposed brown field expansion of Smelter by addition of additional Potlines & upgradation of existing Potlines from 180 KA to 220 KA technology for NALCO, Preparation of Technical Assessment Report for requirement of land, water & power for NALCO's Aluminium downstream project

and Consultancy services for assessment of land requirement for expansion of alumina refinery of Vedanta.

#### Overseas

EIL was able to secure various engineering and consultancy assignments in Middle East and Africa against stiff international competition.

Major jobs secured in overseas markets were mainly through variation orders from Dangote Group in Nigeria and consultancy assignments for both onshore and offshore projects in UAE and Bahrain. EIL also received engineering assignments and a few training assignments in Bahrain under General Engineering Services Agreement, which was the result of its new initiatives for providing Training Services in the hydrocarbon sector.

This year, EIL was also able to pre-qualify for providing PMC Services for the Construction of an Oil Refinery Plant with a Crude Oil Supply Pipeline Project in Mongolia. This project is being funded by Government of India under Line of Credit to Government of Mongolia and it will provide a unique opportunity to support 'Make In India' initiative.

EIL is also pursuing opportunities in other overseas territories as well to augment its international footprints.

### 2. Business Environment & Future Outlook

#### India

India has emerged as one of the fastest growing economies in the world. As per latest estimates of CSO-2018, GDP growth of 6.7% was achieved in FY2018 and it is expected to grow at 7.3 per cent in 2018-19. The plethora of initiatives & policy reforms undertaken by the Govt such as Make In India, Bio-Fuels, Digital India, SMART City, AMRUT, Pradhanmantri Urja Ganga Yojana (Pipelines, CGD Networks, Fertilizer Plants), Sagarmala, Renewed focus on Infrastructure especially Ports & Airports, PCPIRs, Namami Gange, Affordable Housing, etc have propelled large inflow of FDIs into the country. The energy demand is set to grow at an all time high owing to rapid urbanisation and industrialisation.

Indian refinery industry has done exceedingly well in establishing itself as a major player globally. India, which is second largest refiner in Asia after China, is emerging as a refinery hub with refining capacity exceeding demand. The hydrocarbon sector of the country has been energized with announcements of new Mega Projects. The refining capacity of the nation is envisaged to surge from the present 247.6 MMT to 490 MMT by 2040, to cater to its robust demand and also promote itself as an Export Hub.

Integration of Petrochemicals to Refineries has now been taken up by major OMCs. Projects pertaining to Energy Efficiency, Value addition with Integration of Natural Gas, displacement of Liquid fuels, Clean Fuels (BS-VI) and alternate fuel projects have been undertaken in the

country. Various initiatives in Pipelines sector have been announced in the country including friendship pipeline with Bangladesh.

The vision of Gas Grid is steadily turning into a reality. Natural Gas is seen to increase its share to 20% by 2030 which could mean creation of more energy consumers driving the regional growth. The PCPIRs and Plastic Parks would revive the growth potential of per capita consumption of petrochemical products from the present less than 8 kg to about 15 Kg by 2030. A number of LNG Regasification projects are being planned on the East Coast of the country.

The Company is optimistic that with planned capex expenditure of all the Oil & Gas majors in the hydrocarbon sector, the coming years would offer a number of opportunities across the value chain especially in the midstream and downstream segment with integrated refinery and petrochemical complexes as well as standalone petrochemical plants.

#### Overseas

As per World Economic Outlook (WEO), the upswing in global investment and trade continued in the current fiscal. At 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in 2019.

Oil prices increased to \$79 a barrel in September 2018, the highest level since 2015, following unplanned outages on the US Gulf Coast and in Libya, the North Sea, and Venezuela; an extension to the end of 2018 of the Organization of the Petroleum Exporting Countries agreement on production targets; and stronger global economic growth.

The natural gas price index, an average for Europe, Japan, and the United States, rose sharply by 45 percent, reflecting seasonal factors. Strong demand for liquefied natural gas (LNG) in China, where the government has restricted the use of coal to mitigate air pollution, helped drive the spot LNG price to its highest level in three years.

Hydrocarbons are envisaged to have a significant demand with rapid urbanisation and increased energy consumption. Clean Fuels are projected to increase their share in the Energy Mix along with Renewable and Bio fuels. With focus on environment, these energy constituents are going to witness tremendous growth in coming years. Higher demand for oil products envisaged will therefore encourage refiners to maximise throughputs, amid new capacity coming on line in Asia, Middle East and Africa.

EIL is currently executing grass root refinery & petrochemical complex for Dangote Oil Refining Company (DORC). With current growth trends of fuel consumption and improved GDP numbers for some of the major nations in African continent, EIL expects future business opportunities in Oil & Gas sector in this region as well. With its engineering set-up in Abu Dhabi, EIL is well positioned to actively participate in these upcoming opportunities in Middle East and African region.

### 3. Financial Performance

The key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with the corresponding performance for the year are as under:

(Figures in ₹ Lakhs)

| Sl. No.   | Description                                  | Actual 2018-19 | Actual 2017-18 |
|-----------|--|----------------|----------------|
| <b>A.</b> | <b>INCOME</b>                                |                |                |
| i)        | Consultancy & Engineering Contracts          | 134947         | 137929         |
| ii)       | Turnkey Contracts                            | 109487         | 40829          |
| iii)      | Other Income                                 | 22508          | 17947          |
|           | <b>TOTAL INCOME</b>                          | <b>266942</b>  | <b>196705</b>  |
| <b>B.</b> | <b>EXPENDITURE</b>                           |                |                |
| i)        | Cost of rendering services                   | 207955         | 137512         |
| ii)       | Depreciation & Amortization                  | 2236           | 2383           |
|           | <b>Total</b>                                 | <b>210191</b>  | <b>139895</b>  |
| <b>C.</b> | <b>PROFIT BEFORE TAX (A-B)</b>               | <b>56751</b>   | <b>56810</b>   |
| D.        | Provision for Current tax                    | 19470          | 21669          |
| E.        | Provision for Deferred Tax                   | 871            | (3179)         |
| F.        | Earlier Year Tax Adjustments, Short/(Excess) | (597)          | 533            |
| <b>G.</b> | <b>PROFIT FOR THE YEAR (C-D-E-F)</b>         | <b>37007</b>   | <b>37787</b>   |
| <b>H.</b> | <b>OTHER COMPREHENSIVE INCOME</b>            | <b>(158)</b>   | <b>460</b>     |
| <b>I.</b> | <b>TOTAL COMPREHENSIVE INCOME</b>            | <b>36849</b>   | <b>38247</b>   |

#### 3.1 Segment wise Performance

In line with the Indian Accounting Standard (Ind AS-108) "Operating Segments", the Company has (segmented) strategized its business activity into two business segments i.e. Consultancy & Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risks and rewards of these segments. Segment results are given below:

(Figures in ₹ Lakhs)

| Consultancy & Engineering Projects    | Year ended 31.03.2019 | Year ended 31.03.2018 |
|---------------------------------------|-----------------------|-----------------------|
| <b>Segment Revenue</b>                |                       |                       |
| Consultancy & Engineering Projects    | 134947                | 137929                |
| Turnkey Projects                      | 109487                | 40829                 |
| <b>Total</b>                          | <b>244434</b>         | <b>178758</b>         |
| <b>Segment Profit From Operations</b> |                       |                       |
| Consultancy & Engineering Projects    | 38938                 | 43027                 |
| Turnkey Projects                      | 6279                  | 7537                  |
| <b>Total (A)</b>                      | <b>45217</b>          | <b>50564</b>          |
| Interest                              | 123                   | 57                    |
| Other un-allocable expenditure*       | 10851                 | 11644                 |
| <b>Total (B)</b>                      | <b>10974</b>          | <b>11701</b>          |
| <b>Other Income (C)</b>               | <b>22508</b>          | <b>17947</b>          |
| <b>Profit Before Tax (A-B+C)</b>      | <b>56751</b>          | <b>56810</b>          |
| <b>Income Tax Expense</b>             | <b>19744</b>          | <b>19023</b>          |
| <b>Profit for the year</b>            | <b>37007</b>          | <b>37787</b>          |
| <b>Capital Employed **</b>            | <b>227585</b>         | <b>226787</b>         |

\* Financial year 2018-19 includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹1794 Lakhs (previous year : ₹ 2,643 Lakhs)

\*\* Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

### 3.2 Financial Performance in relation to Operational Performance

The Company has registered turnover of ₹ 244434/- Lakhs in FY 2018-19, as stated in the audited financial statement. The revenue from consultancy business is ₹ 134947/- Lakhs and from Turnkey Project was ₹ 109487/- Lakhs.

The Board of Directors of the Company has recommended a final dividend of ₹0.75 per share (Face value ₹5/- per share) in addition to interim dividend of ₹3.25 per share paid during the year.

### 3.3 Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (25% of or more as compared to the immediately previous financial year) in key sector – specific financial ratios.

The Company has identified the following ratios as key financial ratios:

| Particulars                               | 2018-19 | 2017-18 |
|---|---------|---------|
| PBT / Turnover                            | 23.22%  | 31.78%  |
| PAT/ Turnover                             | 15.14%  | 21.14%  |
| PBT / Capital Employed                    | 24.94%  | 25.05%  |
| PAT / Net Worth                           | 16.26%  | 16.66%  |
| Turnover/ Net Worth (number of times)     | 1.07    | 0.79    |
| Sundry Debts/ Turnover (Month's Turnover) | 2.03    | 3.66    |
| Turnover/ Net Worth (number of times)     | 1.07    | 0.79    |
| Sundry Debts/ Turnover (Month's Turnover) | 2.03    | 3.66    |

### Ratios where there has been significant changes from FY 2018 to FY 2019

The Turnover of company for financial year 2018-19 of ₹2,44,434 Lakhs has surpassed the annual turnover of previous year of ₹ 1,78,758 Lakhs by 37%. However, the profit margins have reduced over the previous year mainly due to higher mix of turnkey jobs (which tends to have lower profit margin) and reduced margins given the overall competitive environment.

The reduction (44.53%) in Sundry Debts/Turnover ratio is mainly on account of better realisation from clients due to regular follow up.

Net Profit has declined from ₹37787 lakhs to ₹37007 lakhs as a result return on Net worth has declined from 16.66% to 16.26%.

### 4. Risk & Concerns

The Company has a Risk Management Policy with a robust Risk Management frame work, which facilitates assessment of new risk and review of presently identified risks. Based on the probability and impact of the risk, requisite controls and action plans have been designed and implemented. The objective of the corporate Risk Management function is to ensure sustainability of the organization by professionally managing the Enterprise Risks. Enterprise Risk Management involves Identification, assessment, analysis, mitigation and monitoring of the Risks. The Enterprise Risk Management framework at EIL is designed towards the above. The Enterprise Risk Management system of your Company performs the above mentioned Risk Management activities across the business functions of the organization. Your Company's Risk Management process has also been integrated with the Quality Management System requirements as per ISO 9001 so that the same is taken care effectively on day to day basis for all deliverables and activities. The Risk Management framework of your Company is overseen by the Risk Management Committee of the Board.

EIL has identified Key Risks across various business processes namely Procurement, Construction, Project Management, Marketing, Human Resources, Legal, Accounts & Recovery. During this year, your Company has reviewed the Key Risks with respect to the current business environment. The changes in the Key Risks have been approved by the Risk Management Committee of the Board. Mitigation plans have been developed for the new risks and are being deployed across the organization. Also, the Mitigation plans of all other Risks have been reviewed and revised with respect to the current scenario. The elements of risk have been identified by the Company and disclosed for the benefit of all stakeholders. Risks, their root causes, controls and action plans are prepared by process owners and reviewed by multi directorate committee. An independent group (Corporate Risk Assurance) audits the implementation of these mitigation plans regularly and the results are presented to the Risk Management Committee of the Board. Your Company uses its in-house developed software package Enterprise Risk Management System (ERMS) to conduct these audits across multiple locations and departments.



Being a Project Management organization, Project Risk Management framework has been put in place so that project specific risks are identified, assessed and mitigated. Regular Risk Management meetings are conducted and reports are issued to the stakeholders. The status of Enterprise Risk Management (ERM) & Project Risk Management (PRM) Systems is presented to the Risk Management Committee of the Board regularly.

A digital newsletter 'Risk Screen' is being issued to all employees, to promote awareness and to sustain & improve the Risk Management culture. The newsletter covers case studies, survey reports and best practices on Risk Management apart from apprising the employees on the Risk Management updates within the company. Employees across all levels are being continuously trained on Risk Management to improve awareness levels and increase their contribution and involvement towards the Risk Management function.

EIL is continuously improving its risk management capabilities in order to protect and enhance the interests of its stakeholders.

## 5. Internal Control Systems

The Company has adequate systems of internal controls and documented procedures covering all financial and operating functions, in place. These have been designed to provide reasonable assurance with regard to maintenance of proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. The Company has continued its efforts to align all its processes and controls with global best practices.

**Some significant features of the internal control systems are:**

- Preparation and monitoring of annual budgets for all operating and service functions.
- Well established reviews by Internal Audit teams and reports to management / audit committee regularly on the adequacy and compliance of internal controls across the organization.
- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Corporate policies on accounting and capital acquisition.

## 6. Memorandum of Understanding with Govt. of India

During 2018-19, the Company received "Excellent" rating in MoU (Memorandum of Understanding) for the financial year 2017-18. MoU with MoP&NG (Ministry of Petroleum & Natural Gas) for the financial year 2019-20 was signed on May 29, 2019. With a focus on profitability and sustainable growth, various financial and non-financial parameters like turnover, operating profit, research & development, Human Resource Management etc. have been included in the MoU for the year 2019-20.

## 7. Significant Initiatives

EIL has made significant suo-moto initiatives to offer prospective clients with opportunities for improving performance by means of

energy optimization, yield improvement, refinery petrochemical integration, pet-coke gasification for refinery-fertilizer integration, bottoms upgradation etc. In line with the GoI plans for Refining Capacity expansion from the present 247 MMT to 350 MMT by 2030 and 490 MMT by 2040, the OMCs are considering expansions of the Refineries. EIL has completed DFR for comprehensive expansion plans of IOCL Panipat Refinery from 15 MMTPA to 25 MMTPA. One of the upcoming Green Field Refineries is the Cauvery Basin Refinery, for which EIL has completed the DFR. In the Petrochemicals, EIL has also completed DFR for the PDH/ PP Plant for GAIL at Usar and Pata and EIA study for BPCL project at Rasayani.

Aligning with the Govt. of India's vision for promotion of biofuels and in sync with the "National Policy on Bio Fuels 2018", EIL is making efforts for Strategic Progress in the Bio Fuel Sector. EIL has bagged the prestigious and one of its kind Assam Bio Refinery Project, being executed at Numaligarh with bamboo as a feedstock. This Bio Refinery at Numaligarh will be the largest among 12 such refineries proposed to be set up across India. To ensure sustainable growth path, the Company is persistently evaluating various business investment prospects in the bio-fuels sector. EIL has successfully completed the DFR for Drop-in Transport Fuels for one of its prestigious clients in the Private Sector. EIL is also evaluating the prospects of integrating this Hydrogen Pyrolysis and Hydrogen Conversion Technology project for conversion of Bio Mass to Drop in Transport Fuel with existing Refinery and Petrochemical Complexes.

The Company has established "ENGSI" platform for promoting and funding of Start-ups as per the directive of MoPNG. EIL is also evaluating prospective projects for Incubation and further scaling up in synergy with the line of business of EIL.

EIL successfully completed the study on Resource Estimation of Polymetallic Nodules (PMN) of Central Indian Ocean Basin for CSIR-National Institute of Oceanography (NIO), Goa. This re-established company's presence to NIO/MoES as Consultant for upcoming assignments. EIL estimates that such studies shall be beneficial for the proposed Trans National Pipelines projects.

The continued focus on Internationalization in various geographies has resulted in remarkable associations for EIL. The Dangote Refinery Project, one of the largest projects being executed by the Company in Africa, is in full swing and EIL is contemplating its focus on the African countries as a part of its geo-strategic outreach. EIL made a significant headway in Mongloia by signing an MoU with the Government of Mongolia through Mongol Refinery State Owned LLC for its upcoming greenfield Refinery. EIL, in its endeavour to seek projects in Middle East, has managed to list itself with ADNOC initially for TSS contracts and also for large projects. Apart from this, the Company has also been leveraging its presence in Middle East, Africa and neighbouring countries.

## 7.1 Human Resources

HR plays a key role in strategic utilization of Human Resource to serve business goals. EIL has an enabling environment to promote talent management and ensure development and career growth of its people in order to achieve their full potential. As a nerve centre of the

organization, the HR function aims at fuelling the growth ambitions of the organization by equipping the Human Assets for effective and efficient delivery as well as providing them a nurturing environment. Endeavours taken during the year have consolidated the initiatives taken in the past and built on them further for creating systems towards sustainable performance.

#### Some of HR's Key Initiatives and Best Practices

- With an objective to assess EIL's people practices, establish a program of continuous people development and to integrate people development with process improvement, an assessment of People Capability Maturity Model (PCMM) was conducted in EIL through an external consultant. During the assessment, many cross functional Focused Group Discussions (FGDs) were held across locations along with two cross functional structured training programs covering around 30 executives. Also during review of existing people practices and procedures, areas of improvement were identified and action plans were drawn to establish a culture of excellence.
- A robust and transparent Performance Management System (PMS) is in place which enables the fostering of a performance based culture and performance assessment in line with Industry best practices. The performance appraisal process and promotion policy for officers was further reviewed and implemented to drive higher employee engagement.
- EIL has been updating its systems based on employees' feedback through various surveys and other prevalent feedback mechanisms.
- Recognition of individual contribution as well as team efforts of Young Talent, Functional Experts, Innovators and Supporting Staff has also been done by way of Annual Awards which were presented to meritorious employees in recognition of exemplary contribution made in their area of work. Technical paper writing competitions were held to encourage the employee to share their knowledge and experience which helped in documenting the tacit knowledge of employees.
- Continuous Learning & Development (Training) is promoted by creating multifaceted learning opportunities for employees. The core competencies of the Company were further strengthened by designing and organizing Domain Specific/Specialized Training Programmes, whereas the managerial and behavioural capabilities were strengthened through adequate focus on soft skills programmes.
- Training department has organized programmes for Clients as a Profit Centre during the financial year.
- Career spanning from Learning to Leadership - Prime focus is given for Leadership Development within the organisation for sustainable growth as EIL places high value on nurturing and developing its people. Some of the ongoing initiatives are Leadership Development Program – 'Aarohan' for guided development of leadership competencies.
- Integration of HR software modules for effective flow of information and better performances has been developed.
- Employee welfare related initiatives are undertaken regularly for enhancing benefits provided to employees. Provision of Paternity

Leave has been incorporated in leave rules and medical facilities improved in order to meet the expectations and aspirations of employees.

- Supporting the well-being of the employees, thrust was laid on sports and fitness activities by encouraging employees to participate in PSPB tournaments. For creating awareness on health issues, talk-cum-interactive sessions were conducted under Health & Lifestyle Enrichment program.
- Assessment & Development Centres (ADC) were conducted for 61 senior management personnel during the month of October, 2018 for assessing officers in both individual and group based environment for all round development.

#### 7.2 Marketing

Your Company has been continuously working towards developing long term relations with major business players both in domestic and overseas markets. This has helped us in pooling our resources and providing services on wider spectrum. Some of the major achievements include securing of assignments for Rajasthan Refinery Project both in Consultancy as well as Turnkey segments in India and various change orders for Dangote Refinery Project in Nigeria. FY 2018-19 has been a good year for EIL in terms of robust order book and business secured. Further, EIL had also secured assignments in expansion, revamp and up-gradation of existing refineries as well as in new sectors, as a part of its diversification initiative, such as bio-fuels and infrastructure covering various segments, namely, buildings, airports, water etc.

The Company has further strengthened its presence in Middle East, wherein EIL has entered into four Long Term Contracts with ADNOC Offshore & ADNOC Gas Processing for providing Engineering and PMC Services on call-off basis. Additionally, EIL is also focusing on providing Training Services in the hydrocarbon sector to its international clients which will help in developing future relationship with them.

#### 7.3 Operational Improvements

Keeping in view the Company's emphasis on improving the operational efficiency, various initiatives have been undertaken to move towards creating a robust Knowledge Management (KM) System. Electronic Document Management System (eDMS) is being utilized for live projects effectively for this purpose.

#### 7.4 Diversification

While Oil & Gas shall continue to be at the core of all our operations, we at EIL are always scouting for opportunities wherever they synergize with EIL's core competencies in order to safeguard the Company's business interests.

Infrastructure, being the main driver behind economic growth of countries, continuous efforts in the sector are essential for the Company. EIL through its strategic initiatives has managed to bag infrastructure and building projects from the prestigious Institutions like IITs and IIMs.

EIL has also achieved accolades for successful completion of Bhamashah Data Centre Project in Rajasthan. India's biggest Data Centre by any Public Sector Bank was inaugurated at Hyderabad for SBI wherein EIL has provided PMC services for the "Fit-out of the Data Centre on depository basis". EIL's scope of services included Design

Review, Project & Construction Management, Inspection, Installation, Testing & Commissioning of TIA 942 – TIER III compliant Data Centre with facilities like Electrical system, HVAC, IBMS, Lifts, Interior Civil & Architectural works of the Data Centre to house 1049 numbers of Storage / Network / Communication racks.

In the Airport sector, EIL had won the Leh Airport terminal project under stiff competition and the project is on the verge of successful completion. EIL has also been retained by AAI for the Phase 3 Project of Delhi International Airport.

EIL has been entrusted upon as Project Development and Management Consultant (PDMC) by Housing and Urban Development Department (HUDD), Govt. of Odisha to provide end-to-end support for implementation of the Urban Flagship Program - Atal Mission for Rejuvenation and Urban Transformation (AMRUT) in the state of Odisha. As per the National Level Rating Framework assessment, Odisha has achieved 1<sup>st</sup> position (from the earlier 2<sup>nd</sup> position) for its outstanding progress in the project implementation, out of 36 States & Union Territories. This achievement reinstates EIL's track-record of delivering excellence at the State and Central Level.

Having mapped the sunrise sectors and potential business thereof, EIL has initiated sustained business development activities in the sectors of Water and Waste Water Treatment, Urban Infrastructure, Data Centres, PCPIRs, Airports, AMRUT, etc as part of expansion into new lines of business.

The Sagarmala project of Gol is offering huge opportunities and EIL is preparing itself for strategic entry into the sectors of Ports, Harbours and Jetties. EIL is also conceptualizing and mapping opportunities in the Port & Terminals for performing EIA studies.

The need for Gas imports for the country is ever increasing leading to creation of LNG Regas Terminals across the coast. EIL is pursuing these projects along with conceptualization of these to the existing OMCs. The Defence Sector provides an array of opportunities with complex and niche chemicals for weaponry being manufactured at Ordnance Factories. EIL is leveraging its expertise in Technical Consultancy in the Hydrocarbon area to help gain strong foothold in the sector.

#### **7.5 Cost Control & Monitoring**

Effective cost control measures like reduction of support staff and overheads, better cost monitoring etc. have been taken up.

#### **7.6 Corporate Social Responsibility**

The CSR Policy of the Company is aligned with the national focus on

inclusive growth, DPE Guidelines on CSR and the Companies Act 2013. The CSR Committee of the Board and the CSR Council formed by EIL Management provide direction and oversee the CSR initiatives of the Company.

#### **8. Environment Protection & Conservation, Technological Conservation, Renewable Energy Development, Foreign Exchange Conservations**

EIL has taken steps for the implementation of clean and green technologies in order to reduce carbon footprint of its projects. State-of-the-art technologies in the field of effluent recycle/ reuse leading to Zero Liquid Discharge (ZLD) requirements, carbon management for control of volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and treatment of the same using bioremediation process besides opting for energy efficient processes and treatment systems have driven the Company's green initiatives.

#### **9. Corporate Management Information Systems**

Management Information System in EIL is constantly being fine tuned to cater to the ever growing information needs of effective and quick decision making as well as statutory requirements. To expand its domain further and to make it more robust, additional features concerning Resource Engagements, Automation of Employee Centric Systems and Real-Time Management Information aspects have been added to its profile. The remodeled CMIS would operate on a Real-Time Platform for Resource Engagement and Optimization. The CMIS has been providing vital data inputs to various Divisions and Senior Management highlighting operating variables, achievement vis- a-vis budget and other decision support data.

#### **10. Disclosure by Senior Management Personnel**

Reflecting EIL's commitment towards increasing transparency in all spheres, Senior Management Personnel confirmed that none of them have material, financial and commercial transactions with personal interest that may have a potential conflict with the interest of the Company at large.

#### **11. Cautionary Statement**

Statements in Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates are based on the current business environment. Actual results could differ from those expressed or implied based on future developments, both in India and abroad.



## Business Responsibility Report

### SECTION A: General Information about the Company

- Corporate Identity Number (CIN):** L74899DL1965GOI004352
- Name of the Company:** Engineers India Limited
- Registered Address:** Engineers India House, 1, Bhikaji Cama Place, New Delhi -110066
- Website:** <https://www.engineersindia.com>
- E mail Id:** eil.mktg@eil.co.in
- Financial Year Reported:** 2018-19
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

As per National Industrial Classification, Ministry of Statistics & Programme Implementation, the Company is engaged in activities as grouped below:

| Group | Class | Sub-class | Description  |
|-------|-------|-----------|--|
| 422   | 4220  | 42901     | Construction and maintenance of industrial facilities such as refineries, chemical plants, etc |
| 702   | 7020  | 70200     | Management consultancy activities  |
| 711   | 7110  | 71100     | Architectural and engineering activities and related technical consultancy                     |
| 721   | 7210  | 72100     | Research and experimental development on natural sciences and engineering                      |

- List three key products / services that the Company manufactures / provides (as in balance sheet):** Consultancy & Engineering Projects, Turnkey Projects and Research & Development.
- Total number of locations where business activity is undertaken by the Company:**
  - Number of International locations (as on 31.03.2019):** 10 (UAE, Bahrain, Oman, Algeria, Nigeria, Bangladesh, Mongolia and 3 Inspection Offices in China, U.K. & Italy)
  - Number of National locations (as on 31.03.2019):**

| Locations                    | No. |
|------------------------------|-----|
| Corporate Office             | 01  |
| R & D Complex                | 01  |
| Branch Office                | 01  |
| Regional Offices             | 03  |
| Regional Procurement Offices | 07  |
| Construction Sites           | 73  |

- Markets served by the Company – Local/State/National/International:** National & International.

### SECTION B: Financial details of the Company

- Paid up capital (INR):** ₹ 31595.58 lakhs (as on 31.03.2019)
- Total turnover (INR):** ₹ 244433.85 lakhs (FY 2018-19)
- Total profit after taxes (INR):** ₹ 37007.02 lakhs (FY 2018-19)



4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** 2.71% of the profit after tax during the financial year 2018-19.

5. **List of activities in which expenditure in 4 above has been incurred:**

CSR Projects are in line with Schedule VII of the Companies Act, 2013 focusing on sustained efforts to raise the quality of the life of people from the deprived sections of society. These have further been categorised under various thrust areas as Education, Environmental Protection, Sustainability, Healthcare, Women Empowerment, Drinking Water/Sanitation, Upliftment of Underprivileged, Rural Electrification, Community Development, Vocational Training/ Skill Centre and Rural Development Projects.

Details of projects are provided as Annexure to Directors' Report.

#### SECTION C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

Yes. EIL has one subsidiary company.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

EIL's wholly owned subsidiary, M/s Certification Engineers International Limited undertakes CSR and other BR initiatives.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

EIL has been pursuing pioneering efforts towards indigenisation through development of local contractors & suppliers. The Company undertakes regular vendor interaction to upgrade indigenous manufacturing technologies, indigenization of equipment manufacturing to increase domestic content, vendor enlistment through continuous interaction, assessment & evaluation and online empanelment of prospective Vendors. The sustained efforts of the Company in this direction have resulted in indigenisation to the tune of 90% in refinery plant & machinery.

All equipment/materials are sourced through a large Vendor Data Base of more than 2224 suppliers developed over a period of time. Enlistment/enhancement of Vendor Data Base is done through Company's website open to Vendors on 24X7 basis.

EIL undertakes Business Responsibility initiatives with the support and cooperation of its various stakeholders and the community at large.

#### SECTION D: BR Information

1. **Details of Director responsible for BR:**

- (a) **Details of the Director responsible for implementation of the BR policy/policies:**

**Director Name:** Shri Vipin Chander Bhandari

**DIN:** 07550501

**Designation:** Director (Human Resources)

- (b) **Details of the BR Head:**

**DIN Number (if applicable):** NA

**Name:** Shri A K Kalra

**Designation:** ED (HR)

**Telephone Number:** 011-26763587

**e-mail id:** hr@eil.co.in

## 2. Principle-wise (as per NVGs) BR Policy / policies

a. Details of Compliance (Reply in Y/N):

| Questions  | P1   | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Do you have policy / policies for Principle  | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the policy been formulated in consultation with the relevant stakeholders?   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the policy conform to any national / international standards? If yes, specify? (50 words)   | EIL's policies conform to applicable guidelines, rules, statutes etc. issued by Government of India from time to time. |     |     |     |     |     |     |     |     |
| Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?  | EIL's policies are approved by Board/ Competent Authorities as per Delegation of Power.                                |     |     |     |     |     |     |     |     |
| Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?                                     | The details are provided under each principle & information thereof.   |     |     |     |     |     |     |     |     |
| Indicate the link for the policy to be viewed online?  | The details are provided under each principle & information thereof.   |     |     |     |     |     |     |     |     |
| Has the policy been formally communicated to all relevant internal and external stakeholders   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the company have in-house structure to implement the policy /policies?  | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                    | EIL's policies are reviewed / amended from time to time as per statutory guidelines and business requirement.          |     |     |     |     |     |     |     |     |

Note: EIL has various policies/procedures which incorporate the essence of above BR principles.

## 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year:

The various principles enshrined in the BR are reviewed by the Board/Committees of the Board at regular frequency.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Sustainability Report is prepared as a part of Annual Report regularly. The Annual Report for the year 2017-18 can be accessed from the link: [https://engineersindia.com/wp-content/uploads/2018/10/Annual\\_Report\\_2017-18.pdf](https://engineersindia.com/wp-content/uploads/2018/10/Annual_Report_2017-18.pdf)

## SECTION E: PRINCIPLE WISE REPLY

**Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.**

### PRINCIPLE 1 QUESTIONS

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.

Various policies/rules such as Code of Conduct, CDA Rules, Whistle Blower Policy are applicable to all EIL employees including those on deputation to the Joint Venture Companies, Subsidiaries, etc. The Company's Vigilance Department deals with bribery and corruption related issues based on CVC guidelines and related circulars. The ambit of 'Integrity Pact' extends to Suppliers, contractors etc.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The details of complaints received from various stakeholders during the financial year 2018-19 are as under:

| Complaints  | No. of complaints received | No. of complaints resolved | % Resolved |
|---|----------------------------|----------------------------|------------|
| Grievances received from internal employees                             | 16                         | 12                         | 75%        |
| Grievances received from CPGRAMS Portal                                 | 20                         | 20                         | 100%       |
| Complaint received in Compliant Management System from all stakeholders | Nil                        | Nil                        | -          |
| Investors Complaint   | 510                        | 510                        | 100%       |

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**PRINCIPLE 2 QUESTIONS**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Being a consultancy organization, EIL's primary responsibility is to address all the concern/ risk of environmental issues emerging in our projects. Our designs provide emphasis on sustainability right from the conceptualization till commissioning of plant and later during the commercial operation. Energy efficiency, water management, resource optimization and safety of plant personnel & of society at large are the cornerstones of our business operations. Improvements in fuel specifications have achieved the immediate goal of cleaner air. However, it has necessitated increased treatment severity and hence resultant higher energy consumption per unit volume of fuels produced. Thus, even though the emissions caused by combustion of fuels at the consumer end have gone down, there has been a definite increase in emissions at the production end due to increased energy consumption. Therefore in spite of net reduction in the atmospheric pollution, improvement in fuels specifications alone is not adequate to achieve the overall objectives of clean air & reduction in global warming.

Energy conservation measures have double advantage of improving the profitability of operations on one hand while reducing the environmental pollution on the other hand. The justification of the energy conservation measures is, however, typically based on a cost benefit analysis of the potential options. Thus EIL has worked out methodology to meet low energy numbers for their design that can be adopted depending on the economics of each case.

Therefore it is important for EIL to consider a pragmatic view of the problem considering following aspects in our design;

**a. Development of Alternate -fuel**

Development of environmental friendly feedstocks/ fuels is by far the most promising option for the future of which bio-fuels/ Hydrogen are promising alternatives.

The primary drivers for production & use of green fuels are:

- Valuable form of renewable energy
- Energy independence
- Economic growth & reduced trade deficit
- Environmental friendly leading to reduced pollution, Cleaner air
- Reduced global warming
- Economic growth
- Bio-degradable

**b. Introduce green design/ approach to green design**

The green design concept is new to the world but it entails optimization of raw material, energy, space, water and the desired product specification. The process will involve the following:

- Life cycle assessment of all major materials used in designs
- Life cycle assessment of all major materials such as steel, cement, glass etc
- Estimate carbon foot-prints of any design before hand
- Conduct imbedded and operational carbon foot-print analysis
- Conduct financial analysis of any design (with or without carbon)

**c. Turning businesses processes green**

There are areas in any business processes that become a source of silent guzzlers with respect to Fugitive Emission, Energy Efficiency and water usages. These business processes require attention in order to improve our green cover. They are:

- Fugitive emission mitigation in hydrocarbon chain of business (exploration, processing, petrochemical)
- Energy efficiency in motors and drives
- Energy efficiency in power generation
- Green buildings
- Water use efficiency in all business processes making use of "4 R" concept i.e., Reduce, Reuse, Recycle, Recover.
- Resourcing Green energy produced from renewable energy sources.

#### **Low Carbon/ water foot print of the technology**

Apart from above, other parameters which will now govern the greening of the Hydrocarbon chain, is carrying out carbon foot-printing and water footprint of various technologies at the technology selection stage. A technology that will score low on these footprints shall govern the choice of selection.

EIL is aggressively working in these areas and has developed skills to cater to these requirements. EIL's technology development efforts are aimed at serving the hydrocarbon industry with environment friendly and sustainable technologies, some of which are outlined below:

#### **Tail Gas Treating Unit (TGTU) for Sulfur removal**

Claus Tail Gas Treating process has been developed by EIL-R&D to effectively increase sulphur recovery of SRU by recycling Sulfur components. Claus process integrated with TGTU can result in 99.9% removal of Sulfur from acid & sour gases coming from amine regeneration & sour water stripper units, respectively, in the refinery.

#### **Cleaner atmosphere with SO<sub>2</sub> Removal Process (SOR)**

SO<sub>2</sub> Removal Process (SOR) has been jointly developed by Indian Institute of Petroleum (IIP) & EIL for flue gas desulfurization. The process can handle SO<sub>2</sub> concentrations varying from 1200 ppmv to as high as 20 vol%, and produces a treated gas stream with less than 100 ppmv SO<sub>2</sub> concentration. The process is economical as it is regenerative in nature and is also highly energy efficient. The process can very well be integrated with a Claus unit where SO<sub>2</sub> can be used to enhance capacity of SRU.

#### **Ammonia Treating Process (ATP) technology**

Ammonia Treating Process (ATP) has been developed by EIL to convert ammonia in Sour Water Stripper (SWS) gas to ammonium sulphate. This technology offers multi-fold advantages in the form of enhanced capacity & less back pressure to SRU unit ensuring its smooth and trouble free operation.

Reduction in NO<sub>x</sub> formation helps keep the total emissions in check. In addition, a value added product in the form of ammonium sulphate is recovered which can be used as fertilizer.

#### **Grid connectivity to refinery resulting in reduced emissions**

EIL has ushered in a new concept of sourcing power directly from grid through dedicated power line which has reduced the emissions of primary pollutants in the refinery. This has helped our clients in keeping existing limit of SO<sub>x</sub> emission under control even in the wake of an expansion.

#### **Design of Crude Distillation Unit (CDU)**

EIL has pioneered a new environment friendly approach to CDU design by way of extensive heat integration through pinch approach & reducing the energy number by approx 15%.

## **2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

**(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

**(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

In accordance with the call of time, EIL has refocused its engineering philosophy and business models to achieve long term sustainable growth. Alongside EIL has initiated evaluation and reporting of its performance on the triple bottom lines of economic, social and environmental aspects. We believe that the sustainability initiatives underway at EIL will propel our organization on an upward growth trajectory.

Being a consultancy organization, EIL incorporates in the design all such requirement of low energy numbers, low fresh water requirement so as to bring down water needed /tonne of crude processed and thereby enhancing water reuse and recycle in all of the projects undertaken. EIL has been certified by NABET to carry out Environment Impact Analysis (EIA) for various projects. Environmental Clearance from Ministry of Environment, Forest and Climate Change was successfully obtained by EIL for following projects:

- BPCL's 2G lingo-cellulosic based Ethanol Plant at Bargarh (Odisha)
- HMEI's Fuel Quality Upgradation Project at Bhatinda Refinery
- Conversion of Iron ore to Coal terminal for Kamarajar Port Limited
- Additional tankages projects at Sidhpur, Bareja, Kandla and Hazira of IOCL
- Expansion of Kochi Refinery complex of BPCL for manufacturing petrochemical products
- IOCL's MEG/ERU Plant in Paradip Refinery cum Petrochemical complex
- Expansion of BPCL's Kochi Refinery Complex.



EIL is also providing its consultancy services to all the above projects. EIL is implementing its technology for VOC reduction and control; recycle & reuse of waste water to achieve maximum recycle water efficiency, thus reducing load on fresh water requirement.

EIL has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL has helped the adoption of innovative integrated water management for industries & municipalities, while working to increase environmental, social and economic benefits.

The Company has also undertaken energy efficiency improvement studies for all PSU refineries of India to optimise energy numbers.

EIL has secured an assignment to carry out water audit at thirteen Indian refineries. This audit will help refiners to find out their actual potential to recycle and reuse water in their entire water circuit. EIL is also going to ascertain how much water a refinery should consume per tonne of crude processed. Water saving methodologies, improving the efficiency of water recycle system, water pinch, improving the condensate recoveries, Reducing water requirement at Fire water and cooling water network and technology interventions are some of the areas which will help refiners in substantial water savings.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

**(i) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof in about 50 words or so.**

EIL is having a well-defined procedure to enlist suppliers and contractors and as on date, 2224 nos. suppliers and 349 nos. Contractors are enlisted with EIL for facilitating sustainable sourcing of engineering goods and services (including transportation). Enlistment process for suppliers and contractors is dynamic in nature, which keeps on getting updated on 24 X 7 basis with respect to fresh enlistment, enhancement in Suppliers' / Contractors' product profiles and item ranges as well as Suspension/Banning of erring agencies.

EIL, besides the procurement for meeting the in-house requirement, carries out procurement of goods, services & works for various projects awarded to EIL by clients globally. Complete procurement is carried out following well defined & approved Contracts & Purchase Procedures.

Moreover, EIL buys assets, supplies, services and works by taking account a number of factors including value for money considerations, entire life cycle of products, environmental aspects, effects on environment, social aspects and sustainable or recycled materials/products.

EIL follows the 4 Rs in its procurement process: Reduce – Reuse – Recycle – Rethink. Reducing unnecessary purchasing is the best way to integrate sustainability into procurement alongside reuse of equipment by customer or supplier/contractor. Purchased products are also identified for ease of recycling (Printer cartridges etc).

All EIL tenders contain provisions to ensure that HSE (Health, Safety and Environment) guidelines including compliance with all local environment guidelines so that impact on the environment is minimized and the project is environment sustainable.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

For procuring of goods from small producers, Govt. of India's Public Procurement Policy 2012 has been implemented in all enquiries and purchase preference to MSEs is extended as per GOI policy. To support MSEs, EIL has reduced enlistment fee for small suppliers. Ensuring more participation by MSE players, during FY 2018-19, EIL has been able to procure goods and services of ₹ 219 Crore from MSEs, which is around 34% of the total value of direct purchase orders for goods and services contracts, placed by EIL.

For procuring of services through small agencies, EMD is exempted in all enquiries. Further in case of low value tenders, site tendering is encouraged to involve local agencies.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Due to the nature of our business, solid waste generation is also fairly limited in EIL offices and restricted primarily to municipal solid waste (MSW). A major component of the solid waste generated is paper waste which is 100% recycled. Other wastes include e-waste and a small proportion of wastes like batteries, electrical waste, waste lube oil, etc. For effective management of biological waste, a Composting Plant has been set up in Gurugram Complex which uses a fully automatic and highly compact composting machine wherein special microorganisms break down and decompose all kinds of organic waste into compost within 24 hours with a volume reduction of 85-90%. Our Waste Management practices seek to reduce the environmental impact of this limited waste to the extent possible by reduction in generation, segregation at source and proper management including recycling and disposal through authorized recyclers. Other mixed dry waste is sent to scrap dealers or municipal disposal.

EIL also recognized the importance of contributing to the protection of our environment by minimizing use of paper that comes from well managed forests or other controlled sources. Today's information and communication technologies provide many opportunities for businesses to function with far less paper. Electronic mail, Intranets, IP transfer, Internet and document scanner can radically reduce paper use, while also save time and money. EIL's print / paper reduction program continues to expand across the board in the organization.

**Principle 3: Businesses should promote the wellbeing of all employees.**

**PRINCIPLE 3 QUESTIONS**

**1. Please indicate the Total number of employees.**

Total no. of employees as on 31.3.2019 was 2768.

**2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

Total number of employees hired on temporary/ contractual/ casual basis as on 31.3.2019 was 853.

**3. Please indicate the Number of permanent women employees.**

Total No. of permanent women employees as on 31.3.2019 was 330.

**4. Please indicate the Number of permanent employees with disabilities.**

Total No. of permanent employees with disabilities as on 31.3.2019 was 43.

**5. Do you have an employee association that is recognized by management?**

Yes. EIL has 2 recognized Employee Associations viz., 1) EIL Employees' Association, 2) EIL Officers' Association

**6. What percentage of your permanent employees is members of this recognized employee association?**

All the eligible employees are members of the respective Associations.

**7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| Sl. No. | Category                                      | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---------|---|--|--|
| 1       | Child labour/forced labour/involuntary labour | NIL  |  |
| 2       | Sexual harassment                             |  |  |
| 3       | Discriminatory employment                     |  |  |

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a) Permanent Male Employees: 52.09%

(b) Permanent Women Employees: 76.44%

(c) Casual/Temporary/Contractual Employees: 100% (Safety awareness training/campaigns are organized for all site employees)

(d) Employees with Disabilities: 31.25%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

**PRINCIPLE 4 QUESTIONS****1. Has the Company mapped its internal and external stakeholders? Yes/No.**

Yes, the Company has mapped its internal and external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes. The Company has identified its disadvantaged, vulnerable & marginalized stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

At EIL, various initiatives are taken under Corporate Social Responsibility to assist socially and economically weaker segments of society to overcome hardship and impoverishment. Details of such projects have been provided as Annexure to Directors' Report. EIL follows the Presidential Directives and guidelines issued by GOI regarding reservation in services for SC/ST/OBC/EWS/PWD/Ex-Servicemen to promote inclusive growth.

EIL has been instrumental in promoting manufacturing capacities of Micro & Small Enterprises and SC/ ST Entrepreneurs. To promote and enhance the participation of Micro & Small Enterprises and SC/ ST Entrepreneurs in EIL's procurement, several steps have been taken including Purchase preference in tenders, Simplification in tender documents, Registration with TReDS platform, Relaxation in procedural requirement & Enlistment fee, Handholding and development of MSEs through various EIL regional procurement offices by providing them the technical and procedural assistance, Support to upgrade the manufacturing range which are procured by the EIL. EIL is also conducting Buyer – Seller meets to understand & interact with MSEs and Meetings with the DICCI (Dalit Indian Chambers of Commerce & Industry), Dr. Ambedkar Co-operative Federation etc to reach the SC/ST entrepreneurs.

As far as MSEs owned by Women Entrepreneurs are concerned, we are working out mechanisms to encourage & support them.

**Principle 5: Businesses should respect and promote human rights.**
**PRINCIPLE 5 QUESTIONS**

1. **Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

EIL's Suppliers/Contractors/Subsidiary Company are separate legal entities having their own policies and procedure. Hence, none of these companies are covered by EIL's Policy on human rights etc.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Please refer to Principle 1, Question no 2.

**Principle 6: Business should respect, protect, and make efforts to restore the environment.**
**PRINCIPLE 6 QUESTIONS**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers /Contractors/ NGOs/ others.**

EIL is committed to doing its business with the principle of sustainable development keeping all HSE issues at the top. The policy on Health, Safety and Environment covers the Company only.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, EIL recognizes the importance of issues like global warming and climate change. With the help of our design, we try to stay ahead of the curve in meeting the environment norms and our services are also aligned towards the same. The Company's environment friendly design expertise is being aptly demonstrated in all of our projects inland or internationally.

EIL has also formed two separate divisions which look after Environment and Sustainability initiatives in the company. A link to the Corporate Sustainability webpage is: <https://engineersindia.com/sustainability/sustainability/>

3. **Does the Company identify and assess potential environmental risks? Y/N.**

Yes; they are identified for client's projects during preparation of EIA studies. Please refer answers to Questions 1 & 2 of Principle 2 wherein EIA carried out by us have been identified.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, Whether any environmental compliance report is filed?**

No project related to CDM is being carried out by the Company.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage, etc.**

Yes; Company is developing norms for fresh water consumption for refinery along with Centre for High Technology. Company has also carried out Energy Improvement Studies for refineries of all the public sector undertakings & its recommendations are being implemented by the Industry.

The Company has also diversified into renewable energy sector with the execution of solar and nuclear power projects. Major projects undertaken in the solar power sector in the past include 125 MW solar thermal project for AREVA/Reliance ADAG and 5MW solar PV project of GAIL. In the nuclear power sector, the Company has provided its services for Kudankulam Nuclear Power Project of NPCIL and greenfield Nuclear Fuel Complex at Kota. Company has also installed 90 kWp Solar PV unit in its office complex in Gurugram.

EIL is also pursuing projects in Bio-Fuel/ Waste-to-Energy/ Drop-in Fuels domains.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. For our office premises in Delhi & Gurugram, all emissions are under limit. We carry out regular analysis for air and water parameters. For projects where EIL provides its services like EIA Studies, the Environmental Clearance (EC) is dependent on the factors of emission/ waste which should be within permissible limits under statutory requirements.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**PRINCIPLE 7 QUESTIONS**

- 1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

Yes, the details are given below:

| Association  | National/International |
|--|------------------------|
| Fractionation Research Inc.  | International          |
| National Association of Corrosion Engineers (NACE)                             | International          |
| Heat Transfer Research Inc. (HTRI)   | International          |
| University of Manchester Institute of Science & Technology (UMIST)             | International          |
| Process Science & Technology Centre (Separations Research Program)             | International          |
| Bureau of Indian Standards (BIS)   | National               |
| International Society for Rock Mechanics (ISRM)                                | National               |
| Indian Nuclear Society (INS)   | National               |
| National Safety Council of India (NSCI)  | National               |
| Confederation of Indian Industry (CII)   | National               |
| Construction Industry Development Council                                      | National               |
| Federation of India Chambers of Commerce and Industry (FICCI)                  | National               |
| Institution of Permanentway Engineers  | National               |
| Project Export Promotion Council of India (Consultancy & Engineering Services) | National               |
| All India Management Association   | National               |
| Forum of Women in Public Sector  | National               |
| Institute of Public Enterprise   | National               |
| Project Management Associates  | National               |
| Indian Society for Training & Development (ISTD)                               | National               |
| National Institute of Personnel Management (NIPM)                              | National               |
| National HRD Network (NHRDN)   | National               |
| The Institute of Cost Accountants of India, Northern India Regional Council    | National               |
| Standing Conference of Public Enterprises (SCOPE)                              | National               |
| Institute of Directors (IOD)   | National               |
| The Institution of Engineers (India)   | National               |
| The Institute of Company Secretaries   | National               |
| International Market Assessment India Pvt. Ltd. (IMA)                          | National               |
| Federation of Indian Petroleum Industry (FIPI)                                 | National               |
| Institute of Internal Auditors   | National               |

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

As a member of various prominent industry associations, EIL proactively participates in shaping the discourse on a wide spectrum of industry related issues. The Company also leverages these platforms to espouse constructive deliberations in the areas of energy conservation, sustainable development, corporate social responsibility etc, which facilitates the advancement of public good.

EIL is a part of the prestigious “Make In India” initiative of Government of India and is leading the midstream segment in the hydrocarbon sector. The Company has also contributed towards the new Public Procurement Policy for oil & gas sector. EIL was also a key member of the Committee formed to draw up the Hydrocarbon Vision plan for North East India.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**PRINCIPLE 8 QUESTIONS**

- 1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has specified programs in pursuit of CSR policy of the Company. The details of projects have been provided as Annexure to Directors’ Report.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The CSR programmes/projects are undertaken through various external NGOs/ Trusts, companies, autonomous bodies or government departments.



**3. Have you done any impact assessment of your initiative?**

Yes. Impact Assessment Studies are done for various CSR Projects as per recommendation of CSR Council.

**4. What is your Company's direct contribution to Community Development projects- Amount in INR and the details of the projects undertaken?**

For the year 2018-19, the total contribution towards CSR activities has been ₹ 1004.37 Lakh. The details of projects have been provided as Annexure to Directors' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

At EIL, successful adoption of CSR projects by community is done through project implementing agencies. The projects are designed and taken up after consultation with the relevant stakeholders and on the basis of need assessment. Upon completion of the CSR Project, the created facility is handed over to the local bodies like Gram Panchayat and Block Level Authority for ensuring sustainability of the project.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**PRINCIPLE 9 QUESTIONS**

**1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year.**

One complaint is pending as on 31.03.2019 which was received on 29.03.19.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

Not Applicable.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Nil.

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

Yes. Customer perception surveys are being carried out by Corporate Quality Assurance Department (CQAD) of the Company as per relevant procedure, every year. While seeking feedback, customers are requested to provide their rating in a scale of 1 -10 with respect to various attributes of EIL in a structured Format/ Proforma.

In addition, suggestion/ comments and feedbacks are also being noted in one to one interaction with customers' senior level personnel by senior CQAD official. The trend of customer ratings for EIL for last 5 years is shown below:

| Financial Year | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018 -19 |
|----------------|---------|---------|---------|---------|----------|
| Average Rating | 8.53    | 8.14    | 8.80    | 7.74    | 7.91     |

## Report on Sustainable Development

### Introduction

"Sustainability is not just about adopting the latest energy-efficient technologies or turning to renewable sources of power. Sustainability is the responsibility of every individual every day. It is about changing our behaviour and mindset to reduce power and water consumption and uplifting social values prevailing in the society; the first rule of sustainability is to align with natural forces, or at least not try to defy them".

In EIL, we know that New Age values are conscious evolution, global sharing, healing the environment, sustainable economies, self-determination, social justice and economic empowerment of the poor. For us, Sustainability has to be a way of life to be a way of business. Our business mandate revolves around complying with the environmental regulations and norms in a way that make us a responsible company and transparent to all stakeholders.

Looking at the world through a sustainability lens not only helps us 'future proof' our supply chain, it also fuels innovation and drives brand growth. We, as a company, focus on delivering projects as per our Corporate Quality and HSE policies, foster partnership with our esteemed customers, suppliers, contractors and the community, nurture and train our workforce for sustainability initiatives at individual as well as at society level, develop environment-friendly technologies to achieve better sustenance in our business and follow robust Corporate Governance policies based on an established code of ethics, transparency and scientifically developed Risk Management System.

Energy efficiency, resource optimization and safety of plant personnel & society at large are the cornerstones of our business operations and also ensure the green design concept that entails optimization of raw material, energy, space, water and the desired product specification. Our focus as R&D intrinsic organisation is to offer green technologies to our clients, which reduce carbon footprint and increase plant yield. These technology initiatives include Coal Gasification, Coal to Liquid, CO<sub>2</sub> removal from natural gas and DHDT & sulphur removal technologies from fuel.

EIL firmly believe in and has consistently practiced robust corporate governance practices. Transparency, professionalism and accountability in our business operations build trust of all our stakeholders which is a pre-requisite for our growth. Our risk management policy and its supporting framework facilitate early identification and assessment of risks for timely intervention through appropriate control and mitigation measures.

EIL has an unconditional commitment to adhere to the highest

standards in our corporate HSE practices. We are proud of our achievements at our construction sites of injury-free and incident-free man hours of work. The infrastructure and the work environment EIL provides to its employees, is built towards maintaining a sound work life balance to enhance their professional and emotional growth.

EIL is a people-centric organization delivering excellence in our services through our people. Overall welfare of our talent pool continues to remain our top priority. We continuously strive to enhance the capabilities of our human capital by increasing the competency and commitment, through various HR initiatives such as reward & recognition scheme, transparent performance management system, mentoring, domain specific technical programs and management development programs.

Engaging in social business is beneficial to a Company because it leverages on business competencies to address social issues, involves one-time investment with sustainable results, and produces other positive effects such as employee motivation and improved organizational culture. For us corporate social responsibility is a hard-edged business decision. We continue to reinforce our social commitment through various programs organized at construction sites to develop artisans amongst the local community for their contribution during plant construction and to prepare them with the necessary skill sets to exploit various available employment opportunities in the long run. Our business operations support developing local manufacturers and suppliers as our partners.

In our organisation, we focus on taking responsibility in aligning our own behaviour towards environment so that we can trigger the type of change that is necessary to achieve sustainability for our race on this planet. We can change our planet, our environment, our humanity every day, every year, every decade, and every millennia.

During the year 2018-19, EIL CSR expenditure stood at ₹ 1004.37 Lakh which exceeded the annual expenditure target of ₹ 981.06 Lakh as per Companies Act, 2013. CSR activities included initiatives on education, healthcare, drinking water/sanitation, rural electrification, environment protection, women empowerment, community development and skill & vocational training.

EIL has made immense contribution in creating nation's wealth directly in terms of value of physical infrastructure created, net savings in outflow of foreign exchange, net worth of the indigenous manufacturing base developed and creation of vast and varied skill sets among a large pool of human resources

In accordance with the call of time, EIL has refocused its engineering philosophy and business models to achieve long term sustainable

growth. Additionally, EIL has initiated evaluation and reporting of its performance on the triple bottom lines of economic, social and environmental aspects. We believe that the sustainability initiatives underway at EIL will propel our organization on an upward growth trajectory.

#### **Organization's key impacts on sustainability**

Sustainable development is a collective process and is possible through contributions from the government, the society, business entities and the individuals across the globe. EIL, as a consultant, plans to integrate sustainability and safety in our technology, design, engineering & construction practices.

As an ardent proponent of Sustainable Development, EIL is committed to:

- Carry out business operations in line with HSE and Environment Policy.
- Promote use of technology and best practices for improving carbon footprints in our business operations.
- Promote, Support and advice environment green practices to our clients.
- Aware employees so that they may integrate environmental considerations into their daily activity.
- Work with clients, partners, suppliers and subcontractors to build a common environmental management system for each project.
- Advocate with key stakeholders and decision makers viz. investors, clients, suppliers, government agencies and regulatory bodies, about sustainable development and energy efficient policies.
- Engage in community welfare programs for sharing amongst the unprivileged sections of the society.

Today, EIL's revenues flow mostly from Indian region, especially the Hydrocarbon and Petrochemicals segment, as other international markets are struggling to cope with the changing geo-political scenario. Sustainable growth of EIL in near to midterm shall be closely associated to the socio – political environment, economic growth and prospects of sustainable development and energy security in India.

#### **EIL's R&D Capability for Sustainable Technologies**

EIL's R&D is engaged in developing innovative solutions in hydrocarbon industry ever since 1970s. In the national market, EIL's designing capability can be judged from the fact that its designed refinery units refine more number of barrels of crude than anybody else in the market. As on 31.03.2019, EIL through its R&D has been awarded 28 technology patents and 25 other patent applications are under evaluation.

With a vision to become 'A world-class globally competitive EPC and total solutions consultancy organization', EIL is committed to provide best possible services and solutions to its clients the world over. EIL through its R&D is also committed to serve the hydrocarbon industry with the most efficient and sustainable technologies. Some of the

environmental friendly & sustainable technologies developed by EIL are as under:

#### **Meeting environmental quality standards by TGTU for Sulfur removal**

Claus Tail Gas Treating process (TGTU) has been developed by EIL-R&D to effectively increase sulphur recovery of SRU by recycling Sulfur components like  $\text{SO}_2$ , COS,  $\text{CS}_2$ , Sulfur, as  $\text{H}_2\text{S}$  back to Claus section after Hydrogenation and selective absorption and regeneration of  $\text{H}_2\text{S}$ . Claus process integrated with TGTU can result in 99.9% removal of Sulfur from acid & sour gases coming from amine regeneration & sour water stripper units, respectively, in the refinery. With environmental quality standards getting stringent especially in terms of Sulphur components, tail gas treating unit is need of the hour. EIL has successfully implemented TGTU at following: A grass root 10 TPD SRU having an integrated Claus section & TGTU, 3 nos. of TGTU downstream projects of an existing 3 x 65 TPD SRU.

#### **Cleaner atmosphere with $\text{CO}_2$ Removal process (COR) from flue gas by IIP-EIL Process**

$\text{CO}_2$  Removal Process (COR Process), jointly developed by Indian Institute of Petroleum (IIP), Dehradun and EIL, uses highly selective amine-based solvent to capture  $\text{CO}_2$  from flue gases. High  $\text{CO}_2$  loading makes the process economically attractive. The  $\text{CO}_2$  removal efficiency of COR process ranges from 75%-90%. Highly pure  $\text{CO}_2$  produced by this process can be used for production of urea in fertilizer industry. EIL provides total design solution for grass root COR plant.

#### **Cleaner atmosphere with $\text{SO}_2$ Removal Process (SOR)**

$\text{SO}_2$  Removal Process (SOR) was jointly developed by Indian Institute of Petroleum (IIP) & EIL for flue gas desulfurization. The process can handle  $\text{SO}_2$  concentrations varying from 1200 ppmv to as high as 20 vol%, and produces a treated gas stream with less than 100 ppmv  $\text{SO}_2$  concentration. The process is economical as it is regenerative in nature and is also highly energy efficient. The process can very well be integrated with a Claus unit where  $\text{SO}_2$  can be used to enhance capacity of SRU. EIL provides total design solution for SOR Process.

#### **Cleaner future with Ammonia Treating Process (ATP) technology**

Ammonia Treating Process (ATP) is developed by EIL to convert ammonia in Sour Water Stripper (SWS) gas to ammonium sulphate. This technology offers multi-fold advantages in the form of enhanced capacity & less back pressure to SRU unit ensuring its smooth and trouble free operation.

Reduction in  $\text{NO}_x$  formation helps keep the total emissions in check. In addition, a value added product in the form of Ammonium Sulphate is recovered which can be used as fertilizer. EIL has done rigorous experiments on bench scale level and has a comprehensive set of data available. EIL with its experience as SRU licensor has potential to offer ammonia treating process to refineries.

#### **Vapor recovery and VOC capture technologies**

EIL has developed an efficient technology to capture and recover hydrocarbon vapors using activated carbon. The vapor recovery units have been designed for all types of hydrocarbons including benzene.

EIL's vapor recovery units safely prevent harmful volatile organic compounds (VOCs) from being released into the atmosphere during operations that involve transfer of evaporative hydrocarbons. The recovery of hydrocarbons that would otherwise be wasted via a combustion process, delivers a significant return on investment while meeting any known worldwide emission standards. The units have been designed considering absorption and recovery efficiency, safety and cost to the client. The designs are available in both skid and non-skid versions.

#### **Spent Caustic Treatment**

EIL designs these units with distinct features, to handle high sulphide concentration in the feed. The overall conversion achieved at the outlet of oxidation reactor is as high as 99.8%. The process used is found to be economical and environment friendly when compared with other technologies using chemical oxidation with  $H_2O_2$  or wet air oxidation using patented process. The installed capacities include a unit of 5 m<sup>3</sup>/h.

#### **Environment Performance**

##### **Environmental Services to Industries**

EIL is a leading consultant in India in carrying out Environmental Impact Assessment (EIA) studies and preparation of Environmental Management Plan (EMP) for new projects. A comprehensive and detailed EIA study helps in accurately predicting & assessing the environmental & socio-economic impacts of the proposed new facilities. Having accurately predicted the impacts, EIL ensures that all negative impacts are properly addressed and all mitigations measures are taken to ensure the sustainability of environment in the region. EIL also carries out Environment Health Risk Assessment study for its clients, which helps in tracing the impact of various pollutants on health of the people in the vicinity of the plant.

In its commitment to the environment, EIL is a pioneer in deployment of state-of-the-art technologies in the field of effluent recycle/reuse leading to Zero Liquid Discharge (ZLD) requirements, carbon management to control volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and treatment of residual oily sludge using bioremediation process, opting energy efficient processes and treatment system, etc.

##### **Green Initiatives**

Solar energy is today's resource for a brighter future. "Let us turn to the Sun to power our future." Inspired by this vision of our Hon'ble Prime Minister, EIL has installed 90 kWp Solar Photovoltaic (SPV) rooftop system grid connected without battery in compliance with Ministry of New & Renewable Energy (MNRE) guidelines in its Gurugram building complex. The SPV system is capable of generating approximately 120000 KW of energy annually with a peak daily generation of above 400 kW on a sunny day. The power generated is transferred to the state grid. With the provision of SPV system, the demand of electricity from the state electricity grid has reduced. During disruption of Grid power supply to the complex, the in house diesel generation (DG) set provides the power. Simultaneously, the SPV system augments the in house diesel generator set.

#### **Green Technologies**

The exploration, production, refining & distribution of petroleum products result in the generation of a considerable volume of petroleum sludge. The contaminants in sludge are considered hazardous because of the presence of benzene (a confirmed human carcinogen) & other toxic contaminants.

EIL took the lead in addressing this problem and evolving a solution to the problem which is not only sustainable but also has environmental, social & economical acceptance. EIL's R&D & Environment Divisions in association with Indian Institute of Technology, Roorkee bring together extensive expertise in chemistry, biology and microbiology in carrying out research & development to offer confined reactor based solutions for bioremediation of oily sludge to its clients. Reactor-based bioremediation is a better alternative to land-farming as it offers onsite treatment of sludge thus avoiding off site transport of hazardous oily waste & is characterized by much higher rates of degradation due to minimization of mass-transfer limitation & increased desorption of contaminants by continuous mixing. Residual material after bioremediation is non-hazardous and contains inorganic clay, silt or sand, water, and very low levels of hydrocarbons. Residual solids can be de-watered & reused in asphalt or other industrial purposes.

#### **Water Conservation**

EIL has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL helps enable the adoption of innovative integrated water management for industries & municipalities, while working to increase environmental, social and economic benefits. Some of the approaches which EIL has been adopting in its design & engineering to conserve our water resources include the following:

##### **Water Conservation at EIL's own facilities**

This involves minimizing the water consumption & adopting advanced process technologies resulting in less effluent generation. This also involves recovery of water from all feasible sources.

Water is primarily consumed in EIL offices for drinking, cleaning, washing, cooling, plantation/horticulture etc. The consumption of water at EIL Head Office in New Delhi is about 120 KL/D as against 175 KL/day reported last year, whereas in EIL Gurugram office it is about 150 KL/day. Water is sourced from the ground water for both the offices. The water consumption varies from 1000 to 2000 m<sup>3</sup>/annum at different offices of EIL in Mumbai, Chennai, Kolkata and Vadodara which includes sourcing partly from ground water and partly from municipality supplied water.

Although water is sourced both from ground water and municipalities (which further sources it from surface water bodies), there is no significant impact of withdrawal on water sources in view of very minimal quantity of water withdrawn. There is an increasing awareness in the organization in managing water resources. Fourteen number of water recharge wells have been installed in and around EIL's Gurugram campus for recharging ground water. These will store 50000 m<sup>3</sup> of surface run-off on their ground aquifer considering the yearly rain intensity of 600 mm. The Company's activities regarding usage of



water fall in following two categories:

- i. At Delhi and Gurugram, where we have large office complexes, the water is used for domestic services. In Gurugram campus, EIL has state-of-the-art MBR based sewage treatment plant where complete treated waste water is recycled for horticulture purpose within the premises.
- ii. The other category relates to providing design services to clients for usage of water in their commercial plants. Different solutions for diverse technologies are worked out for clients and company has now formulated policy for Zero Discharge for future implementation.

#### Water conservation at Indian Refineries

EIL has secured an assignment to carry out water audit at thirteen Indian refineries. This audit will help refiners find out their actual potential to recycle and reuse water in their entire water circuit. EIL is also going to ascertain how much water a refinery should consume per tonne of crude processed. Water saving methodologies, improving the efficiency of water recycle system, water pinch, improving the condensate recoveries, reducing water requirement at Fire water and cooling water network and technology interventions are some of the areas which will help refiners in substantial water savings.

#### Environment Management

EIL is committed to ensuring compliance to all health, safety and environment requirements during delivery of products/services to customers. Minimizing environmental impact by conserving resources, reducing waste generation and preventing pollution in all our activities have always been an integral part of our policy. The Company has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL helps enable the adoption of innovative & integrated water and wastewater management for industries & municipalities, while working to increase environmental, social and economic benefits. EIL has executed numerous projects in diversified fields of environmental engineering, including water & wastewater treatment; effluent recycle & reuse; Environmental Impact Assessment studies; environmental feasibility studies; air quality assessment, modeling & control; environmental management plans; etc.

Some of the major projects undertaken by the Company in the area of Environment Management include the following:

- PMC & OBE services for HRRL Rajasthan Refinery Project including effluent recycle & reuse to meet zero liquid discharge concept to minimize the fresh water consumption by refinery.
- Consultancy services to CPCL CBR Project for preparation of basic engineering design packages for their sea water desalination plant and integrated effluent treatment & recycle facilities.
- PMC services for AMRUT project in Odisha (Atal Mission for Rejuvenation and Urban Transformation) for construction/ rehabilitation of Raw Water Treatment Plants.

- Environmental Clearance from Ministry of Environment, Forest and Climate Change was successfully obtained by EIL for BPCL's 2G lingo-cellulosic based Ethanol Plant at Bargarh (Odisha), HMEL's Fuel Quality Upgradation Project at Bhatinda Refinery, Conversion of Iron ore to Coal terminal for Kamarajar Port Limited, Additional tankages projects at Sidhpur, Bareja, Kandla and Hazira of IOCL, Expansion of Kochi Refinery complex of BPCL for manufacturing petrochemical products, IOCL's MEG/ERU Plant in Paradip Refinery cum Petrochemical complex and expansion of BPCL's Kochi Refinery Complex.
- EIL has been accredited by Quality Council of India (QCI) for carrying out EIA studies in India in fourteen sectors. The accreditation is valid up to the year 2019.

#### Solid Waste Management

Due to the nature of our business, solid waste generation is also fairly limited in EIL offices and restricted primarily to municipal solid waste (MSW). A major component of the solid waste generated is paper waste which is sent for recycling. Other wastes include e-waste and a small proportion of wastes like batteries, electrical waste, waste lube oil, etc. For effective management of biological waste, a Composting Plant has been set up in Gurugram Complex which uses a fully automatic and highly compact composting machine wherein special microorganisms break down and decompose all kinds of organic waste into compost within 24 hours with a volume reduction of 85-90%. Our waste management practices seek to reduce the environmental impact of this limited waste to the extent possible by reduction in generation, segregation at source and proper management including recycling and disposal through authorized recyclers. Other mixed dry waste is sent to scrap dealers or municipal disposal.

EIL also recognized the importance of contributing to the protection of our environment by minimizing use of paper that comes from well managed forests or other controlled sources. Today's information and communication technologies provide many opportunities for businesses to function with far less paper. Electronic mail, Intranets, IP transfer, Internet and document scanner can radically reduce paper use, while also save time and money. EIL's print / paper reduction program continues to expand across the board in the organization.

Our goals remain the same: - continue to reduce overall print volume, increase duplex usage, and remove non-sustainable devices from use in the Company. Duplexing along with the reduction in overall printing has allowed us to eliminate many non-committed print jobs and has grown our sustainability-related cost savings. In the area of print management, our adoption of new practices and instigation of behavioural changes in our users has made a significant impact in our company. EIL also offers its services to industries and municipalities to develop and implement scientific & sustainable methods for Solid & Hazardous Waste Management comprising segregation, storage, collection, transportation, treatment and disposal of waste by proper utilization of resources (men, money and materials) and as per the applicable provisions of The Solid Wastes (Management and Handling) Rules, 2015; E-waste Management and Handling Rules, 2016;

Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2016; and other applicable rules, regulations and statutory provisions.

### Social Performance

#### Human Resources & Human Rights

Human resources along with technology are the two prime resources of consulting organizations like EIL. Over the years, EIL has earned the reputation of being a veritable treasure trove of technical knowledge, skills and professional competence. Programmes such as skills management and lifelong learning support the continued employability of employees and assist them in managing career endings including HSE and Sustainability activities.

#### Labour Practices Strategies

Finding and retaining right people has always been a challenge for the high end consultancy companies as we require a flexible and highly skilled global workforce to deliver in often very demanding environments. We have two types of work force, one working at HO in design areas and the other working on field in execution of the projects. Additionally, Contractors account for approximately three quarters of the hours worked by our workforce on projects. It is therefore especially important that these contractor personnel understand and reflect our values and are aligned with our culture. The industry is experiencing a shortage of skilled and experienced contractors in technical disciplines and it is expected that this trend will continue. Therefore we are conscious of the need to ensure that contractors working for us meet and maintain our standards.

People working in the field are trained on labour related policies of the organization to maintain standards in services with regard to implementation of managing contractor's personnel. We have firm policies in place to select contractor, ensure they are accountable, monitor and audit them and report on their performance. We have also firm plans to focus on improving the quality of contractor personnel and the way to manage them.

#### Social Strategy and Management Approach (Anti-Corruption strategies)

EIL Vigilance Department under the leadership of Chief Vigilance Officer (CVO) consistently works towards achieving a transparent and impartial working environment in the Company and spreading vigilance awareness to all employees to eradicate corruption in all its forms. CVO acts as a link between the Company and Govt., Central Vigilance Commission (CVC), CBI, etc.

Vigilance Department undertakes the following activities:

##### A. Punitive Vigilance activities:

- Handling complaints including PIDPI complaints
- Closure of complaints with Vigilance angles
- Managing and resolving CTE paras

##### B. Preventive Vigilance activities

- Undertaking CTE Type investigations
- Undertaking system improvements
- Monitoring implementation of System improvements
- Monitoring implementation of rotation policy
- Scrutiny of Immovable Property Returns
- Maintenance of ODI and Agreed list
- Implementation and effectiveness of Integrity Pact
- Implementation of e-tendering
- Implementation of e-payments and e-management of invoices

##### C. Training and awareness campaigns

- Organizing Training programmes/ workshops on Vigilance awareness
- Vigilance Awareness Week
- Circulation of reading materials

Activities such as intensive examination of EIL's own jobs on LSTK/ OBE basis, random/ surprise inspection of in-house Contracts/ Purchases, scrutiny of Immovable Property Returns, Vigilance clearance of employees, investigation of complaints etc. with the focused objective of ensuring conformity to the Company procedures and Government guidelines. For systemizing the work, various rules, regulations and procedures of the Company are reviewed and scrutinized from time to time. The observations reported by CVC are examined and necessary actions are taken. System improvements are suggested to the Management wherever found necessary and compliance of the same are pursued for improvement.

As per CVC guidelines, 'Structured Meetings' are held between CVO, C&MD and Directors in every quarter related to Vigilance matters. Inter-directorate meetings are also held periodically between CVO & Directors to resolve the pending issues. Vigilance activities are also presented to the Board of Directors on half-yearly basis. Vigilance workshops, interactive sessions, seminars, debates, Vigilance Awareness Week etc. are organized in HO, Regional, Branch and site offices of EIL for spreading vigilance awareness and encouraging "Participative Vigilance" amongst the employees of EIL.

EIL has its own dedicated website [www.engineersindia.com](http://www.engineersindia.com). Tender notices, complete bid documents, details of awarded tenders, details of contract given on nomination basis, rules and procedures of the company and all applications, forms/ proformas are available on EIL website.

Electronic receipt of bids and its acknowledgement to the bidders, E-procurement, procurement through GeM Portal and Reverse Auction have been implemented. EIL tenders are being uploaded on Govt. of India website i.e. <https://www.eprocure.gov.in/eprocure>. Procurement is being done through NIC portal for all e-tendering activities. E-procurement GePNIC software (which is used by EIL) is STQC certified and the same is being maintained by NIC.

Facilities for online registration of vendors and Bill Watch System are also available and vendors/suppliers bills are by and large being processed on 'First-in-First-out basis. E-payment and E-receipt by the company have been achieved more than 95% of the total transactions. While the payment to vendors is done electronically, salaries and other payments to employees are made through ECS. For EIL employees, all information regarding company rules, proformas for online claims and their payments status are available on EIL intranet.

EIL has a well-defined policy framework consisting, inter-alia, of the following:-

- Code of Conduct for board members and senior management
- Code of conduct for prevention of insider trading
- Integrity Pact to enhance transparency in business
- Whistle blower policy
- Conduct discipline and appeal rules

During the year, various CTE type examination of EIL's jobs, random inspection of in-house contracts/ purchases, scrutiny of Immovable Property Returns, investigation of complaints from different sources etc. were carried out by the Vigilance Department with the focused objective of ensuring conformity to the Company procedures, CVC and Government guidelines. For systemizing the work, various rules, regulations and procedures were reviewed during the year. The observations reported by CTE/CVC were examined and necessary actions were taken. System improvements were suggested and necessary measures were undertaken for modification/ improvement by way of issuance of around 17 system improvements.

As part of observing Vigilance Awareness Week-2018 (VAW-2018), a series of programs were held in line with this year's theme "Eradicate Corruption-Build a New India." During the VAW-2018 period, two seminars were organized on the topic "Changing Business Practices under Competition Law" and "Whistle Blower Mechanism, Protection & Tool of Good Governance" with an intention to create awareness about Public Procurement, its imperatives and precautions to be taken. As part of VAW-2018 celebration and to spread Vigilance awareness amongst students and teachers, EIL organized drawing competitions in two schools in Delhi, in association with "The Hindu Group of Publications". Besides all the above, awareness programs /competitions were also organized involving local community, at Colleges/ Schools in the local areas around various project sites.

This year also, Vigilance Department released the journal named "ABHIJATASYA" containing messages from C&MD, CVO and Directors on the occasion of VAW-2018. Advisories issued by the CVO and a few case studies from other organizations/ EIL have also been included in the journal for reference. A "Vigilance Statement" was also released during VAW-2018.

As per directions issued by the Central Vigilance Commission and the Department of Public Enterprises, details of vigilance activities were presented to the Board for the period ending June 2018 and December 2018.

Vigilance continued to monitor the progress of the following program(s)/ policy(ies):

#### **Integrity Pledge**

Online System has been developed for taking 'Integrity Pledge' by EIL Officials/ Family Members and the Visitors coming to EIL-HO and EIL-Gurugram Offices. All the Visitors are required to take Integrity pledge along with issuance of entry passes at reception. The system has been implemented at other regional offices also.

#### **Leveraging Technology**

Reverse auctioning, e-tendering, e-payment, e-receipt etc. are already in place in the Company and being monitored regularly against the set targets. Clearance of vendors' bills on 'First in, First Out' (FIFO) under Bill Tracking system (BTS) is ensured. BTS has provision for details about pendency of vendors' bills.

#### **Complaint Handling Policy (CHP)**

As per CVC Guidelines, EIL has formulated Complaint Handling Policy (CHS) to resolve complaints/grievances from public, contractors, vendors, suppliers etc. A web portal for online complaint handling is available on the Company's website and Complaint Boxes are also placed in various EIL offices which are regularly monitored by Vigilance with respect to the status of complaints.

#### **Job Rotation**

Job rotation of sensitive posts is being done and reporting of the same is being done on monthly basis. Vigilance has requested for development of an online system for monitoring of status of rotation on sensitive posts and the same is being developed by HR & ITS.

#### **Integrity Pact**

EIL is committed to higher ethical standards in contracts and procurement as well as transparency in all of its business dealings. In EIL, Integrity Pact Program was adopted in November, 2011 for all Contracts & Purchases on EIL's account for enquiries having threshold value over ₹ 5 Crore, which has now been lowered from ₹5 Crore to ₹1 Crore.

#### **Online Vigilance Clearance (OVC) & Scrutiny of IPRs**

On line Vigilance Clearance and Immovable Property Returns of employees is being carried out through Vigilance website - "Avalokan" on OVC portal.

#### **Product Responsibility (Quality Assurance)**

Our Organization is ISO 9001:2015 certified for Quality Management Systems and current certificate is valid up to 13.10.2021. The certificate for conformance was originally awarded & issued on 26.09.1994 and since last 24 years we are continuously maintaining this certification. Our Organization does have a mechanism for monitoring and collecting feedback/ perception of our customers. It is EIL's policy to meet or exceed the customer needs and expectations and pursue excellence in delivery of our services. To serve our customer's needs / expectations in the best possible manner, we take customer feedback and suggestions about the services provided by EIL

for various Projects. This gives us pertinent information and an opportunity to evaluate our services / deliverables critically and bring further improvement in our systems and processes on a continuous basis.

#### Product Responsibility (Health & Safety)

EIL's commitment to HSE requires that its operations be conducted in such a way as to preserve the health and safety of employees, client official, contractors, vendors, and other stakeholders associated with EIL and to give due regard to the protection of the environment. The highest standards in health, safety and environmental preservation and protection can only be achieved through a systematic approach to the establishment, implementation and maintenance of an HSE Management System designed to ensure, as a minimum, compliance with the laws and project requirements and to achieve continuous performance improvements.

EIL has therefore evolved its safety management system which ensures that due attention is paid to every aspect of safety in design and, at the same time, is flexible enough to adapt to the customer's special requirements. It is the conscious effort of project management that such safety enhancement activities are carried out in a manner that does not affect the schedule and quality of works. The HSE services that EIL provides to its clients are continually assessed for improvements and enhancements. Various safety studies are undertaken by EIL at various stages of the project to ensure Plant safety. These are as under:

- Rapid Risk Analysis
- Safe Design Procedures
- Hazard and Operability Study
- Safety Integrity Level (SIL)
- Quantitative Risk Analysis Study (QRA)
- Hazard Identification Study (HAZID)
- Gas dispersion Study (Flammable & Toxic Gas)
- Vent Radiation Study
- Consequence Analysis
- Fire Safety Assessment
- Safety Layouts
- F&G Layouts and Cause/ Effect Matrix
- Qualitative Risk Analysis study
- Disaster Control and Management Plan
- Escape Evacuation and Rescue Assessment
- Escape Route layouts
- Flare Radiation and Dispersion Study

#### HSE activities (Construction)

Construction Division has an impressive track record of achievements and client satisfaction. The division has provided construction

management services for construction of more than 255 major projects besides numerous small ones within the country and overseas. Presently, there are more than 70 construction sites spread all over India and overseas projects are being executed in Algeria and Nigeria.

EIL Construction on an average renders supervision for more than 100 Million man hours annually at sites. Construction team has been credited with many accolades and landmarks in HSE aspects. Some of the notable achievements are as under:-

- 81.86 Million man-hours without any LTA (PREP project, Panipat)
- 80 Million man-hours without any LTA (PNCP project, Panipat)
- 75 Million man-hours without any LTA (BCPL, Lepetkata)
- 60 Million man-hours without any LTA (Rehabilitation & Adaptation of Skidda Refinery Project, Algeria)
- 60 Million man-hours without any LTA (GAIL PC-II, Pata)
- 60 Million man-hours without any LTA (IREP BPCL, Kochi)
- 50 Million man-hours without any LTA (Opal Dahej, Gujarat)
- 48.3 Million man-hours without any LTA (MRPL Phase-III, Mangalore)

One of EIL's core values and a fundamental business strategy is the constant pursuit of world-class Health, Safety & Environment (HSE) standards. Both for us and our clients, the maintenance of a safe workplace is a key business driver. In the areas in which we provide our services, we have delivered and continue to deliver excellent safety performance. A well-established HSE Manual, HSE Plan and HSE Procedure are in place for monitoring the HSE aspects at sites. EIL is a member of The British Safety Council, U.K. and National Safety Council.

Qualified Safety personnel (Diploma in Industrial Safety/NEBOSH qualified) are available for monitoring safety aspects at site in coordination with field engineers of EIL who also thrive to maintain highest safety standards. Further, training in safety is also being imparted to employees through external Institutions (i.e. DGFASLI).

EIL has been laying major emphasis on use of eco-friendly materials/ technologies like PPC, Fly-ash bricks & AAC bricks, Solar heat reflecting glass, Solar heaters/ solar power panels, CFL / LED lights and other locally available materials in construction of buildings to reduce carbon foot print. Other environment friendly measures include 100% treatment of sewage & waste water and re-usage in flushing & horticulture, plantation of locally available species, orientation/ layout of building considering the solar path of a location etc.

EIL has been involved in construction of following GRIHA/ LEED rated buildings:

- Construction of Data Centres and Office Building at Delhi and Bengaluru for UIDAI - LEED Gold rating
- Construction of EIL office Complex at Gurgaon — GRIHA 4 star rating
- Construction of EIL Office complex at Chennai –GRIHA 4 star rating



## 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.**

EIL's CSR policy is strongly integrated into the Company's business vision, where the Company is committed to operating its core business in a socially responsible way, by taking into consideration the wider interests of the community and the environment, with a vision of promoting sustainable development.

EIL's Board approved CSR policy aims at bringing about a radical change in the quality of lives of people by undertaking positive interventions through social upliftment programs. The CSR mission of EIL has been guided by two elemental ideations, namely, the philosophy of enhancing the educational, health and environmental conditions of the society and towards supplementing/supporting the ongoing and planned initiatives of the local, state or central government with projects/programs being located in and around its work places which includes project sites, regional & branch offices and Head office. EIL has undertaken CSR Projects/ Programs in line with Schedule VII of the Companies Act, 2013.

The web link for EIL's CSR projects or programs is as below:

<https://engineersindia.com/sustainability/corporate-social-responsibility>

2. **The composition of the CSR Committee.**

The details regarding composition of CSR Committee are given in the Corporate Governance Report annexed to the Directors' Report.

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

Average net profit of EIL for the last three financial years, i.e. FY 2015-16, FY 2016-17 and FY 2017-18 was ₹ 49052.99 Lakh.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above).**

The prescribed CSR expenditure i.e. 2% of ₹ 49052.99 Lakh is ₹ 981.06 Lakh.

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

- a) **Total amount to be spent for the financial year**

Total amount to be spent for the financial year 2018-19 was ₹ 981.06 Lakh.

- b) **Amount unspent, if any;**

Nil

- c) **Manner in which the amount spent during the financial year 2018-19.**

Details are annexed to this report.

6. **In case the company has failed to spend the two percent 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.**

Not Applicable

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 confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

**V.C. Bhandari**  
Director (HR), Member-CSR Committee

**J.C. Nakra**  
Chairman-CSR Committee

Place: New Delhi  
Date : May 16, 2019

## Annexure to Annual Report on CSR Activities

## Detail of amount spent during financial year 2018-19

| (1)<br>Sl. No. | (2)<br>CSR project or activity identified   | (3)<br>Sector in which the Project is covered   | (4)<br>Location   |            |                | (5)<br>Amount outlay (budget) project or program wise (₹ in Lakh) | (6)<br>Amount spent on the projects or programs |                       | (7)<br>Cumulative expenditure upto the reporting period (₹ in Lakh) | (8)<br>Amount spent: Direct or through Implementing Agency |
|----------------|---|---|-------------------|------------|----------------|---|---|-----------------------|---|--|
|                |   |   | Other             | Local Area | District/State |   | Direct Expenditure (₹ in Lakh)                  | Overheads (₹ in Lakh) |   |  |
| 1              | Support for construction of Government School Building in Kabennur, Dharwad, Karnataka                                    | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | Kabennur, Dharwad | —          | Karnataka      | 330.00  | 33.06   | —                     | 33.06   | Nirmithi Kendra, Dharwad                                   |
| 2              | Support for construction of 100 community toilets for BPL families in small villages                                      | 'promoting preventive healthcare and sanitation and making available safe drinking water' (Item no. (i) of Schedule VII)      | Aligarh           | —          | Uttar Pradesh  | 51.82   | 51.82   | —                     | 51.82   | Pradeep Social Welfare Group of India                      |
| 3              | Support for improving basic infrastructure through setting up sanitation and water facilities in 4 Govt. Schools          | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —                 | Gurugram   | Haryana        | 28.50   | 28.50   | —                     | 28.50   | Sustainable Actions Towards Human Empowerment (SATHEE)     |
| 4              | Support for construction and installation of three water purification plants (ROs) in villages of Sheohar district, Bihar | 'promoting preventive healthcare and sanitation and making available safe drinking water' (Item no. (i) of Schedule VII)      | Sheohar           | —          | Bihar          | 24.71   | 6.18  | —                     | 6.18  | Gandhi Gramoday  |



| (1)     | (2)   | (3)  | (4)      |            |                | (5)  | (6)                                      |                       | (7)  | (8)  |
|---------|---|--|----------|------------|----------------|--|--|-----------------------|--|--|
| Sl. No. | CSR project or activity identified  | Sector in which the Project is covered   | Location |            |                | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs |                       | Cumulative expenditure upto the reporting period (₹ in Lakh) | Amount spent: Direct or through Implementing Agency  |
|         |   |  | Other    | Local Area | District/State |  | Direct Expenditure (₹ in Lakh)           | Overheads (₹ in Lakh) |  |  |
| 5       | Support for installation and commissioning of 100 Solar Photovoltaic based LED Street Lighting Systems in various villages of Poornia District, Bihar | 'rural development projects' (Item no. (x) of Schedule VII)  | Poornia  | —          | Bihar          | 21.80  | 9.86                                     | —                     | 9.86   | Rajasthan Electronics and Instruments Limited (REIL) |
| 6       | Contribution to KD Malviya National Oil Museum  | 'protection of national heritage, art and culture' (Item no. (v) of Schedule VII)  | —        | Guwahati   | Assam          | 51.56  | 51.56                                    | —                     | 51.56  | KD Malviya National Oil Museum Trust                 |
| 7       | Setting up of plant for conversion of Waste to Fuel   | 'ensuring environmental sustainability' (Item no. (iv) of Schedule VII)  | —        | Mathura    | Uttar Pradesh  | 548.00   | 136.96                                   | —                     | 136.96   | EIL (in-house)                                       |
| 8       | Support for installation of solar system and solar street light in Ayudham campus   | 'setting up of old age homes, day care centres and such other facilities for senior citizens' (Item no. (iii) of Schedule VII) | —        | Delhi      | Delhi          | 12.63  | 6.31                                     | —                     | 6.31   | Ayudham Society for Old & Infirm                     |
| 9       | Support for setting up of Mini Science Centre in 2 Govt aided schools   | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII)  | —        | Ratnagiri  | Maharashtra    | 9.44   | 8.97                                     | —                     | 8.97   | Seva Sahyog Foundation                               |

| (1)     | (2)   | (3)   | (4)  |                          |  | (5)  | (6)                                      |                       | (7)  | (8)  |
|---------|---|---|--|--------------------------|--|--|--|-----------------------|--|--|
| Sl. No. | CSR project or activity identified  | Sector in which the Project is covered  | Location   |                          |  | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs |                       | Cumulative expenditure upto the reporting period (₹ in Lakh) | Amount spent: Direct or through Implementing Agency              |
|         |   |   | Other  | Local Area               | District/State   |  | Direct Expenditure (₹ in Lakh)           | Overheads (₹ in Lakh) |  |  |
| 10      | Support for setting up of a computer centre for underprivileged youth in Tughlakabad, Delhi   | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —  | Delhi                    | Delhi  | 4.79   | 4.79                                     | —                     | 4.79   | Shanti Sahyog (Cooperation for Peace, India)                     |
| 11      | Support for conducting Skill Development Training for 1500 Persons with Disabilities (PwDs) in various trades such as Computer Typing, Basic Computer, Computer Operations with MS Office, Cutting & Tailoring, Beauty Therapist, Domestic Data Operator, Hand rolled Agarbatti, Sewing Machine Operator, Handset Repair (Mobile) and Documentation Asstt | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | 1) Rajkot<br>2) Ujjain, Gwalior<br>3) Gondia, Ahmednagar, Nashik, Nagpur, Thane, Jalgoan, Solapur, Pune, Kalyan<br>4) Hanuman garh, Ismailabad, Shahabad, Sirsa, Fatehabad | 5) Delhi<br>6) Faridabad | 1) Gujarat<br>2) Madhya Pradesh<br>3) Maharashtra<br>4) Haryana, Punjab, Rajasthan<br>5) Delhi<br>6) Haryana | 180.00   | 108.00                                   | —                     | 108.00   | National Handicapped Finance and Development Corporation (NHFDC) |
| 12      | Contribution to operational funding of Skill Development Institute, Bhubaneswar   | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —  | Bhubaneswar              | Odisha   | 25.00  | 25.00                                    | —                     | 25.00  | Skill Development Institute, Bhubaneswar                         |
| 13      | Contribution to operational funding of Skill Development Institute, Vishakhapatnam  | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —  | Vishakhapatnam           | Andhra Pradesh   | 25.00  | 25.00                                    | —                     | 25.00  | Skill Development Institute, Vishakhapatnam                      |





| (1)     | (2)   | (3)   | (4)       |            |                | (5)  | (6)                                      |                       | (7)  | (8)   |
|---------|---|---|-----------|------------|----------------|--|--|-----------------------|--|---|
| Sl. No. | CSR project or activity identified  | Sector in which the Project is covered  | Location  |            |                | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs |                       | Cumulative expenditure upto the reporting period (₹ in Lakh) | Amount spent: Direct or through Implementing Agency |
|         |   |   | Other     | Local Area | District/State |  | Direct Expenditure (₹ in Lakh)           | Overheads (₹ in Lakh) |  |   |
| 14      | Contribution to operational funding of Skill Development Institute, Kochi     | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —         | Kochi      | Kerala         | 25.00  | 25.00                                    | —                     | 25.00  | Skill Development Institute, Kochi                  |
| 15      | Contribution to operational funding of Skill Development Institute, Raebareli | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | Raebareli | —          | Uttar Pradesh  | 25.00  | 25.00                                    | —                     | 25.00  | Skill Development Institute, Raebareli              |
| 16      | Contribution to operational funding of Skill Development Institute, Guwahati  | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —         | Guwahati   | Assam          | 25.00  | 25.00                                    | —                     | 25.00  | Skill Development Institute, Guwahati               |
| 17      | Contribution to Skill Development Institute, Ahmedabad                        | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —         | Ahmedabad  | Gujarat        | 75.00  | 75.00                                    | —                     | 75.00  | Skill Development Institute, Ahmedabad              |

| (1)     | (2)  | (3)   | (4)  |            |                           | (5)  | (6)                                      |                       | (7)  | (8)  |
|---------|--|---|--|------------|---------------------------|--|--|-----------------------|--|--|
| Sl. No. | CSR project or activity identified   | Sector in which the Project is covered  | Location   |            |                           | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs |                       | Cumulative expenditure upto the reporting period (₹ in Lakh) | Amount spent: Direct or through Implementing Agency                  |
|         |  |   | Other  | Local Area | District/State            |  | Direct Expenditure (₹ in Lakh)           | Overheads (₹ in Lakh) |  |  |
| 18      | Support for conducting residential Skill Development Training Programme of 1000 candidates from backward classes | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | 1) Hajipur   | 2) Murthal | 1) Bihar<br>2) Haryana    | 480.00   | 47.04                                    | —                     | 47.04  | National Backward Classes Finance & Development Corporation (NBCFDC) |
| 19      | Support for conducting functional literacy programme of 120 tribal women in Mushroom Cultivation and Bee-Keeping | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | —  | Bolangir   | Odisha                    | 9.39   | 3.75                                     | —                     | 3.75   | Amity Humanity Foundation  |
| 20      | Maintenance of toilets constructed by EIL under Swachh Bharat Abhiyan  | 'promoting preventive healthcare and sanitation and making available safe drinking water' (Item no. (i) of Schedule VII)      | 1) Baksa, Barpeta, Bongaigaon, Cachar, Darrang, Dhemaji, Dhubri, Golaghat, Hailakandi, Jorhat, Kamrup-Rural, Karbi Anglong, Karimganj, Kokrajhar, Lakhimpur, Nagaon, Nalbari, Sonitpur, Udalguri<br>2) Kancheepuram, | —          | 1) Assam<br>2) Tamil Nadu | 198.90   | 36.88                                    | —                     | 36.88  | State Project Director Assam and Tamil Nadu                          |



| (1)          | (2)   | (3)  | (4)                           |  |   | (5)  | (6)                                      |                       | (7)  | (8)  |
|--------------|---|--|-------------------------------|--|---|--|--|-----------------------|--|--|
| Sl. No.      | CSR project or activity identified  | Sector in which the Project is covered   | Location                      |  |   | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs |                       | Cumulative expenditure upto the reporting period (₹ in Lakh) | Amount spent: Direct or through Implementing Agency          |
|              |   |  | Other                         | Local Area   | District/State  |  | Direct Expenditure (₹ in Lakh)           | Overheads (₹ in Lakh) |  |  |
| 21           | Contribution to Swachh Bharat Kosh  | 'promoting preventive healthcare and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for promotion of sanitation and making available safe drinking water' (Item no. (i) of Schedule VII) | —                             | —  | —   | 110.00   | 110.00                                   | —                     | 110.00   | Swachh Bharat Kosh   |
| 22           | Support for conducting Ten Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs)     | 'promoting preventive healthcare and sanitation and making available safe drinking water' (Item no. (i) of Schedule VII)   | 1) Udaipur<br>2) Dharam shala | 1) Kota<br>3) Udupi<br>4) Delhi<br>5) Kochi<br>6) Haldia<br>7) Ratnagiri<br>8) Cuttack & Bargarh | 1) Rajasthan<br>2) Himachal Pradesh<br>3) Karnataka<br>4) Delhi<br>5) Kerala<br>6) West Bengal<br>7) Maharashtra<br>8) Odisha | 400.00   | 100.68                                   | —                     | 100.68   | Artificial Limbs Manufacturing Corporation of India (ALIMCO) |
| 23           | Support for conducting Fifteen Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs) | 'promoting preventive healthcare and sanitation and making available safe drinking water' (Item no. (i) of Schedule VII)   | —                             | —  | Locations to be finalised   | 600.00   | 60.00                                    | —                     | 60.00  | Artificial Limbs Manufacturing Corporation of India (ALIMCO) |
| <b>TOTAL</b> |   |  |                               |  |   |  | <b>1004.37</b>                           |                       |  |  |



## 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 transactions under third proviso thereto**

- 1. Detail of Contracts or arrangements or transactions not at arm's length basis** – Engineers India Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.
- 2. Detail of material contracts or arrangement or transactions at arm's length basis** - NIL



## Report on Corporate Governance

### 1. Company's Philosophy on Corporate Governance

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the values of transparency, professionalism and accountability. The Company is committed to attain the highest standard of Corporate Governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance all stakeholders' value within the framework of laws and regulations. Key Policies that have been adopted are as follows:

- Code of Conduct for Board Members and Senior Management
- Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility & Sustainable Development Policy
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries
- Policy for determination of Materiality of events / Information
- Policy for Preservation of Documents
- Dividend Distribution Policy

### 2. Board of Directors

#### a) Composition of the Board of Directors

Engineers India Limited is a Public Sector Undertaking, under the administrative control of MoP&NG, Government of India and all the Directors are appointed by the Government of India. The Board has a mix of Executive and Non-Executive Directors. The Articles of Association of the Company stipulates that the number of Directors shall not be less than five and not more than twenty five. As on 31.03.2019, the Board comprises of 15 Directors viz. C&MD, 5 Executive Directors (Functional) and 9 Non-Executive Directors out of which two are Government Nominee Directors and seven are Non-official Independent Directors. The Executive Directors (Functional) are reporting to the Chairman and Managing Director. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs stipulate that at least 50% of the Directors should be Independent Directors, where Chairman is Executive. As on 31.03.2019, the Company is in shortfall of one Non-official Independent Director w.e.f.11.03.2019. Since Government of India is appointing authority for Directors, the Company has requested MoP&NG to fill up the position at the earliest.

#### b) Number of Board Meetings

The Board of Directors met 7 times during the Financial Year 2018-19. The details of the Board Meetings are as under:

| S. No. | Date of Meeting    | Place     | Board Strength | No. of Directors present |
|--------|--------------------|-----------|----------------|--------------------------|
| 1.     | May 25, 2018       | New Delhi | 12             | 11                       |
| 2.     | August 9, 2018     | New Delhi | 13             | 11                       |
| 3.     | September 13, 2018 | New Delhi | 13             | 10                       |
| 4.     | November 13, 2018  | New Delhi | 14             | 10                       |
| 5.     | January 15, 2019   | New Delhi | 14             | 12                       |
| 6.     | February 8, 2019   | New Delhi | 14             | 10                       |
| 7.     | February 20, 2019  | New Delhi | 14             | 11                       |

**c) Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships/Committee Memberships/ Chairmanships.**

Attendance of each Director at the Board Meetings held during the Financial Year 2018-2019 and at the last Annual General Meeting and number of other Directorships / Committee Memberships/ Chairmanships of each Director is given below:

| Name of the Director                                 | Attendance Particulars |  | Number of other Directorships / Committee Memberships / Chairmanships |   |   |
|--|------------------------|--|---|---|---|
|  | Board Meetings         | Last Annual General Meeting held on 19/09/2018 | Other Directorships   | Committee Memberships** (Including EIL) | Committee Chairmanships** (Including EIL) |
| <b>A) Chairman and Managing Director (Executive)</b> |                        |  |   |   |   |
| Shri J.C. Nakra* <sup>1</sup>                        | 7                      | Yes  | 2   | -                                       | -   |
| <b>B) Executive Directors (Functional)</b>           |                        |  |   |   |   |
| <b>I) Present Directors</b>                          |                        |  |   |   |   |
| Shri V.C. Bhandari                                   | 7                      | Yes  | -   | 1                                       | -   |
| Shri R.K. Sabharwal                                  | 6                      | Yes  | -   | -                                       | -   |
| Shri L.K.Vijh* <sup>1</sup>                          | 7                      | Yes  | 1   | -                                       | -   |
| Shri Sunil Bhatia* <sup>1</sup>                      | 4                      | -  | 1   | 1                                       | -   |
| Shri S.K. Handa* <sup>1</sup>                        | -                      | -  | 1   | 1                                       | -   |
| <b>C) Non-Executive Directors</b>                    |                        |  |   |   |   |
| <b>I) Present Directors</b>                          |                        |  |   |   |   |
| Shri Sandeep Poundrik* <sup>2</sup>                  | 4                      | No   | 1   | -                                       | -   |
| Shri Ashish Chatterjee* <sup>3</sup>                 | 3                      | No   | 1   | -                                       | -   |
| Dr (Prof.) Mukesh Khare* <sup>4</sup>                | 5                      | Yes  | 2   | 1                                       | -   |
| Shri Umesh Chandra Pandey* <sup>4</sup>              | 6                      | Yes  | 1   | -                                       | 1   |
| Shri V.K. Deshpande* <sup>4</sup>                    | 5                      | Yes  | 3   | -                                       | -   |
| Mrs. Arusha Vasudev* <sup>4</sup>                    | 4                      | Yes  | -   | 1                                       | -   |
| Ms. Shazia Ilmi Malik                                | 6                      | No   | -   | -                                       | 1   |
| Shri Chaman Kumar                                    | 5                      | Yes  | 1   | 1                                       | -   |
| Shri R. K. Gogna                                     | 6                      | Yes  | -   | 1                                       | -   |

**Remarks:**

\*1. During the Financial year 2018-19:

Shri J.C.Nakra was holding the additional charges of Director(Technical),Director (Finance) &Director (Projects) till appointment of Shri L.K.Vijh as Director (Technical) w.e.f. 02.05.2018, Shri Sunil Bhatia as Director (Finance) w.e.f 18.10.2018 and Shri S.K.Handa as Director (Projects) w.e.f. 11.03.2019.

\*2. Shri Sandeep Poundrik is holding the Directorship of Hindustan Petroleum Corporation Limited, a listed Company, as Government Nominee.

\*3. Shri Ashish Chatterjee was appointed as Director (Govt. Nominee) Director w.e.f. 26.07.2018 in terms of Ministry of Petroleum Natural Gas, Government of India letter No. C-31033/1/2016-CA/FTS:42979 dated 26.07.2018. He is also holding the Directorship of Gail (India) Limited, a listed Company, as Government Nominee.

\*4 In terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018, the Board of Directors of the Company had recommended for reappointments of Dr. (Prof.) Mukesh Khare, Shri Umesh Chandra Pandey, Shri V.K. Deshpande and Mrs. Arusha Vasudev for a second term of one year commencing from the date of completion of their existing tenure i.e., 19.11.2018 or until further orders of the Government, whichever is earlier.

**Notes:** (i) Membership/ Chairmanship in committee is reckoned pertaining to Audit Committee and Stakeholders Relationship Committee and based on disclosures received from Directors.

(ii) None of the Directors on the Board is holding directorship/chairmanship/Committee membership exceeding the limits prescribed under Companies Act, 2013/SEBI(LODR) Regulations, 2015/DPE Guidelines.

**d) Board Procedure**

The meetings of the Board of Directors are generally held at the Company's Registered Office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials, sponsored by the concerned Functional Directors and approved by C&MD. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required. Action Taken Reports are put up to the Board periodically. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

**e) Code of Business Conduct and Ethics for Board Members and Senior Management**

The Board of Directors has laid down the Code of Business Conduct and Ethics for all Board Members and Senior Management of the Company. The same has also been posted on the Website of the Company.

**Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance for CPSEs and Companies Act, 2013**

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended on March 31, 2019.

Place: New Delhi  
Date: 17.05.2019

**(Jagdish Chander Nakra)**  
Chairman & Managing Director

**f) Separate Meeting of Independent Directors**

A separate Meeting of the Independent Directors was held on 08.02.2019 in pursuance of Schedule IV of the Companies Act, 2013 and DPE guidelines on Role & Responsibilities of Non-Official Independent Directors of CPSEs. All the Independent Directors except Dr. (Prof.) Mukesh Khare and Mrs. Arusha Vasudev attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

**g) Familiarization Programme for Board Members**

The Company has a well defined Training Policy for training of Board Members which inter-alia include the various familiarization programmes in respect of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Further, the same is also taken care during the various Strategy Meets of the Company and different presentations on the statutory Laws in the Board/Committee meetings. During the year, all Independent Directors were nominated to attend two days orientation programme held on 18<sup>th</sup> & 19<sup>th</sup> February, 2019 organized by Department of Public Enterprise at Guwahati. The details of such familiarization programmes/ Training Policy have also been posted on the website of the Company at <http://engineersindia.com/Investors/corporate-governance>.

**h) Chart/ Matrix Setting out the skills/expertise/competence of the Board**

EIL being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) vests with the Government of India. The Functional Directors having specified skills/expertise/competencies in the context of Company's business and sector to function effectively from a mix of eminent personalities are selected by Public Enterprises Selection Board (PESB), a high powered body constituted by Government of India and appointed by Ministry of Petroleum & Natural Gas as duly approved by the Appointments Committee of Cabinet. Independent Directors are selected by Search Committee constituted by Government of India from a mix of eminent personalities having requisite expertise and experience in diverse fields. In view thereof, the Board of Directors has not identified the list of core skills / expertise / competencies required by a Director in the context of company's business, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}.

**i) Compliance Reports**

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date except with regard to Performance Evaluation of the Directors and Composition of Board of Directors. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non compliances.

**3. Audit Committee**

As on 31.03.2019, the Audit Committee comprises of Shri Umesh Chandra Pandey, Non-official Independent Director as Chairman, Mrs. Arusha Vasudev, Shri R. K. Gogna, Non-official Independent Directors and Director (Projects) as members of the Committee. The Committee was reconstituted during the year due to the following:-

- Ms. Shazia Ilmi Malik, Shri Chaman Kumar and Dr.(Prof.) Mukesh Khare ceased to be member w.e.f. 15.01.2019.
- Director (Projects) was inducted as member w.e.f. 15.01.2019.

The details of meetings held during the financial year 2018-19 and the attendance of the Members is given below:

| S. No. | Date of the Meeting | Name of the Members       | Category                              | Attendance  |
|--------|---------------------|---------------------------|---------------------------------------|-------------|
| 1.     | 24.05.2018          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)           | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present     |
|        |                     | Ms. Shazia Ilmi Malik     | Non-Executive (Independent)           | Present     |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)           | Not Present |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
| 2.     | 25.05.2018          | Shri Umesh Chandra Pandey | Non-Executive (Independent)- Chairman | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)           | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present     |
|        |                     | Ms. Shazia Ilmi Malik     | Non-Executive (Independent)           | Present     |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)           | Not Present |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
| 3.     | 08.08.2018          | Shri Umesh Chandra Pandey | Non-Executive (Independent)- Chairman | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)           | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Not Present |
|        |                     | Ms. Shazia Ilmi Malik     | Non-Executive (Independent)           | Present     |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)           | Present     |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
| 4.     | 09.08.2018          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)           | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Not Present |
|        |                     | Ms. Shazia Ilmi Malik     | Non-Executive (Independent)           | Present     |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)           | Present     |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
| 5.     | 12.11.2018          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)           | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Not Present |
|        |                     | Ms. Shazia Ilmi Malik     | Non-Executive (Independent)           | Present     |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)           | Not Present |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
| 6.     | 13.11.2018          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)           | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Not Present |
|        |                     | Ms. Shazia Ilmi Malik     | Non-Executive (Independent)           | Present     |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)           | Not Present |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
| 7.     | 07.02.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Not Present |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
|        |                     | Shri J.C.Nakra*           | C&MD                                  | Not Present |
| 8.     | 08.02.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Not Present |
|        |                     | Shri R. K. Gogna          | Non-Executive (Independent)           | Present     |
|        |                     | Shri J.C.Nakra*           | C&MD                                  | Not Present |

\* Shri J.C.Nakra was part of the committee as he was holding the additional charge of Director (Projects).



The Audit Committee invites Senior Executives & External Auditors whenever it considers appropriate to be present in the meetings. The Head of Internal Audit Department and Director (Finance) attend the meetings of the Audit Committee as invitees.

**Role/Scope of Audit Committee includes:**

1. 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;
2. Recommendation to the Board, the fixation of Audit fees payable to Statutory Auditors appointed by C&AG;
3. Recommendation to the Board, the appointment of Cost Auditors of the Company and fixation of their cost Audit Fees;
4. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 clause (c) of sub-section 3 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 listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
  - h. Modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. Approval or any subsequent modification of transactions of the Company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function 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;
15. Discussion with Internal Auditors and/or auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the Internal Auditors/Auditors/Agencies 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;
17. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. To review the follow-up action on the audit observations of C&AG Audit;
21. To review the follow-up action taken on the recommendation of Committee on Public Undertakings (COPU) of the Parliament;
22. Provide an open avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors;
23. 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;
24. Consider and review the following with the Independent Auditor and the Management:
  - The adequacy of internal controls including computerized information system controls and security, and
  - Related findings and recommendations of the Independent auditor and internal auditor, together with the Management responses;
25. The Audit Committee shall mandatorily review the following information:
  - a. Management Discussion and Analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), 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; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor.
  - f. Certification/Declaration of Financial Statements by the Chief Executive/Chief Financial Officer.
  - g. Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
  - 26. Review all Related Party Transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions;
  - 27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - 28. The Audit Committee shall have additional functions/features as prescribed under Companies Act, 2013, Listing Regulations, DPE Guidelines as amended from time to time.
- Explanation (I): The term “related party transactions” shall have the same meaning as provided in the Listing Regulations, DPE Guidelines and Companies Act, 2013 read with related rules issued thereon including any statutory modifications and amendments as may be issued from time to time.

#### 4. **Subsidiary Companies**

The Company is having one wholly owned subsidiary viz. Certification Engineers International Limited (CEIL). This subsidiary Company does not fall under the category of “material non-listed Subsidiary Company” within the meaning of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance. The Audit Committee of EIL has reviewed the financial statements and performance, in particular, the investments made by CEIL. The Minutes of the Board Meetings of CEIL have also been placed before the Board Meetings of EIL. The Board of Directors of the Company periodically review the details of all significant transactions and arrangements entered into by CEIL, being un-listed subsidiary Company. In accordance with the amendment in SEBI (LODR) Regulations, 2015, the Company has revised a policy for determining Material Subsidiaries and the same has also been posted on the website of the Company at <http://engineersindia.com/Investors/corporate-governance>.

#### 5. **Related Party Transactions**

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and the same has been revised from time to time. The same has been posted on the website of the Company at <http://engineersindia.com/Investors/corporate-governance>. The Company gives the disclosure regarding the details of all the material transactions with related parties on quarterly basis along with the compliance report on Corporate Governance. Further, suitable disclosure as required by the Accounting Standard (Ind AS24) has been made in the notes to the Financial Statements.

#### 6. **Nomination and Remuneration Committee/Remuneration of Directors**

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The Part-time official Directors nominated on the Board do not draw any remuneration from the Company for their role as Director. The sitting fees fixed for Non-official Independent Directors of the Company is ₹ 25,000/- for each meeting of the Board of Directors and ₹20,000/- for each meeting of the Committees of the Board of Directors attended by them. The Functional Directors including the Chairman and Managing Director are appointed by the Government of India and are being paid remuneration as per the terms of their appointment. The Company has a Nomination and Remuneration Committee which has been formed by the Board of Directors in its meeting held on 19.12.2008 as per DPE OM dated 26<sup>th</sup> November, 2008 regarding pay revision of CPSE executives.

The scope of the Nomination and Remuneration Committee is as under:-

“Finalizing the salary, structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and non-unionised supervisors within prescribed limits. May also decide issues like ESOP schemes, performance incentive schemes, superannuation benefits and any other fringe benefits.”

#### **Performance Evaluation**

EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

As on 31.03.2019, the Nomination and Remuneration Committee comprises of Mrs. Arusha Vasudev, Non-official Independent Director as Chairperson, Shri Umesh Chandra Pandey, and Dr. (Prof.) Mukesh Khare, Non-official Independent Directors as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Shri R.K. Gogna, Shri V.K. Deshpande and Shri Chaman Kumar ceased to be members w.e.f. 15.01.2019.
- Mrs. Arusha Vasudev was made the chairperson of the Committee in place of Shri R. K. Gogna who ceased to be the member of the Committee.
- Dr. (Prof.) Mukesh Khare was inducted as member w.e.f. 15.01.2019.

The details of meeting held during the financial year 2018-19 and the attendance of the Members is given below:

| S. No. | Date of the Meeting | Name of the Members       | Category                            | Attendance  |
|--------|---------------------|---------------------------|-------------------------------------|-------------|
| 1.     | 12.11.2018          | Shri R. K. Gogna          | Non-Executive(Independent)-Chairman | Present     |
|        |                     | Shri V.K. Deshpande       | Non-Executive (Independent)         | Present     |
|        |                     | Shri Umesh Chandra Pandey | Non-Executive (Independent)         | Present     |
|        |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)         | Not Present |
|        |                     | Shri Chaman Kumar         | Non-Executive (Independent)         | Not Present |
| 2.     | 07.02.2019          | Mrs. Arusha Vasudev       | Non-Executive (Independent)         | Not Present |
|        |                     | Shri Umesh Chandra Pandey | Non-Executive(Independent)-Chairman | Present     |
|        |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)         | Present     |

The details of remuneration paid to the Functional Directors during the financial year ended March 31, 2019 are as under:

(Amount in ₹)

| S. No | Name of Director                      | Gross Salary      | Other Benefits   | Performance Related Pay/ Productivity Linked Reward | Stock Options during the year 2018-19 | Total              |
|-------|---------------------------------------|-------------------|------------------|---|---------------------------------------|--------------------|
| 1     | Shri J.C. Nakra                       | 38,10,476         | 7,97,199         | 2,98,197  | Nil                                   | 49,05,872          |
| 2     | Shri V.C. Bhandari                    | 38,63,113         | 7,71,172         | 2,96,929  | Nil                                   | 49,31,214          |
| 3     | Shri R.K. Sabharwal                   | 38,61,286         | 7,53,217         | 2,96,155  | Nil                                   | 49,10,658          |
| 4     | Shri. L.K. Vijh (w.e.f. 02.05.2018)   | 33,55,641         | 19,97,684        | 2,11,958  | Nil                                   | 55,65,283          |
| 5     | Shri Sunil Bhatia (w.e.f. 18.10.2018) | 14,92,792         | 2,88,512         | -   | Nil                                   | 17,81,304          |
| 6     | Shri S. K. Handa (w.e.f. 11.03.2019)  | 2,25,288          | 40,357           | -   | Nil                                   | 2,65,645           |
|       | <b>Total</b>                          | <b>166,08,596</b> | <b>46,48,141</b> | <b>11,03,239</b>                                    | <b>Nil</b>                            | <b>2,23,59,976</b> |

Details of payments towards sitting fees to Independent Directors during the financial year 2018-19 are given below:-

(Amount in ₹)

| Name of Non-official Independent Director | Sitting Fees*   |                   | Total            |
|---|-----------------|-------------------|------------------|
|   | Board Meeting   | Committee Meeting |                  |
| Dr. (Prof.) Mukesh Khare                  | 1,25,000        | 2,80,000          | 4,05,000         |
| Mrs. Arusha Vasudev                       | 1,00,000        | 60,000            | 1,60,000         |
| Shri V.K. Deshpande                       | 1,25,000        | 2,20,000          | 3,45,000         |
| Shri Umesh Chandra Pandey                 | 1,50,000        | 2,80,000          | 4,30,000         |
| Ms. Shazia Ilmi Malik                     | 1,50,000        | 2,80,000          | 4,30,000         |
| Shri Chaman Kumar                         | 1,25,000        | 1,20,000          | 2,45,000         |
| Shri R. K. Gogna                          | 1,50,000        | 3,00,000          | 4,50,000         |
| <b>Total</b>                              | <b>9,25,000</b> | <b>15,80,000</b>  | <b>24,65,000</b> |

\*Gross Fees excluding taxes as per applicable Tax Laws and Rules.

#### 7. Accounting Treatment

The Financial statements have been prepared as per generally accepted accounting principles and in accordance with the prescribed Accounting Standards.

#### 8. Risk Management

EIL is committed to effective management of risks across the organization by aligning its risk management strategy to its business objectives and by instituting a risk management structure and framework for timely identification, assessment, mitigating, monitoring and reporting of risks. Accordingly, a robust Enterprise Risk Management and Project Risk Management framework have been designed and deployed. During the year the key risks have been reviewed with respect to current business scenario. The changes in the key risks have been approved by the Risk Management Committee. The linkage of the Risk Management system with the Quality Management system has provided an added advantage by further ingraining Risk Management into the day to day business operations.

##### Risk Management Committee

The Risk Management committee is a key governing body of the Risk Management function at EIL. The Risk Management Committee

(RMC) of the Board comprises of both independent Directors and functional Directors and is headed by an independent Director. The Risk Management Committee is supported by the Corporate Risk Assurance (CRA) group which performs day-to-day activities required to maintain and improve Risk Management.

Major functions of the Risk Management Committee are:

- Review & monitoring of Risk Management Policy, Risk Management Plan and Risk Management Process from time to time.
- Approving and informing the Board about risk identification, assessment, control and mitigation procedures.
- Reviewing Project Risk Management Plans
- Review and Monitor Cyber Security Risk
- Reviewing reports Periodically on Risk Management compliance verification and status of implementation
- Guiding Corporate Risk Assurance group in integration of Enterprise wide Risk Management (ERM) with other Business Planning, Business Strategy, Management Activities and Operational Objectives.

The status of Enterprise Risk Management (ERM) and Project Risk Management Plans (PRMPs) is reviewed on a Quarterly basis by the Risk Management Committee. The Risk Management Committee plays an active role in reviewing the status and providing the required interventions for improving the effectiveness of the Risk Management System and aligning it with Business objectives. As on 31.03.2019, the Risk Management Committee comprises of Shri V.K. Deshpande, Non-official Independent Director as Chairman, Mrs. Arusha Vasudev, Shri Chaman Kumar, Non-official Independent Directors, Director (Projects), Director (Technical) and Director (Finance) as members of the Committee. The Committee was reconstituted during the year due to the following:

- Dr. (Prof.) Mukesh Khare and Shri R.K. Gogna ceased to be member w.e.f. 15.01.2019.
- Shri Chaman Kumar was inducted as member w.e.f. 15.01.2019.

The Committee met 4 times during the year on 24.05.2018, 08.08.2018, 12.11.2018 and 07.02.2019. Details regarding number of meetings attended by each Director is given below:-

| S.No. | Name of the Members                        | Number of Meetings attended |
|-------|--|-----------------------------|
| 1.    | Shri V.K. Deshpande                        | 4                           |
| 2.    | Dr. (Prof.) Mukesh Khare(up to 15.01.2019) | 3                           |
| 3.    | Mrs. Arusha Vasudev                        | 1                           |
| 4.    | Shri R. K. Gogna(up to 15.01.2019)         | 3                           |
| 5.    | Shri Chaman Kumar(w.e.f 15.01.2019)        | 1                           |
| 6.    | Shri L.K.Vijh                              | 4                           |
| 7.    | Shri Sunil Bhatia(w.e.f 18.10.2018)        | 2                           |
| 8.    | Shri J. C. Nakra*                          | -                           |

\* Shri J. C. Nakra was member of the Committee due to having additional charge of Director (Finance) till 18.10.2018 and Director (Projects) till 11.03.2019.

#### 9. Proceeds from Public Issues, Right Issues and Preferential Issues

The Company has not raised any money through Public Issue, Right Issues or any Preferential Issues during the financial year 2018-19.

#### 10. Shareholders

- A) The brief resume of the Directors seeking appointment/reappointment together with the nature of their expertise in specific functional areas, disclosure of relationships between Directors inter-se, names of companies in which they hold Directorships and the membership/chairmanship of Committees in other Companies along with their shareholding in the Company etc. as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and other statutory provisions is annexed to the Notice calling the Annual General Meeting.
- B) None of the Directors/KMPs of the Company are inter-se related as on 31<sup>st</sup> March, 2019 except Shri R.K Sabharwal, Director (Commercial) and Shri L.K.Vijh, Director(Technical), who are Brother-in-laws.
- C) None of the Non-Executive Directors hold any equity shares in the Company as on 31<sup>st</sup> March, 2019.
- D) **Means of Communication**

|   |  |
|---|--|
| Quarterly, Half Yearly Results and Yearly Results   | Published in Economic Times (all editions), Financial Express (all editions), Mint (All editions) & Times of India (Delhi) in English, Economic Times (Delhi) & Nav Bharat Times (Delhi) in Hindi and Economic Times (Ahmedabad & Mumbai) in Gujarati. |
| Displayed on Website  | www.engineersindia.com and simultaneously posted on the NSE and BSE website.   |
| Whether it displays official news, releases and presentations made to media, analyst, institutional investors, etc. | Yes  |



|  |                             |
|--|-----------------------------|
| Exclusive email id for redressal of investors' complaint   | company.secretary@eil.co.in |
| Exclusive email id for registering/updating e-mail ids in terms of MCA circular issued regarding Green Initiative in Corporate Governance and provisions of Companies Act, 2013 read with Rules. | eil.annualreport@eil.co.in  |

As a part of Green initiative in Corporate Governance, the Company has sent the Annual Reports for the financial year 2017-18 and other communications like NECS/ECS credit information for final and interim dividend to large number of shareholders for the financial years 2017-18 & 2018-19 respectively through e-mail ids of the shareholders registered with NSDL/ CDSL/ Company/RTA.

**E) Stakeholders Relationship Committee of the Board**

The Company is having a Stakeholders Relationship Committee. Presently, the Stakeholders Relationship Committee comprises of four Directors (Two Non-official Independent Directors and two Executive Functional Directors) viz. Ms. Shazia Ilmi Malik, Non-official Independent Director, as Chairperson, Dr. (Prof.) Mukesh Khare, Non-official Independent Director, Director (HR) and Director (Finance) as the members of the Committee. As per amendment in SEBI (LODR) Regulations, 2015, the Board of Directors in their meeting held on 08.02.2019, has enhanced the scope of work of Stakeholders Relationship Committee effective from 01.04.2019.

The revised scope of the Committee is as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee was reconstituted during the year due to the following:

- Shri V.K. Deshpande and Director (Commercial) ceased to be the member w.e.f. 15.01.2019.
- Dr. (Prof.) Mukesh Khare and Director (Finance) were inducted as member w.e.f. 15.01.2019.

The Committee met 4 times during the year on 24.05.2018, 08.08.2018, 12.11.2018 and 07.02.2019 and all the members were present in each meeting.

**Status of Investor Complaints**

|   |     |
|---|-----|
| Complaints pending on 01.04.2018                          | NIL |
| Complaints received during the financial year 2018-19     | 510 |
| Complaints disposed off during the financial year 2018-19 | 510 |
| Complaints pending as on 31.03.2019                       | NIL |

As on 31<sup>st</sup> March, 2019, no transfer request was pending.

**F) Share Transfer Committee of the Board**

The Company has a Share Transfer Committee in place. Presently, the Share Transfer Committee comprises of three Directors viz. Director (HR) as Chairman, Director (Technical) and Director (Commercial) as the members of the Committee. The Committee met 50 times during the Financial Year 2018-19. The Committee was reconstituted during the year due to the following:

- Director(Technical) was inducted as member w.e.f. 25.05.2018
- C&MD ceased to be member w.e.f. 25.05.2018
- Director (HR) was made the Chairman of the Committee in place of C&MD, who ceased to be the member of the Committee w.e.f. 25.05.2018.

M/s Karvy Fintech Pvt. Limited has been appointed as Registrar and Share Transfer Agent to register share transfers, coordinate with the Depositories and to look after the redressal of Shareholders' and Investors' complaints. The complaints received from investors relating to transfer of shares, non-receipt of balance - sheets, dividends etc. and also the complaints received through SEBI, Ministry of Corporate Affairs and the Stock Exchanges are being attended by the Transfer Agent on priority basis. Shri Narendra Kumar, Manager (CS) is nominated as the Compliance Officer.

**G) HR Committee of the Board**

The HR Committee has been constituted to deal with some specific HR issues including revision in HR Policies and Rules. As on 31.03.2019, the HR Committee comprises of C&MD of EIL as Chairman, Shri V.K. Deshpande, Dr. (Prof.) Mukesh Khare, Non-official Independent Directors, Director (HR), Director (Commercial), Director (Technical), Director (Projects) and Director(Finance) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Dr. (Prof.) Mukesh Khare was inducted as member w.e.f. 15.01.2019.

- Shri Umesh Chandra Pandey and Shri Chaman Kumar ceased to be members w.e.f. 15.01.2019.

The Committee met 3 times during the year on 24.05.2018, 12.11.2018 and 07.02.2019. Details regarding number of meetings attended by each Director are given below:-

| S.No. | Name of the Members                         | Number of Meetings attended |
|-------|---|-----------------------------|
| 1.    | Shri J. C. Nakra                            | 3                           |
| 2.    | Dr.(Prof) Mukesh Khare (w.e.f. 15.01.2019)  | 1                           |
| 3.    | Shri Umesh Chandra Pandey(up to 15.01.2019) | 2                           |
| 4.    | Shri V.K.Deshpande                          | 3                           |
| 5.    | Shri Chaman Kumar(up to 15.01.2019)         | -                           |
| 6.    | Shri V.C.Bhandari                           | 3                           |
| 7.    | Shri R.K.Sabharwal                          | 2                           |
| 8.    | Shri L.K.Vijh                               | 3                           |
| 9.    | Shri Sunil Bhatia(w.e.f. 18.10.2018)        | 2                           |

#### H) CSR & SD Committee of the Board

The Company is having CSR & SD Committee. As on 31.03.2019, the CSR & SD Committee comprises of C&MD as Chairman, Ms. Shazia Ilmi Malik, Non-official Independent Director and Director (HR) as the members of the Committee. Director (HR) is also the convener of this Committee. The Committee was reconstituted during the year due to the following:

- Dr. (Prof.) Mukesh Khare and Shri Chaman Kumar ceased to be the members of the Committee w.e.f 15.01.2019.

The Committee met 3 times during the year on 24.05.2018, 12.11.2018 and 07.02.2019. Details regarding number of meetings attended by each Director are given below:-

| S.No. | Name of the Members                         | Number of Meetings attended |
|-------|---|-----------------------------|
| 1.    | Shri J.C. Nakra                             | 3                           |
| 2.    | Dr. (Prof.) Mukesh Khare (up to 15.01.2019) | 2                           |
| 3.    | Ms. Shazia Ilmi Malik                       | 3                           |
| 4.    | Shri Chaman Kumar(up to 15.01.2019)         | -                           |
| 5.    | Shri V.C. Bhandari                          | 3                           |

#### I) Committee of Functional Directors

The Board of Directors has constituted the Committee of Functional Directors of the Company to deliberate and decide on the matters as per defined scope of the Committee. As on 31.03.2019, the Committee comprises of C&MD of EIL as Chairman, Director (HR), Director (Commercial), Director (Technical), Director (Projects) and Director (Finance) as the members of the Committee. The Committee met 46 times during the Financial Year 2018-19.

#### J) Legal Advisory Committee of the Board

The Board of Directors constituted Legal Advisory Committee to deliberate and decide on the matters as per defined scope of the committee. As on 31.03.2019, the Legal Advisory Committee comprises of Shri Chaman Kumar, Non-official Independent Director as Chairman, Shri R.K. Gogna, Non-official Independent Director, Director (HR), Director (Commercial), Director (Projects) and Director (Finance) as the members of the committee. Director (HR) is also the convener of this committee. The Committee was reconstituted during the year due to the following:

- Ms. Shazia Ilmi Malik and Shri Umesh Chandra Pandey ceased to be members w.e.f. 15.01.2019.

The Committee met 3 times during the year on 04.04.2018, 14.08.2018 and 07.02.2019. Details regarding number of meetings attended by each Director are given below:-

| S.No. | Name of the Members                          | Number of Meetings attended |
|-------|--|-----------------------------|
| 1.    | Shri Chaman Kumar                            | 3                           |
| 2.    | Shri R. K. Gogna                             | 3                           |
| 3.    | Ms. Shazia Ilmi Malik (up to 15.01.2019)     | 1                           |
| 4.    | Shri Umesh Chandra Pandey (up to 15.01.2019) | 2                           |
| 5.    | Shri V.C.Bhandari                            | 3                           |
| 6.    | Shri R.K.Sabharwal                           | 2                           |
| 7.    | Shri J.C.Nakra*                              | -                           |
| 8.    | Shri Sunil Bhatia(w.e.f 18.10.2018)          | 1                           |

\* Shri J.C. Nakra was member of the Committee due to having additional charge of Director (Finance) till 18.10.2018 and Director (Projects) till 11.03.2019.

#### K) Compliance Officer

During the financial year 2018-19, Shri Rajan Kapur, Company Secretary and Compliance officer, resigned from the services of the Company w.e.f 26.07.2018. Consequently Shri Narendra Kumar, Manager(CS), was designated as Compliance officer of the Company w.e.f. 27.07.2018 and appointed as Company Secretary (as an interim measure) w.e.f. 09.08.2018, thereby Company Secretary position was vacant for 13 days (27.07.2018 to 08.08.2018). Thereafter, Shri S.K.Padhi was recruited as head of the Secretarial Department and appointed as Company Secretary in place of Shri Narendra Kumar w.e.f. 15.01.2019.

Company Secretary, acts as the Secretary to the Board and Committee thereof.

### 11. General Body Meetings

#### (i) Annual General Meeting (AGM)

The details of Annual General Meetings held during the last three years are as under:

| AGM              | Year      | Venue   | Date       | Time    |
|------------------|-----------|---|------------|---------|
| 51 <sup>st</sup> | 2015-2016 | Siri Fort Auditorium Khel Gaon, August Kranti Marg, New Delhi-110049  | 19.09.2016 | 3.00 PM |
| 52 <sup>nd</sup> | 2016-2017 | Engineers India Limited, NH-8, Sector-16, Gurugram-122001(Haryana)    | 19.09.2017 | 3.00 PM |
| 53 <sup>rd</sup> | 2017-2018 | Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110049 | 19.09.2018 | 3.00 PM |

ii) There was no Special Resolution passed in the last three AGMs and there is no immediate proposal for passing any resolution through Postal Ballot.

iii) No Extra-ordinary General Meeting of the members was held during the financial year 2018-19.

### 12. CEO/CFO Certification

The Chairman & Managing Director (CEO) and Director (Finance) (CFO) have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs. The said certificate is annexed and forms part of the Annual Report.

### 13. Disclosures

- Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2018-2019 are given in Note No.38 to the Annual Accounts for the year ended 31<sup>st</sup> March, 2019. These transactions do not have any potential conflict with the interests of the Company at large.
- There were no penalties or strictures imposed on the Company by any Statutory authorities for non compliance on any matter related to capital markets, during the last three years. However, National Stock Exchange of India Limited and BSE Limited vide their letters dated May 02, 2019 imposed fine of ₹ 1,23,900/- each on the Company under Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 as the composition of Board is not in accordance with the Listing Regulations. The Company has submitted a reply to both the Exchanges that appointment of Director on the Board of EIL is vested with Government of India in terms of Articles of Association of the Company and requested for waiver of the fine. At the same time, EIL has also taken up the matter with the Administrative Ministry (i.e. MoP&NG) for appointment of requisite number of Independent Director in compliance with the Listing Regulations.
- The Company has in place a Vigil Mechanism/Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of the same have also been posted on the website of the Company.
- The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs except the Composition of the Board with respect to Independent Directors from 11.03.2019 and Performance Evaluation of Independent Directors as required by Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- No Presidential Directives have been received by the Company during the FY 2018-19. The Company has complied with all the presidential directives received in the past 3 years.
- Director(s) are nominated on training programmes and they have also attended various seminars/conferences from time to time.
- No Expenditures were debited in the Books of Accounts during the financial year 2018-19 which are not for the purposes of the Business.
- No expenses had been incurred which were personal in nature and incurred for the Board of Directors and the top Management.

- ix) The administrative and office expenses are 4.08% of the total expenses in the Financial year 2018-19 as against 7.07% during the Financial year 2017-18.
- x) It is always Company's endeavour to present unqualified financial statements.
- xi) Pursuant to the amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a revised Code of Prevention of Insider Trading and Code of Fair Disclosure of Un-published Price Sensitive Information. The revised code is applicable w.e.f. 01.04.2019. The details of the same have also been posted on the website of the Company at <http://engineersindia.com/Investors/corporate-governance>.
- xii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI(LODR) Regulations, 2015-N.A.
- xiii) List of all credit ratings obtained by the Company for mobilization of funds -N.A
- xiv) The Board of Directors in their meeting held on 17.05.2019 has confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the listing regulations and are independent of the management.
- xv) The Company has obtained a certificate from M/s Agarwal S. Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.
- xvi) In the Current Financial Year, there has been no instance where Board has not accepted the recommendation of any Committee which is mandatorily required.
- xvii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. Number of complaints filed during the financial year :Nil
  - b. Number of complaints disposed of during the financial year:Nil
  - c. Number of complaints pending as on end of the financial year:Nil
- xviii) Disclosures regarding commodity price risk or foreign exchange risk and hedging activities are given in Note No.35 of the Notes to the Annual Accounts for the year ended 31<sup>st</sup> March, 2019.
- xix) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor is as under:

| Particulars   | 2018-19      | 2017-18      |
|---------------|--------------|--------------|
| For Audit     | 15.02        | 12.54        |
| For Tax Audit | 2.85         | 2.35         |
| Others        | 13.15        | 9.42         |
| <b>Total</b>  | <b>31.02</b> | <b>24.31</b> |

- xx) The Company has not adopted any discretionary requirement as specified under Schedule II (Part E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 14. General Information

- i) 54<sup>th</sup> Annual General Meeting

|       |   |
|-------|---|
| Date  | Thursday, 26 <sup>th</sup> September, 2019                          |
| Time  | 3:00 p.m.   |
| Venue | Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana) |

- ii) **Financial Year**

1<sup>st</sup> Day of April to 31<sup>st</sup> Day of March every year.

- iii) **Dates of Book-closure**

Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive).

- iv) **Dividend**

The Board of Directors of the Company have recommended payment of Final Dividend of ₹ 0.75 per share (on the face value of ₹5/- each) for the Financial Year ended 31<sup>st</sup> March, 2019 subject to approval of the shareholders in the ensuing AGM. This was in addition to the Interim Dividend of ₹3.25 per share (on the face value of ₹ 5/- each) paid in February, 2019. With this, the total dividend for the financial year 2018-19 works out to ₹4/- per share for FY 2018-19.

The Record Date and Dividend Payment Date for Final Dividend for the financial year ended 31<sup>st</sup> March, 2019 are Thursday, September 19, 2019 and Thursday, October 3, 2019 respectively. The dividend warrants would be posted on or after Thursday, October 3, 2019 and within the stipulated period as per the statutory requirements.

**v) Listing on Stock Exchanges**

**a) BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

**b) National Stock Exchange of India Ltd.**

Exchange Plaza, 5th floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400051.

The Company has paid Listing fees for the Financial Year 2018-19 to the above Stock Exchanges. The Company has also made the payment of Annual fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2018-19.

**vi) Stock Code**

ISIN INE510A01028

Scrip Code 532178

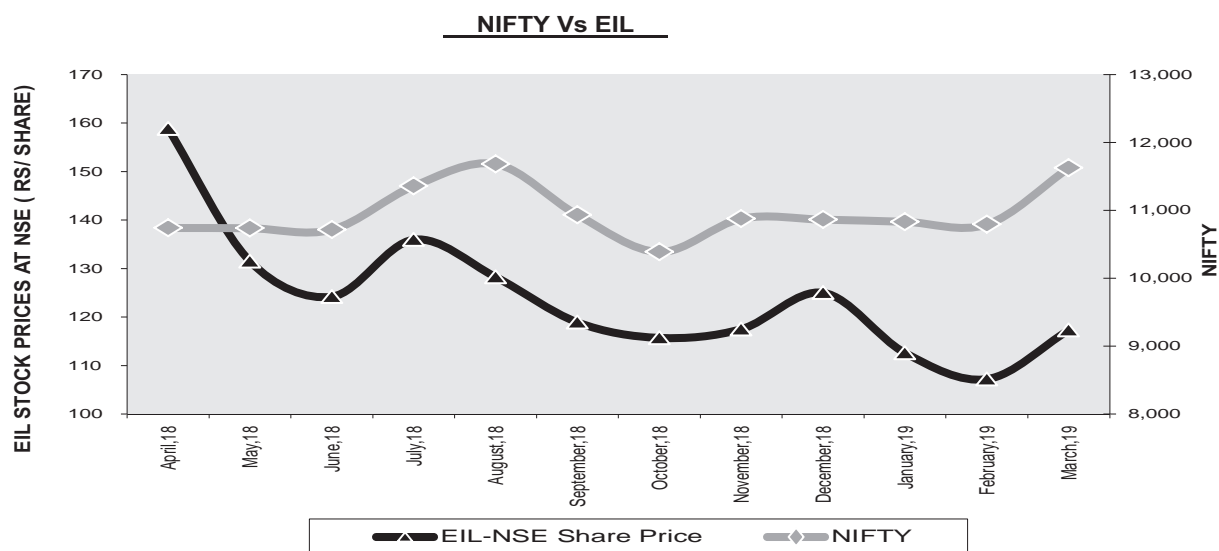
Scrip Symbol ENGINEERSIN

**vii) Monthly Share Price Data**

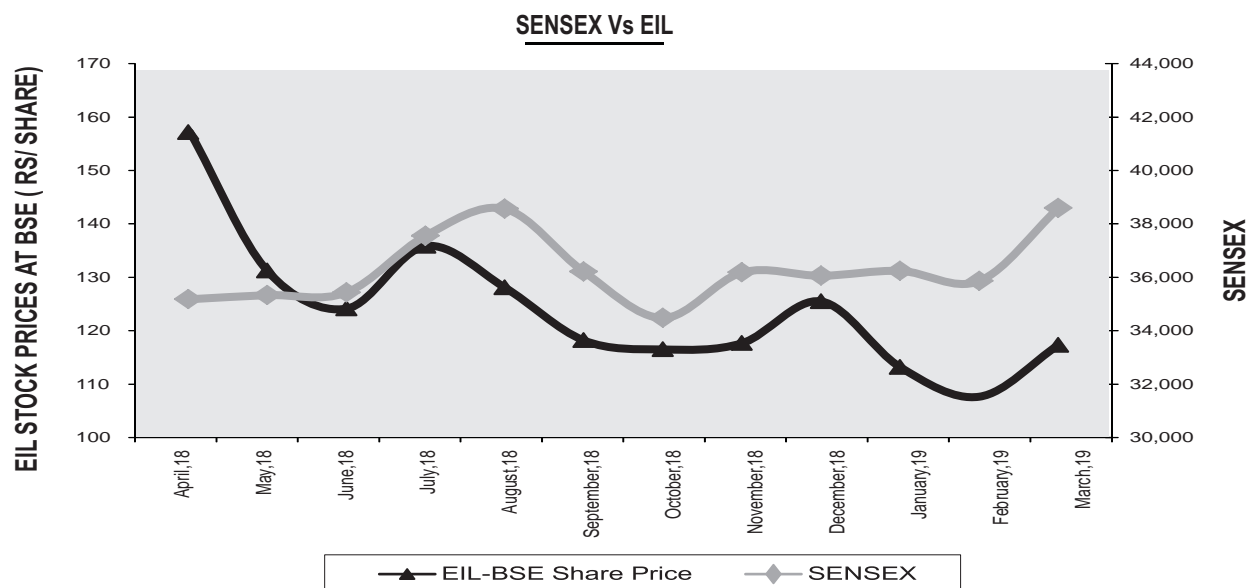
(Amount in ₹)

| Month & Year    | Bombay Stock Exchange |        | National Stock Exchange |        |
|-----------------|-----------------------|--------|-------------------------|--------|
|                 | High                  | Low    | High                    | Low    |
| April, 2018     | 168.15                | 151.10 | 167.90                  | 150.75 |
| May, 2018       | 159.05                | 130.30 | 159.70                  | 130.30 |
| June, 2018      | 138.85                | 120.70 | 138.80                  | 119.80 |
| July, 2018      | 136.90                | 117.90 | 136.55                  | 117.80 |
| August, 2018    | 138.90                | 118.75 | 138.55                  | 118.65 |
| September, 2018 | 139.45                | 116.20 | 139.65                  | 116.10 |
| October, 2018   | 123.50                | 100.45 | 123.40                  | 100.15 |
| November, 2018  | 127.25                | 113.10 | 127.35                  | 113.00 |
| December, 2018  | 129.90                | 108.65 | 129.30                  | 108.30 |
| January, 2019   | 128.15                | 111.10 | 128.00                  | 111.00 |
| February, 2019  | 117.90                | 103.10 | 117.95                  | 102.90 |
| March, 2019     | 120.20                | 106.70 | 120.35                  | 107.05 |

**viii) Performance of EIL's Share price in comparison to NIFTY/Sensex Index during the financial year 2018-19.**







**ix) Liquidity**

EIL shares are actively traded on National Stock Exchange of India Limited and BSE Limited

**x) Dematerialization/Rematerialization of Shares**

**Shareholding in Demat Mode as on 31.03.2019.**

| Depository   | No. of Shares    | Percentage   |
|--------------|------------------|--------------|
| NSDL         | 274230038        | 43.40        |
| CDSL         | 357051268        | 56.50        |
| <b>Total</b> | <b>631281306</b> | <b>99.90</b> |

President of India has held 52% of the total shares, all in dematerialized form. Out of the balance 48% shares held by others, 47.90% have been held in dematerialized form as on March 31, 2019. The trading in the equity shares of the Company is compulsory in dematerialized segment as per Notification issued by the Securities and Exchange Board of India.

**Dematerialized/Rematerialized for the period from 01.04.2018 to 31.03.2019.**

|                | NSDL          |            | CDSL          |            |
|----------------|---------------|------------|---------------|------------|
|                | No. of Shares | Percentage | No. of Shares | Percentage |
| Dematerialised | 51817         | 0.018      | 15521         | 0.004      |
| Rematerialised | 2             | 0.0000     | 0             | 0.0000     |

**xi) Distribution of Shareholding as on March 31, 2019.**

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2019 is presented hereunder:

**a) Shareholding Pattern**

| S. No. | Category of Shareholders | No. of Shares held | % of Total |
|--------|--------------------------|--------------------|------------|
| 1      | PRESIDENT OF INDIA       | 328563993          | 52.00      |
| 2      | MUTUAL FUNDS             | 118067157          | 18.68      |
| 3      | FOREIGN PORTFOLIO - CORP | 41585986           | 6.58       |

|    |                                     |                  |               |
|----|-------------------------------------|------------------|---------------|
| 4  | TRUSTS                              | 2208645          | 0.35          |
| 5  | ALTERNATIVE INVESTMENT FUND         | 2296140          | 0.36          |
| 6  | RESIDENT INDIVIDUALS                | 69888617         | 11.06         |
| 7  | INSURANCE COMPANIES                 | 35030086         | 5.54          |
| 8  | NON RESIDENT INDIANS                | 2409424          | 0.38          |
| 9  | CLEARING MEMBERS                    | 1192631          | 0.19          |
| 10 | INDIAN FINANCIAL INSTITUTIONS       | 3396074          | 0.54          |
| 11 | BANKS                               | 4840867          | 0.77          |
| 12 | QUALIFIED INSTITUTIONAL BUYER       | 1133             | 0.00          |
| 13 | NON RESIDENT INDIAN NON REPATRIABLE | 1342335          | 0.21          |
| 14 | BODIES CORPORATES                   | 18209364         | 2.88          |
| 15 | NBFC                                | 414903           | 0.07          |
| 16 | I E P F                             | 32389            | 0.01          |
| 17 | H U F                               | 2427356          | 0.38          |
| 18 | FOREIGN NATIONALS                   | 4320             | 0.00          |
|    | <b>Total:</b>                       | <b>631911420</b> | <b>100.00</b> |

**b) Distribution Schedule**

| S.No. | Category         | No. of Shareholders | % to Total Shareholders | No. of Shares    | % of Total Shares |
|-------|------------------|---------------------|-------------------------|------------------|-------------------|
| 1     | Up to 5000       | 186607              | 99.10                   | 54751346         | 8.66              |
| 2     | 5001 - 10000     | 1007                | 0.53                    | 7159463          | 1.13              |
| 3     | 10001 - 20000    | 327                 | 0.17                    | 4562810          | 0.72              |
| 4     | 20001 - 30000    | 102                 | 0.05                    | 2457417          | 0.39              |
| 5     | 30001 - 40000    | 38                  | 0.02                    | 1343712          | 0.21              |
| 6     | 40001 - 50000    | 27                  | 0.01                    | 1219434          | 0.19              |
| 7     | 50001 - 100000   | 70                  | 0.04                    | 5036160          | 0.80              |
| 8     | 100001 and above | 123                 | 0.07                    | 555381078        | 87.89             |
|       | <b>Total</b>     | <b>188301</b>       | <b>100</b>              | <b>631911420</b> | <b>100</b>        |

**xii) Unclaimed/Unpaid Dividend and Unclaimed Securities**

As per the statutory provisions, the Company is required to transfer Unpaid Dividend remaining unclaimed and unpaid for a period of 7 years from the due date(s) to the Investor Education & Protection Fund (IEPF) set up by the Central Government. The Unpaid Dividend remaining unclaimed and unpaid for the financial years 2010-2011 (Final) and 2011-2012 (Interim) have accordingly been transferred to Investor Education & Protection Fund (IEPF) on 16.11.2018 and 06.04.2019 respectively. Unpaid/ Unclaimed Dividend for the Financial Year 2011-2012 (final) is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on 29.09.2019 (tentative). The Company sends a communication to the concerned shareholders well in advance, advising them to lodge their claim with respect to unclaimed dividend and shares before it is due for transfer to IEPF. The subsequent due dates of transfer of unpaid/unclaimed dividend to IEPF for the respective financial years have been provided here-in below and also at Company's website. Therefore, the members who have not encashed their dividend so far for these years are also requested to write to the Company or its Registrar & Share Transfer Agent for claiming the unpaid dividend before their due dates of transfer to IEPF. Given below are the proposed dates for transfer of the unpaid/unclaimed dividend to IEPF by the Company:

| Financial Year    | Date of Declaration of Dividend | Proposed date for transfer to IEPF (Tentative Date) |
|-------------------|---------------------------------|---|
| 2011-12 (Final)   | 30.08.2012                      | 29.09.2019  |
| 2012-13 (Interim) | 13.03.2013                      | 12.04.2020  |
| 2012-13 (Final)   | 23.08.2013                      | 22.09.2020  |
| 2013-14 (Interim) | 15.03.2014                      | 14.04.2021  |
| 2013-14 (Final)   | 28.08.2014                      | 27.09.2021  |
| 2014-15 (Interim) | 18.03.2015                      | 17.04.2022  |
| 2014-15 (Final)   | 25.08.2015                      | 24.09.2022  |
| 2015-16 (Interim) | 29.02.2016                      | 28.03.2023  |
| 2015-16 (Final)   | 19.09.2016                      | 18.10.2023  |
| 2016-17(Interim)  | 16.03.2017                      | 15.04.2024  |
| 2016-17(Final)    | 19.09.2017                      | 18.10.2024  |
| 2017-18(Interim)  | 12.03.2018                      | 11.04.2025  |
| 2017-18(Final)    | 19.09.2018                      | 18.10.2025  |
| 2018-19(Interim)  | 08.02.2019                      | 07.03.2026  |

Further, pursuant to the requirement of section 124(6) and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred to IEPF. In this regard, the Company has completed the posting of specific communication to the concerned shareholders whose dividend has not been paid or claimed for seven consecutive years, at their latest available address. More details are available at [www.engineersindia.com](http://www.engineersindia.com).

#### xiii) Share Transfer System

The Shares of the Company are being compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 15 days from the date of lodgment subject to documents being valid and complete in all respects. In order to expedite the process of share transfer and in line with Regulation 40 of Listing Regulations, the Company has delegated the power to approve Share transfer/transmission of shares to Registrar and Share Transfer Agent of the Company. As per Regulation 40 of SEBI (LODR) Regulations, 2015 read with SEBI press release dated 03.12.2018, w.e.f 01.04.2019, transfer of securities (except in case of transmission or transposition of securities) shall be processed in dematerialized mode only.

#### xiv) Demat Suspense Account

Details of unclaimed shares in respect of EIL FPO-2010 are furnished below:-

| Opening Balance as on 1.4.2018 |        | Shareholders approached for Transfer of shares from Suspense Account during 2018-19 |        | Shareholders to whom shares were transferred from Suspense Account during 2018-19 |        | Closing Balance as on 31.03.2019 |        |
|--------------------------------|--------|---|--------|---|--------|----------------------------------|--------|
| Cases                          | Shares | Cases   | Shares | Cases   | Shares | Cases                            | Shares |
| 6                              | 832    | NIL   | NIL    | NIL   | NIL    | 6                                | 832    |

Details of unclaimed shares in respect of EIL FPO-2013 are furnished below:-

| Opening Balance as on 1.4.2018 |        | Shareholders approached for Transfer of shares from Suspense Account during 2018-19 |        | Shareholders to whom shares were transferred from Suspense Account during 2018-19 |        | Closing Balance as on 31.03.2019 |        |
|--------------------------------|--------|---|--------|---|--------|----------------------------------|--------|
| Cases                          | Shares | Cases   | Shares | Cases   | Shares | Cases                            | Shares |
| 2                              | 522    | NIL   | NIL    | NIL   | NIL    | 2                                | 522    |

The voting rights on the shares mentioned in the closing balances as stated above shall remain frozen till the rightful owner of such shares claims the shares.

**xv) Registrar & Share Transfer Agent (RTA)**

The Company has appointed M/s Karvy Fintech Private Limited as its Registrar and Share Transfer Agent (RTA) for handling all matters relating to the shares of EIL (both physical as well as demat mode). All matters relating to the shares of Engineers India Limited such as transfer, transmission, dematerialization, rematerialisation, dividend, change of address etc. and related correspondence and queries may be addressed to:-

**M/s Karvy Fintech Private Limited**

305, New Delhi House,  
27, Barakhamba Road,  
Connaught Place  
New Delhi – 110 001  
Tel No. 011-43681700  
Fax No. 011-43681710  
Email: delhi@karvy.com

or

Karvy Selenium Tower B, Plot 31-32  
Gachibowli, Financial District  
Nanakramguda, Hyderabad - 500032  
Tel No. 040-67162222  
Fax No. 040-23001153  
Toll Free no.: 1800-345-4001  
Email: einward.ris@karvy.com  
Website: www.karvy.com

**xvi) Registered & Head Office**

Engineers India Bhawan, 1, Bhikaji Cama Place,  
New Delhi – 110066  
CIN: L74899DL1965GOI004352  
Tel: 011-26762121; Fax: 011-26178210, 26194715  
Email: eil.mktg@eil.co.in Website: www.engineersindia.com

**xvii) Regional Offices / Branch Office / Overseas Offices**

List of Regional Offices / Branch Office / Overseas Offices are given in back cover of annual report.

**xx) Auditors**

M/s. Arun K. Agarwal & Associates  
Chartered Accountants  
105, 1st Floor,  
South Ex. Plaza I, 389, Masjid Moth  
South Extension, Part-II  
New Delhi-110049  
Tel. No.011-26257400, Fax : 011-26251200

**xxi) Address for correspondence**

All correspondence relating to the shares of the Company should be sent to the Company's Registrar & Share Transfer Agents as mentioned in Item 14(xv) till further communication from the Company.

Place : New Delhi  
Date: May 17, 2019



## Annexure to Report on Corporate Governance

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, J C Nakra, Chairman & Managing Director, CEO and Sunil Bhatia, Director (Finance), CFO of Engineers India Limited certify that:

A. We have reviewed Financial Results for the Quarter and Year ended 31 March 2019 and that to the best of our knowledge and belief:

- (1) these results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these results together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

- (1) Significant changes in internal control over financial reporting during the quarter and year;
- (2) Significant changes in Accounting Policies during the Quarter & Year and that the same have been disclosed in the Notes to the Financial Results; and
- (3) 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.

Place : New Delhi  
Date: May 17, 2019

(J C Nakra)  
Chairman & Managing Director  
CEO

(Sunil Bhatia)  
Director (Finance)  
CFO



## **Independent Auditors' Certificate on Corporate Governance**

To,  
The Members  
**ENGINEERS INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by **ENGINEERS INDIA LIMITED** ("the company") for the year ended 31 March 2019 as stipulated in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises(DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring compliance of the condition of Corporate Governance as stipulated in said regulation and guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the company.

We conducted our examination of the relevant records of the Company in accordance with the guidance note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for firms that perform audits and reviews of historical financial information, and other assurance and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations and DPE guidelines on corporate governance, subject to the following:

- i) The composition of the Board of Directors did not comprise of the required number of Independent Directors during the period 11.03.2019 to 31.03.2019 as required by regulation 17 of chapter IV of SEBI regulations, 2015 and DPE guidelines on Corporate Governance.
- ii) Performance evaluation of Independent Directors, as required by regulation 17 of chapter IV of SEBI regulation, 2015 has not been carried out.
- iii) Role of nomination and remuneration Committee as specified in Part D (A) of Schedule II as required by regulation 19 of chapter IV of SEBI regulations, 2015 has not been carried out.

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

**For Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

**Arun Kumar Agarwal**  
(Partner)

M. No. 082899

UDIN: 19082899AAAAAI3567

Place: New Delhi  
Date: 17 May, 2019



## Annexure to the Directors' Report

## Management's Reply to Auditors' Report on Corporate Governance (2018-19)

| Auditors' Comments  | Management's Reply  |
|---|---|
| <p>The composition of the board of directors did not comprise of the required number of Independent Directors during the period 11.03.2019 to 31.03.2019 as required by regulation 17 of chapter IV of SEBI regulations, 2015 and DPE guidelines on corporate governance.</p> | <p>EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Since Government of India is the appointing authority for Directors, the company communicates to the Administrative Ministry (MoP&amp;NG) as and when a vacancy is created and requests to fill up the position at the earliest to comply with the requirements of Company Act/SEBI listing regulations. During the financial year communications were sent to the Administrative Ministry for the same.</p>                                     |
| <p>Performance evaluation of independent directors, as required by regulation 17 of chapter IV of SEBI regulation, 2015 has not been carried out.</p>   | <p>EIL is a Public Sector Undertaking, and the appointment and performance evaluation of Directors both Executive and Non-Executive are made by the Government of India. For performance evaluation of Independent Directors, inputs were provided to MoPNG in the prescribed format by EIL.</p>  |
| <p>Role of nomination and remuneration committee as specified in Part D (A) of Schedule II as required by regulation 19 of chapter IV of SEBI regulations, 2015 has not been carried out</p>  | <p>EIL being a Public Sector Undertaking, the criteria of appointment, qualification and terms and conditions of remuneration of directors, Key Managerial Personnel and other employees is determined as per DPE Guidelines. Further, Government of India takes cares about diversity of Board of Directors by appointing Independent Director from various disciplines as per the requirement of the organization. Inputs on above are provided as and when sought by the Government. A Policy on Diversity of Board has also been approved by Nomination &amp; Remuneration Committee.</p> |

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March, 2019

{Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To  
The Members  
Engineers India Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Engineers India Limited (hereinafter called 'the Company' or 'EIL'). Secretarial Audit was conducted, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2019 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 record maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (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, Overseas Direct Investment and External commercial Borrowings; **Not applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable**
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable**
  - (e) 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;
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not applicable**
  - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable**
  - (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
  - (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **Not applicable**
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

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

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - Generally complied with.
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



(iii) DPE Guidelines on Corporate Governance for CPSE.

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

1. Regulation 17 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines, the Company did not had requisite number of Independent Directors on the Board for the period 11.03.2019 to 31.03.2019.
2. Regulation 17 (10) & 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has not carried out the performance evaluation of the directors.
3. Regulation 19 (4) read with Schedule II Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Nomination and Remuneration Committee shall:
  - (a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - (b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
  - (c) devise a policy on diversity of Board of Directors

**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 except for the period 11.03.2019 to 31.03.2019 due to non- appointment of requisite number of Independent Directors on the Board of the Company. 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.

Generally, 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, 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.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

We further report that the National Stock Exchange of India Limited and BSE Limited vide their letters dated May 02, 2019 has issued notices and imposed fine of ₹ 1,23,900/- by each of them on the Company for non compliance under Regulation 17 (1) of the Securities and exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

**For Agarwal S. & Associates**  
Company Secretaries  
ICSI Unique Code: P2003DE049100

Place: New Delhi  
Date: 17.05.2019

CS Karishma Singh  
Partner  
ACS No.: 26054  
C.P. No.: 16055

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

**To,  
The Members,  
Engineers India Limited**

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the 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 not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation 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 and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

**For Agarwal S. & Associates**  
Company Secretaries  
ICSI Unique Code: P2003DE049100

Place: New Delhi  
Date: 17.05.2019

CS Karishma Singh  
Partner  
ACS No.: 26054  
C.P. No.: 16055



## Annexure to the Directors' Report

## Management's Reply to Secretarial Auditor Report (2018-19)

| Auditors' Comments   | Management's Reply   |
|--|--|
| <p>During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:</p> <p>1. Regulation 17 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines, the Company did not had requisite number of Independent Directors on the Board for the period 11.03.2019 to 31.03.2019.</p>  | <p>EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Since Government of India is appointing authority for Directors, the company communicates to the Administrative Ministry (MoP&amp;NG) as and when a vacancy is created and requests to fill up the position at the earliest to comply with the requirements of Company Act/SEBI listing regulations. During the financial year, communications were sent to the Administrative Ministry for the same.</p>   |
| <p>2. Regulation 17 (10) &amp; 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has not carried out the performance evaluation of the directors.</p>  | <p>EIL is a Public Sector Undertaking, and the appointment and performance evaluation of Directors both Executive and Non-Executive are made by the Government of India. For Functional Directors, the annual performance is being evaluated by C&amp;MD and the Administrative Ministry (MoP&amp;NG). However, for performance evaluation of Independent Directors, inputs were provided to MoP&amp;NG in the prescribed format by EIL.</p>   |
| <p>3. Regulation 19 (4) read with Schedule II Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Nomination and Remuneration Committee shall:</p> <p>(a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <p>(b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;</p> <p>(c) devise a policy on diversity of Board of Directors.</p> | <p>(a) EIL being a Public Sector Undertaking, the criteria of appointment, qualification and terms and conditions of remuneration of Functional Directors is determined as per DPE Guidelines.</p> <p>(b) EIL is a Public Sector Undertaking, and the appointment and performance evaluation of Directors both Executive and Non-Executive are made by the Government of India. For Functional Directors, the annual performance evaluation is being done by the C&amp;MD and Administrative Ministry (MoP&amp;NG). However, for performance evaluation of Independent Directors, inputs were provided to MoP&amp;NG in the prescribed format by EIL.</p> <p>(c) Government of India takes care about the diversity of Board of Directors by appointing Independent Directors from various disciplines as per the requirements of the organization, Qualification for the post of Functional Directors are also well defined. Further company provides inputs/suggestions for having a diversified Board as and when sought by Government. A Policy on Diversity of Board has also been approved by Nomination &amp; Remuneration Committee.</p> |

## Form No. MGT-9

### Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March, 2019

[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 : L74899DL1965GOI004352
- ii) Registration Date : 15/03/1965
- iii) Name of the Company : Engineers India Limited
- iv) Category / Sub-Category of the Company : Public Limited Company (Limited by Shares)- Govt. of India Undertaking.
- v) Address of the Registered office and contact details : Engineers India House, 1, Bhikaji Cama Place,  
New Delhi-110066  
Tel: 011-26762121, Fax: 011-26178210, 26194715  
E-mail: company.secretary@eil.co.in  
Website: www.engineersindia.com
- vi) Whether listed company : Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Karvy Fintech Private Ltd.  
Karvy Selenium Tower B, Plot 31-32  
Gachibowli, Financial District  
Nanakramguda, Serilingampally  
Hyderabad- 500032  
Tel No. 040-67161562  
Fax No. 040-23001153  
Email: einward.ris@karvy.com  
Website: www.karvyfintech.com

#### 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:-

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Consultancy & Engineering Projects               | N.A.                             | 55.20                              |
| 2      | Turnkey Projects                                 | N.A.                             | 44.80                              |

#### 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     | Certification Engineers International Limited           | U74899DL1994GOI062371 | Subsidiary                     | 100%             | 2(87)              |
| 2     | Ramagundam Fertilizers and Chemicals Ltd.               | U24100DL2015PLC276753 | Associates                     | 26.86%           | 2(6)               |
| 3.    | Jabal EIL IOT Company Ltd.<br>(Dissolved on 14.08.2018) | 2051046155            | Associates                     | 33.33%           | 2(6)               |
| 4.    | TEIL Projects Ltd. (under liquidation)                  | U74140DL2008PLC180897 | Associates                     | 50%              | 2(6)               |

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

## (i) Category - wise shareholding

| CATEGORY CODE                          | CATEGORY OF SHAREHOLDER   | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018 |          |                  |                   | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019 |          |                  |                   | % CHANGE DURING THE YEAR |
|--|---|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
|  |   | DEMAT  | PHYSICAL | TOTAL            | % OF TOTAL SHARES | DEMAT  | PHYSICAL | TOTAL            | % OF TOTAL SHARES |                          |
| (I)                                    | (II)  | (III)  | (IV)     | (V)              | (VI)              | (VII)  | (VIII)   | (IX)             | (X)               | (XI)                     |
| <b>(A) PROMOTER AND PROMOTER GROUP</b> |   |  |          |                  |                   |  |          |                  |                   |                          |
| (1)                                    | INDIAN  |  |          |                  |                   |  |          |                  |                   |                          |
| (a)                                    | Individual /HUF   | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (b)                                    | Central Government/ State Government(s)                               | 328689731  | 0        | 328689731        | 52.02             | 328563993  | 0        | 328563993        | 52.00             | -0.02                    |
| (c)                                    | Bodies Corporate  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (d)                                    | Financial Institutions / Banks  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (e)                                    | Others  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
|  | <b>Sub-Total A(1) :</b>   | <b>328689731</b>   | <b>0</b> | <b>328689731</b> | <b>52.02</b>      | <b>328563993</b>                                     | <b>0</b> | <b>328563993</b> | <b>52.00</b>      | <b>-0.02</b>             |
| (2)                                    | FOREIGN   |  |          |                  |                   |  |          |                  |                   |                          |
| (a)                                    | Individuals (NRIs/Foreign Individuals)                                | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (b)                                    | Bodies Corporate  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (c)                                    | Institutions  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (d)                                    | Qualified Foreign Investor  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (e)                                    | Others  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
|  | <b>Sub-Total A(2) :</b>   | <b>0</b>   | <b>0</b> | <b>0</b>         | <b>0.00</b>       | <b>0</b>   | <b>0</b> | <b>0</b>         | <b>0.00</b>       | <b>0.00</b>              |
|  | <b>Total A=A(1)+A(2)</b>  | <b>328689731</b>   | <b>0</b> | <b>328689731</b> | <b>52.02</b>      | <b>328563993</b>                                     | <b>0</b> | <b>328563993</b> | <b>52.00</b>      | <b>-0.02</b>             |
| <b>(B) PUBLIC SHAREHOLDING</b>         |   |  |          |                  |                   |  |          |                  |                   |                          |
| (1)                                    | <b>INSTITUTIONS</b>   |  |          |                  |                   |  |          |                  |                   |                          |
| (a)                                    | Mutual Funds /UTI   | 121076010  | 0        | 121076010        | 19.16             | 118067157  | 0        | 118067157        | 18.68             | -0.48                    |
| (b)                                    | Financial Institutions / Banks  | 10302210   | 0        | 10302210         | 1.63              | 8236941  | 0        | 8236941          | 1.30              | -0.33                    |
| (c)                                    | Central Government / State Government(s)                              | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (d)                                    | Venture Capital Funds   | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (e)                                    | Insurance Companies   | 36546219   | 0        | 36546219         | 5.78              | 35030086   | 0        | 35030086         | 5.54              | -0.24                    |
| (f)                                    | Foreign Portfolio Investors   | 35450343   | 0        | 35450343         | 5.61              | 41585986   | 0        | 41585986         | 6.58              | 0.97                     |
| (g)                                    | Foreign Venture Capital Investors                                     | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (h)                                    | Qualified Foreign Investor  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
| (i)                                    | Others  | 0  | 0        | 0                | 0.00              | 0  | 0        | 0                | 0.00              | 0.00                     |
|  | <b>Sub-Total B(1) :</b>   | <b>203374782</b>   | <b>0</b> | <b>203374782</b> | <b>32.18</b>      | <b>202920170</b>                                     | <b>0</b> | <b>202920170</b> | <b>32.11</b>      | <b>-0.07</b>             |
| (2)                                    | <b>NON-INSTITUTIONS</b>   |  |          |                  |                   |  |          |                  |                   |                          |
| (a)                                    | Bodies Corporate  | 23267142   | 24       | 23267166         | 3.68              | 18209364   | 0        | 18209364         | 2.88              | -0.80                    |
| (b)                                    | Individuals   |  |          |                  |                   |  |          |                  |                   |                          |
|  | (i) Individuals holding nominal share capital upto Rs.1 lakh          | 53543302   | 698626   | 54241928         | 8.58              | 59760898   | 630114   | 60391012         | 9.56              | 0.97                     |
|  | (ii) Individuals holding nominal share capital in excess of Rs.1 lakh | 13600184   | 0        | 13600184         | 2.15              | 11929281   | 0        | 11929281         | 1.89              | -0.26                    |



| CATEGORY CODE | CATEGORY OF SHAREHOLDER                  | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2018 |               |                  |                   | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019 |               |                  |                   | % CHANGE DURING THE YEAR |
|---------------|--|--|---------------|------------------|-------------------|--|---------------|------------------|-------------------|--------------------------|
|               |  | DEMAT  | PHYSICAL      | TOTAL            | % OF TOTAL SHARES | DEMAT  | PHYSICAL      | TOTAL            | % OF TOTAL SHARES |                          |
| (I)           | (II)                                     | (III)  | (IV)          | (V)              | (VI)              | (VII)  | (VIII)        | (IX)             | (X)               | (XI)                     |
| (c)           | Others                                   |  |               |                  |                   |  |               |                  |                   |                          |
|               | ALTERNATIVE INVESTMENT FUND              | 960216   | 0             | 960216           | 0.15              | 2296140  | 0             | 2296140          | 0.36              | 0.21                     |
|               | CLEARING MEMBERS                         | 1462901  | 0             | 1462901          | 0.23              | 1192631  | 0             | 1192631          | 0.19              | -0.04                    |
|               | I E P F                                  | 14888  | 0             | 14888            | 0.00              | 32389  | 0             | 32389            | 0.01              | 0.00                     |
|               | NBFC                                     | 390066   | 0             | 390066           | 0.06              | 414903   | 0             | 414903           | 0.07              | 0.00                     |
|               | NON RESIDENT INDIANS                     | 2106387  | 0             | 2106387          | 0.33              | 2409424  | 0             | 2409424          | 0.38              | 0.05                     |
|               | NRI NON-REPATRIATION                     | 1274727  | 0             | 1274727          | 0.20              | 1342335  | 0             | 1342335          | 0.21              | 0.01                     |
|               | QUALIFIED INSTITUTIONAL BUYERS           | 0  | 0             | 0                | 0.00              | 1133   | 0             | 1133             | 0.00              | 0.00                     |
|               | TRUSTS                                   | 2528444  | 0             | 2528444          | 0.40              | 2208645  | 0             | 2208645          | 0.35              | -0.05                    |
|               | Qualified Foreign Investor               | 0  | 0             | 0                | 0.00              | 0  | 0             | 0                | 0.00              | 0.00                     |
|               |  |  |               |                  |                   |  |               |                  |                   |                          |
|               | <b>Sub-Total B(2) :</b>                  | <b>99148257</b>  | <b>698650</b> | <b>99846907</b>  | <b>15.80</b>      | <b>99797143</b>                                      | <b>630114</b> | <b>100427257</b> | <b>15.89</b>      | <b>0.09</b>              |
|               | <b>Total B=B(1)+B(2) :</b>               | <b>302523039</b>   | <b>698650</b> | <b>303221689</b> | <b>47.98</b>      | <b>302717313</b>                                     | <b>630114</b> | <b>303347427</b> | <b>48.00</b>      | <b>0.02</b>              |
|               | <b>Total (A+B) :</b>                     | <b>631212770</b>   | <b>698650</b> | <b>631911420</b> | <b>100.00</b>     | <b>631281306</b>                                     | <b>630114</b> | <b>631911420</b> | <b>100.00</b>     | <b>0.00</b>              |
|               |  |  |               |                  |                   |  |               |                  |                   |                          |
| (C)           | Shares held by custodians, against which |  |               |                  |                   |  |               |                  |                   |                          |
|               | Depository Receipts have been issued     |  |               |                  |                   |  |               |                  |                   |                          |
| (1)           | Promoter and Promoter Group              |  |               |                  |                   |  |               |                  |                   |                          |
| (2)           | Public                                   | 0  | 0             | 0                | 0.00              | 0  | 0             | 0                | 0.00              | 0.00                     |
|               |  |  |               |                  |                   |  |               |                  |                   |                          |
|               | <b>GRAND TOTAL (A+B+C) :</b>             | <b>631212770</b>   | <b>698650</b> | <b>631911420</b> | <b>100.00</b>     | <b>631281306</b>                                     | <b>630114</b> | <b>631911420</b> | <b>100.00</b>     |                          |

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the Year |                                  |  | Shareholding at the end of the Year |                                  |  | % change in shareholding 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 | 328689731                                 | 52.02                            | Nil  | 328563993                           | 52.00                            | Nil  | -0.02                                    |
|         | Total              | 328689731                                 | 52.02                            | Nil  | 328563993                           | 52.00                            | Nil  | -0.02                                    |

(iii) Change in Promoter's Shareholding

| S. No. | Name               | Shareholding   |                                  | Date       | Increase/Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--------------------|--|----------------------------------|------------|-----------------------------------|----------|--|----------------------------------|
|        |                    | No. of Shares at the beginning (01-04-2018)/end of the year (31-03-2019) | % of total shares of the company |            |                                   |          | No. of Shares  | % of total shares of the company |
| 1      | President of India | 328689731  | 52.02                            | 31/03/2018 |                                   |          | 328689731  | 52.02                            |
|        |                    |  |                                  | 22/02/2019 | -125738                           | Transfer | 328563993  | 52.00                            |
|        |                    | 328563993  | 52.00                            | 31/03/2019 |                                   |          | 328563993  | 52.00                            |

## (iv) Shareholding Pattern Of Top 10 Shareholders Between 31/03/2018 and 31/03/2019

| S. No. | Name of the Share Holder      | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|-------------------------------|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |                               | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
| 1      | ICICI PRUDENTIAL TOP 100 FUND | 38102586                                  | 6.03                             | 31/03/2018 |                                    |          | 38102586   | 6.03                             |
|        |                               |   |                                  | 06/04/2018 | 787556                             | Transfer | 38890142   | 6.15                             |
|        |                               |   |                                  | 13/04/2018 | 143183                             | Transfer | 39033325   | 6.18                             |
|        |                               |   |                                  | 13/04/2018 | -23390                             | Transfer | 39009935   | 6.17                             |
|        |                               |   |                                  | 20/04/2018 | 1208284                            | Transfer | 40218219   | 6.36                             |
|        |                               |   |                                  | 20/04/2018 | -110220                            | Transfer | 40107999   | 6.35                             |
|        |                               |   |                                  | 27/04/2018 | 57375                              | Transfer | 40165374   | 6.36                             |
|        |                               |   |                                  | 27/04/2018 | -4340                              | Transfer | 40161034   | 6.36                             |
|        |                               |   |                                  | 04/05/2018 | -799444                            | Transfer | 39361590   | 6.23                             |
|        |                               |   |                                  | 11/05/2018 | 9308                               | Transfer | 39370898   | 6.23                             |
|        |                               |   |                                  | 11/05/2018 | -762308                            | Transfer | 38608590   | 6.11                             |
|        |                               |   |                                  | 18/05/2018 | 1195677                            | Transfer | 39804267   | 6.30                             |
|        |                               |   |                                  | 18/05/2018 | -60630                             | Transfer | 39743637   | 6.29                             |
|        |                               |   |                                  | 25/05/2018 | -98582                             | Transfer | 39645055   | 6.27                             |
|        |                               |   |                                  | 01/06/2018 | -58210                             | Transfer | 39586845   | 6.26                             |
|        |                               |   |                                  | 08/06/2018 | -3300                              | Transfer | 39583545   | 6.26                             |
|        |                               |   |                                  | 15/06/2018 | 1094967                            | Transfer | 40678512   | 6.44                             |
|        |                               |   |                                  | 15/06/2018 | -5440                              | Transfer | 40673072   | 6.44                             |
|        |                               |   |                                  | 22/06/2018 | 1054241                            | Transfer | 41727313   | 6.60                             |
|        |                               |   |                                  | 22/06/2018 | -138232                            | Transfer | 41589081   | 6.58                             |
|        |                               |   |                                  | 29/06/2018 | 3495259                            | Transfer | 45084340   | 7.13                             |
|        |                               |   |                                  | 06/07/2018 | 1950798                            | Transfer | 47035138   | 7.44                             |
|        |                               |   |                                  | 13/07/2018 | 496830                             | Transfer | 47531968   | 7.52                             |
|        |                               |   |                                  | 13/07/2018 | -764490                            | Transfer | 46767478   | 7.40                             |
|        |                               |   |                                  | 20/07/2018 | 87359                              | Transfer | 46854837   | 7.41                             |
|        |                               |   |                                  | 20/07/2018 | -716502                            | Transfer | 46138335   | 7.30                             |
|        |                               |   |                                  | 27/07/2018 | 78885                              | Transfer | 46217220   | 7.31                             |
|        |                               |   |                                  | 27/07/2018 | -769582                            | Transfer | 45447638   | 7.19                             |
|        |                               |   |                                  | 03/08/2018 | -952580                            | Transfer | 44495058   | 7.04                             |
|        |                               |   |                                  | 10/08/2018 | -59130                             | Transfer | 44435928   | 7.03                             |
|        |                               |   |                                  | 17/08/2018 | 35000                              | Transfer | 44470928   | 7.04                             |
|        |                               |   |                                  | 17/08/2018 | -123050                            | Transfer | 44347878   | 7.02                             |
|        |                               |   |                                  | 24/08/2018 | 763438                             | Transfer | 45111316   | 7.14                             |
|        |                               |   |                                  | 24/08/2018 | -196140                            | Transfer | 44915176   | 7.11                             |
|        |                               |   |                                  | 31/08/2018 | 34282                              | Transfer | 44949458   | 7.11                             |
|        |                               |   |                                  | 31/08/2018 | -518680                            | Transfer | 44430778   | 7.03                             |
|        |                               |   |                                  | 07/09/2018 | -22760                             | Transfer | 44408018   | 7.03                             |
|        |                               |   |                                  | 14/09/2018 | -3160                              | Transfer | 44404858   | 7.03                             |
|        |                               |   |                                  | 21/09/2018 | 154786                             | Transfer | 44559644   | 7.05                             |
|        |                               |   |                                  | 21/09/2018 | -3350                              | Transfer | 44556294   | 7.05                             |
|        |                               |   |                                  | 28/09/2018 | 1001655                            | Transfer | 45557949   | 7.21                             |
|        |                               |   |                                  | 28/09/2018 | -111331                            | Transfer | 45446618   | 7.19                             |
|        |                               |   |                                  | 05/10/2018 | 3037090                            | Transfer | 48483708   | 7.67                             |
|        |                               |   |                                  | 05/10/2018 | -599552                            | Transfer | 47884156   | 7.58                             |
|        |                               |   |                                  | 12/10/2018 | 364937                             | Transfer | 48249093   | 7.64                             |
|        |                               |   |                                  | 12/10/2018 | -250                               | Transfer | 48248843   | 7.64                             |
|        |                               |   |                                  | 19/10/2018 | 316715                             | Transfer | 48565558   | 7.69                             |
|        |                               |   |                                  | 26/10/2018 | -1450                              | Transfer | 48564108   | 7.69                             |
|        |                               |   |                                  | 02/11/2018 | -1350                              | Transfer | 48562758   | 7.69                             |





| S. No. | Name of the Share Holder                           | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
|        |  |   |                                  | 09/11/2018 | -84441                             | Transfer | 48478317   | 7.67                             |
|        |  |   |                                  | 16/11/2018 | -70251                             | Transfer | 48408066   | 7.66                             |
|        |  |   |                                  | 23/11/2018 | -1800                              | Transfer | 48406266   | 7.66                             |
|        |  |   |                                  | 30/11/2018 | -8500                              | Transfer | 48397766   | 7.66                             |
|        |  |   |                                  | 07/12/2018 | 3720                               | Transfer | 48401486   | 7.66                             |
|        |  |   |                                  | 07/12/2018 | -108605                            | Transfer | 48292881   | 7.64                             |
|        |  |   |                                  | 14/12/2018 | -104160                            | Transfer | 48188721   | 7.63                             |
|        |  |   |                                  | 21/12/2018 | -144060                            | Transfer | 48044661   | 7.60                             |
|        |  |   |                                  | 28/12/2018 | -126423                            | Transfer | 47918238   | 7.58                             |
|        |  |   |                                  | 31/12/2018 | -26150                             | Transfer | 47892088   | 7.58                             |
|        |  |   |                                  | 04/01/2019 | -1910                              | Transfer | 47890178   | 7.58                             |
|        |  |   |                                  | 11/01/2019 | -2450                              | Transfer | 47887728   | 7.58                             |
|        |  |   |                                  | 18/01/2019 | 5090                               | Transfer | 47892818   | 7.58                             |
|        |  |   |                                  | 25/01/2019 | -2800                              | Transfer | 47890018   | 7.58                             |
|        |  |   |                                  | 01/02/2019 | -3070                              | Transfer | 47886948   | 7.58                             |
|        |  |   |                                  | 08/02/2019 | -70                                | Transfer | 47886878   | 7.58                             |
|        |  |   |                                  | 15/02/2019 | -60749                             | Transfer | 47826129   | 7.57                             |
|        |  |   |                                  | 22/02/2019 | 9620446                            | Transfer | 57446575   | 9.09                             |
|        |  |   |                                  | 01/03/2019 | -6255590                           | Transfer | 51190985   | 8.10                             |
|        |  |   |                                  | 08/03/2019 | -273733                            | Transfer | 50917252   | 8.06                             |
|        |  |   |                                  | 15/03/2019 | -648520                            | Transfer | 50268732   | 7.96                             |
|        |  |   |                                  | 22/03/2019 | 573020                             | Transfer | 50841752   | 8.05                             |
|        |  |   |                                  | 22/03/2019 | -621413                            | Transfer | 50220339   | 7.95                             |
|        |  |   |                                  | 29/03/2019 | -47472                             | Transfer | 50172867   | 7.94                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 50172867   | 7.94                             |
| 2      | LIFE INSURANCE CORPORATION OF INDIA                | 29486416                                  | 4.67                             | 31/03/2018 |                                    |          | 29486416   | 4.67                             |
|        |  |   |                                  | 06/04/2018 | -949098                            | Transfer | 28537318   | 4.52                             |
|        |  |   |                                  | 13/04/2018 | -1168328                           | Transfer | 27368990   | 4.33                             |
|        |  |   |                                  | 20/04/2018 | -1715180                           | Transfer | 25653810   | 4.06                             |
|        |  |   |                                  | 27/04/2018 | -367394                            | Transfer | 25286416   | 4.00                             |
|        |  |   |                                  | 10/08/2018 | -500                               | Transfer | 25285916   | 4.00                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 25285916   | 4.00                             |
| 3      | L&T MUTUAL FUND TRUSTEE LIMITED-L&T ARBITRAGE OPPO | 25303293                                  | 4.00                             | 31/03/2018 |                                    |          | 25303293   | 4.00                             |
|        |  |   |                                  | 06/04/2018 | 481371                             | Transfer | 25784664   | 4.08                             |
|        |  |   |                                  | 13/04/2018 | 317628                             | Transfer | 26102292   | 4.13                             |
|        |  |   |                                  | 20/04/2018 | 10500                              | Transfer | 26112792   | 4.13                             |
|        |  |   |                                  | 27/04/2018 | 180500                             | Transfer | 26293292   | 4.16                             |
|        |  |   |                                  | 11/05/2018 | -87500                             | Transfer | 26205792   | 4.15                             |
|        |  |   |                                  | 08/06/2018 | -21000                             | Transfer | 26184792   | 4.14                             |
|        |  |   |                                  | 15/06/2018 | -42000                             | Transfer | 26142792   | 4.14                             |
|        |  |   |                                  | 03/08/2018 | -3500                              | Transfer | 26139292   | 4.14                             |
|        |  |   |                                  | 24/08/2018 | 17500                              | Transfer | 26156792   | 4.14                             |
|        |  |   |                                  | 28/09/2018 | 256610                             | Transfer | 26413402   | 4.18                             |
|        |  |   |                                  | 05/10/2018 | 1636139                            | Transfer | 28049541   | 4.44                             |
|        |  |   |                                  | 12/10/2018 | 899870                             | Transfer | 28949411   | 4.58                             |
|        |  |   |                                  | 12/10/2018 | -98000                             | Transfer | 28851411   | 4.57                             |
|        |  |   |                                  | 19/10/2018 | 755589                             | Transfer | 29607000   | 4.69                             |
|        |  |   |                                  | 19/10/2018 | -52500                             | Transfer | 29554500   | 4.68                             |
|        |  |   |                                  | 26/10/2018 | 1865303                            | Transfer | 31419803   | 4.97                             |
|        |  |   |                                  | 02/11/2018 | 745668                             | Transfer | 32165471   | 5.09                             |
|        |  |   |                                  | 09/11/2018 | 834000                             | Transfer | 32999471   | 5.22                             |

| S. No. | Name of the Share Holder                           | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
|        |  |   |                                  | 16/11/2018 | 668329                             | Transfer | 33667800   | 5.33                             |
|        |  |   |                                  | 23/11/2018 | 585600                             | Transfer | 34253400   | 5.42                             |
|        |  |   |                                  | 07/12/2018 | 25000                              | Transfer | 34278400   | 5.42                             |
|        |  |   |                                  | 07/12/2018 | -24500                             | Transfer | 34253900   | 5.42                             |
|        |  |   |                                  | 14/12/2018 | 227100                             | Transfer | 34481000   | 5.46                             |
|        |  |   |                                  | 21/12/2018 | 120415                             | Transfer | 34601415   | 5.48                             |
|        |  |   |                                  | 21/12/2018 | -59500                             | Transfer | 34541915   | 5.47                             |
|        |  |   |                                  | 28/12/2018 | 391641                             | Transfer | 34933556   | 5.53                             |
|        |  |   |                                  | 31/12/2018 | 21990                              | Transfer | 34955546   | 5.53                             |
|        |  |   |                                  | 04/01/2019 | 450469                             | Transfer | 35406015   | 5.60                             |
|        |  |   |                                  | 15/02/2019 | 144900                             | Transfer | 35550915   | 5.63                             |
|        |  |   |                                  | 22/02/2019 | 300000                             | Transfer | 35850915   | 5.67                             |
|        |  |   |                                  | 01/03/2019 | 123000                             | Transfer | 35973915   | 5.69                             |
|        |  |   |                                  | 08/03/2019 | 139400                             | Transfer | 36113315   | 5.71                             |
|        |  |   |                                  | 15/03/2019 | 100000                             | Transfer | 36213315   | 5.73                             |
|        |  |   |                                  | 29/03/2019 | 200000                             | Transfer | 36413315   | 5.76                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 36413315   | 5.76                             |
| 4      | RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA | 20204168                                  | 3.20                             | 31/03/2018 |                                    |          | 20204168   | 3.20                             |
|        |  |   |                                  | 06/04/2018 | 250330                             | Transfer | 20454498   | 3.24                             |
|        |  |   |                                  | 06/04/2018 | -1424500                           | Transfer | 19029998   | 3.01                             |
|        |  |   |                                  | 13/04/2018 | -59280                             | Transfer | 18970718   | 3.00                             |
|        |  |   |                                  | 20/04/2018 | 367500                             | Transfer | 19338218   | 3.06                             |
|        |  |   |                                  | 20/04/2018 | -5354                              | Transfer | 19332864   | 3.06                             |
|        |  |   |                                  | 27/04/2018 | 427000                             | Transfer | 19759864   | 3.13                             |
|        |  |   |                                  | 27/04/2018 | -6150                              | Transfer | 19753714   | 3.13                             |
|        |  |   |                                  | 04/05/2018 | -4920                              | Transfer | 19748794   | 3.13                             |
|        |  |   |                                  | 11/05/2018 | -5432                              | Transfer | 19743362   | 3.12                             |
|        |  |   |                                  | 18/05/2018 | 73500                              | Transfer | 19816862   | 3.14                             |
|        |  |   |                                  | 18/05/2018 | -6970                              | Transfer | 19809892   | 3.13                             |
|        |  |   |                                  | 25/05/2018 | 200000                             | Transfer | 20009892   | 3.17                             |
|        |  |   |                                  | 25/05/2018 | -3690                              | Transfer | 20006202   | 3.17                             |
|        |  |   |                                  | 01/06/2018 | -8610                              | Transfer | 19997592   | 3.16                             |
|        |  |   |                                  | 08/06/2018 | 1720000                            | Transfer | 21717592   | 3.44                             |
|        |  |   |                                  | 08/06/2018 | -1503182                           | Transfer | 20214410   | 3.20                             |
|        |  |   |                                  | 15/06/2018 | 101500                             | Transfer | 20315910   | 3.21                             |
|        |  |   |                                  | 15/06/2018 | -6970                              | Transfer | 20308940   | 3.21                             |
|        |  |   |                                  | 22/06/2018 | -308600                            | Transfer | 20000340   | 3.17                             |
|        |  |   |                                  | 29/06/2018 | 10500                              | Transfer | 20010840   | 3.17                             |
|        |  |   |                                  | 29/06/2018 | -13345                             | Transfer | 19997495   | 3.16                             |
|        |  |   |                                  | 06/07/2018 | 1168                               | Transfer | 19998663   | 3.16                             |
|        |  |   |                                  | 06/07/2018 | -51200                             | Transfer | 19947463   | 3.16                             |
|        |  |   |                                  | 13/07/2018 | 200000                             | Transfer | 20147463   | 3.19                             |
|        |  |   |                                  | 13/07/2018 | -4908                              | Transfer | 20142555   | 3.19                             |
|        |  |   |                                  | 20/07/2018 | 7000                               | Transfer | 20149555   | 3.19                             |
|        |  |   |                                  | 20/07/2018 | -5010                              | Transfer | 20144545   | 3.19                             |
|        |  |   |                                  | 27/07/2018 | 21000                              | Transfer | 20165545   | 3.19                             |
|        |  |   |                                  | 27/07/2018 | -6953                              | Transfer | 20158592   | 3.19                             |
|        |  |   |                                  | 03/08/2018 | 427000                             | Transfer | 20585592   | 3.26                             |
|        |  |   |                                  | 03/08/2018 | -50000                             | Transfer | 20535592   | 3.25                             |
|        |  |   |                                  | 10/08/2018 | 178512                             | Transfer | 20714104   | 3.28                             |
|        |  |   |                                  | 10/08/2018 | -11119                             | Transfer | 20702985   | 3.28                             |



| S. No. | Name of the Share Holder | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--------------------------|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |                          | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
|        |                          |   |                                  | 17/08/2018 | 350000                             | Transfer | 21052985   | 3.33                             |
|        |                          |   |                                  | 17/08/2018 | -6953                              | Transfer | 21046032   | 3.33                             |
|        |                          |   |                                  | 24/08/2018 | 815500                             | Transfer | 21861532   | 3.46                             |
|        |                          |   |                                  | 24/08/2018 | -527419                            | Transfer | 21334113   | 3.38                             |
|        |                          |   |                                  | 31/08/2018 | -80982                             | Transfer | 21253131   | 3.36                             |
|        |                          |   |                                  | 07/09/2018 | 315043                             | Transfer | 21568174   | 3.41                             |
|        |                          |   |                                  | 07/09/2018 | -1021677                           | Transfer | 20546497   | 3.25                             |
|        |                          |   |                                  | 14/09/2018 | 100000                             | Transfer | 20646497   | 3.27                             |
|        |                          |   |                                  | 14/09/2018 | -170722                            | Transfer | 20475775   | 3.24                             |
|        |                          |   |                                  | 21/09/2018 | 1039500                            | Transfer | 21515275   | 3.40                             |
|        |                          |   |                                  | 21/09/2018 | -24249                             | Transfer | 21491026   | 3.40                             |
|        |                          |   |                                  | 28/09/2018 | 100000                             | Transfer | 21591026   | 3.42                             |
|        |                          |   |                                  | 28/09/2018 | -2719579                           | Transfer | 18871447   | 2.99                             |
|        |                          |   |                                  | 05/10/2018 | 654519                             | Transfer | 19525966   | 3.09                             |
|        |                          |   |                                  | 05/10/2018 | -1009417                           | Transfer | 18516549   | 2.93                             |
|        |                          |   |                                  | 12/10/2018 | 114988                             | Transfer | 18631537   | 2.95                             |
|        |                          |   |                                  | 12/10/2018 | -969908                            | Transfer | 17661629   | 2.79                             |
|        |                          |   |                                  | 19/10/2018 | 91000                              | Transfer | 17752629   | 2.81                             |
|        |                          |   |                                  | 19/10/2018 | -302430                            | Transfer | 17450199   | 2.76                             |
|        |                          |   |                                  | 26/10/2018 | 73500                              | Transfer | 17523699   | 2.77                             |
|        |                          |   |                                  | 26/10/2018 | -6245092                           | Transfer | 11278607   | 1.78                             |
|        |                          |   |                                  | 02/11/2018 | 3504                               | Transfer | 11282111   | 1.79                             |
|        |                          |   |                                  | 16/11/2018 | -24500                             | Transfer | 11257611   | 1.78                             |
|        |                          |   |                                  | 23/11/2018 | 23                                 | Transfer | 11257634   | 1.78                             |
|        |                          |   |                                  | 30/11/2018 | 539000                             | Transfer | 11796634   | 1.87                             |
|        |                          |   |                                  | 30/11/2018 | -918                               | Transfer | 11795716   | 1.87                             |
|        |                          |   |                                  | 07/12/2018 | 618400                             | Transfer | 12414116   | 1.96                             |
|        |                          |   |                                  | 14/12/2018 | 240000                             | Transfer | 12654116   | 2.00                             |
|        |                          |   |                                  | 14/12/2018 | -240000                            | Transfer | 12414116   | 1.96                             |
|        |                          |   |                                  | 21/12/2018 | 278800                             | Transfer | 12692916   | 2.01                             |
|        |                          |   |                                  | 21/12/2018 | -300000                            | Transfer | 12392916   | 1.96                             |
|        |                          |   |                                  | 28/12/2018 | -860778                            | Transfer | 11532138   | 1.82                             |
|        |                          |   |                                  | 04/01/2019 | -32901                             | Transfer | 11499237   | 1.82                             |
|        |                          |   |                                  | 11/01/2019 | 7575                               | Transfer | 11506812   | 1.82                             |
|        |                          |   |                                  | 11/01/2019 | -23975                             | Transfer | 11482837   | 1.82                             |
|        |                          |   |                                  | 25/01/2019 | -16400                             | Transfer | 11466437   | 1.81                             |
|        |                          |   |                                  | 01/02/2019 | 4968                               | Transfer | 11471405   | 1.82                             |
|        |                          |   |                                  | 01/02/2019 | -32800                             | Transfer | 11438605   | 1.81                             |
|        |                          |   |                                  | 08/02/2019 | 61                                 | Transfer | 11438666   | 1.81                             |
|        |                          |   |                                  | 22/02/2019 | 20                                 | Transfer | 11438686   | 1.81                             |
|        |                          |   |                                  | 22/02/2019 | -1301100                           | Transfer | 10137586   | 1.60                             |
|        |                          |   |                                  | 01/03/2019 | 74                                 | Transfer | 10137660   | 1.60                             |
|        |                          |   |                                  | 08/03/2019 | 619168                             | Transfer | 10756828   | 1.70                             |
|        |                          |   |                                  | 15/03/2019 | 2516                               | Transfer | 10759344   | 1.70                             |
|        |                          |   |                                  | 15/03/2019 | -12                                | Transfer | 10759332   | 1.70                             |
|        |                          |   |                                  | 22/03/2019 | 740                                | Transfer | 10760072   | 1.70                             |
|        |                          |   |                                  | 29/03/2019 | 207604                             | Transfer | 10967676   | 1.74                             |
|        |                          |   |                                  | 29/03/2019 | -40                                | Transfer | 10967636   | 1.74                             |
|        |                          |   |                                  | 31/03/2019 |                                    |          | 10967636   | 1.74                             |

| S. No. | Name of the Share Holder                 | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
| 5      | UTI - LONG TERM EQUITY FUND (TAX SAVING) |   | 10258635                         | 1.62       | 31/03/2018                         |          | 10258635   | 1.62                             |
|        |  |   |                                  | 13/04/2018 | 71084                              | Transfer | 10329719   | 1.63                             |
|        |  |   |                                  | 20/04/2018 | 77240                              | Transfer | 10406959   | 1.65                             |
|        |  |   |                                  | 27/04/2018 | 82347                              | Transfer | 10489306   | 1.66                             |
|        |  |   |                                  | 27/04/2018 | -44200                             | Transfer | 10445106   | 1.65                             |
|        |  |   |                                  | 04/05/2018 | 3936                               | Transfer | 10449042   | 1.65                             |
|        |  |   |                                  | 11/05/2018 | 94472                              | Transfer | 10543514   | 1.67                             |
|        |  |   |                                  | 18/05/2018 | 110940                             | Transfer | 10654454   | 1.69                             |
|        |  |   |                                  | 18/05/2018 | -225000                            | Transfer | 10429454   | 1.65                             |
|        |  |   |                                  | 25/05/2018 | -180000                            | Transfer | 10249454   | 1.62                             |
|        |  |   |                                  | 13/07/2018 | -90000                             | Transfer | 10159454   | 1.61                             |
|        |  |   |                                  | 27/07/2018 | 160981                             | Transfer | 10320435   | 1.63                             |
|        |  |   |                                  | 17/08/2018 | 12292                              | Transfer | 10332727   | 1.64                             |
|        |  |   |                                  | 24/08/2018 | 42522                              | Transfer | 10375249   | 1.64                             |
|        |  |   |                                  | 14/09/2018 | -63301                             | Transfer | 10311948   | 1.63                             |
|        |  |   |                                  | 19/10/2018 | 96330                              | Transfer | 10408278   | 1.65                             |
| 6      | SBI LIFE INSURANCE CO. LTD               | 7660403                                   | 1.21                             | 31/03/2018 |                                    |          | 7660403  | 1.21                             |
|        |  |   |                                  | 06/04/2018 | 1474315                            | Transfer | 9134718  | 1.45                             |
|        |  |   |                                  | 13/04/2018 | -25000                             | Transfer | 9109718  | 1.44                             |
|        |  |   |                                  | 20/04/2018 | -150000                            | Transfer | 8959718  | 1.42                             |
|        |  |   |                                  | 11/05/2018 | -50000                             | Transfer | 8909718  | 1.41                             |
|        |  |   |                                  | 25/05/2018 | -552759                            | Transfer | 8356959  | 1.32                             |
|        |  |   |                                  | 15/06/2018 | -1371000                           | Transfer | 6985959  | 1.11                             |
|        |  |   |                                  | 22/06/2018 | -450000                            | Transfer | 6535959  | 1.03                             |
|        |  |   |                                  | 29/06/2018 | 484764                             | Transfer | 7020723  | 1.11                             |
|        |  |   |                                  | 06/07/2018 | -150000                            | Transfer | 6870723  | 1.09                             |
|        |  |   |                                  | 13/07/2018 | -40000                             | Transfer | 6830723  | 1.08                             |
|        |  |   |                                  | 20/07/2018 | -100000                            | Transfer | 6730723  | 1.07                             |
|        |  |   |                                  | 27/07/2018 | -50000                             | Transfer | 6680723  | 1.06                             |
|        |  |   |                                  | 10/08/2018 | -25000                             | Transfer | 6655723  | 1.05                             |
|        |  |   |                                  | 17/08/2018 | -495000                            | Transfer | 6160723  | 0.97                             |
|        |  |   |                                  | 24/08/2018 | -229983                            | Transfer | 5930740  | 0.94                             |
|        |  |   |                                  | 07/09/2018 | -450736                            | Transfer | 5480004  | 0.87                             |
|        |  |   |                                  | 28/09/2018 | 100000                             | Transfer | 5580004  | 0.88                             |
|        |  |   |                                  | 05/10/2018 | -2000000                           | Transfer | 3580004  | 0.57                             |
|        |  |   |                                  | 12/10/2018 | -418000                            | Transfer | 3162004  | 0.50                             |
|        |  |   |                                  | 16/11/2018 | -350000                            | Transfer | 2812004  | 0.44                             |
|        |  |   |                                  | 30/11/2018 | -267691                            | Transfer | 2544313  | 0.40                             |
|        |  |   |                                  | 04/01/2019 | -141858                            | Transfer | 2402455  | 0.38                             |
|        |  |   |                                  | 01/02/2019 | -322942                            | Transfer | 2079513  | 0.33                             |
|        |  |   |                                  | 22/02/2019 | -365897                            | Transfer | 1713616  | 0.27                             |
|        |  |   |                                  | 15/03/2019 | 200000                             | Transfer | 1913616  | 0.30                             |
|        |  |   |                                  | 22/03/2019 | 135615                             | Transfer | 2049231  | 0.32                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 2049231  | 0.32                             |
| 7      | GENERAL INSURANCE CORPORATION OF INDIA   | 6800000                                   | 1.08                             | 31/03/2018 | 6800000                            | 1.08     |  |                                  |
|        |  |   |                                  | 14/09/2018 | -117903                            | Transfer | 6682097  | 1.06                             |
|        |  |   |                                  | 21/09/2018 | -840000                            | Transfer | 5842097  | 0.92                             |
|        |  |   |                                  | 28/09/2018 | -125122                            | Transfer | 5716975  | 0.90                             |
|        |  |   |                                  | 02/11/2018 | -800000                            | Transfer | 4916975  | 0.78                             |
|        |  |   |                                  | 18/01/2019 | -600000                            | Transfer | 4316975  | 0.68                             |



| S. No. | Name of the Share Holder                             | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |  | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
| 8      | CANARA ROBECO MUTUAL FUND A/C<br>CANARA ROBECO BALAN |   |                                  | 25/01/2019 | -220000                            | Transfer | 4096975  | 0.65                             |
|        |  |   |                                  | 01/02/2019 | -70000                             | Transfer | 4026975  | 0.64                             |
|        |  |   |                                  | 29/03/2019 | -250000                            | Transfer | 3776975  | 0.60                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 3776975  | 0.60                             |
|        |  | 5571260                                   | 0.88                             | 31/03/2018 |                                    |          | 5571260  | 0.88                             |
|        |  |   |                                  | 06/04/2018 | -46778                             | Transfer | 5524482  | 0.87                             |
|        |  |   |                                  | 01/06/2018 | -273724                            | Transfer | 5250758  | 0.83                             |
|        |  |   |                                  | 08/06/2018 | -1858169                           | Transfer | 3392589  | 0.54                             |
|        |  |   |                                  | 13/07/2018 | -100000                            | Transfer | 3292589  | 0.52                             |
|        |  |   |                                  | 10/08/2018 | -1221724                           | Transfer | 2070865  | 0.33                             |
|        |  |   |                                  | 17/08/2018 | -1418831                           | Transfer | 652034   | 0.10                             |
|        |  |   |                                  | 24/08/2018 | -550034                            | Transfer | 102000   | 0.02                             |
|        |  |   |                                  | 07/09/2018 | -102000                            | Transfer | 0  | 0.00                             |
|        |  |   |                                  | 08/03/2019 | 170000                             | Transfer | 170000   | 0.03                             |
|        |  |   |                                  | 15/03/2019 | 175000                             | Transfer | 345000   | 0.05                             |
|        |  |   |                                  | 22/03/2019 | 656000                             | Transfer | 1001000  | 0.16                             |
|        |  |   |                                  | 29/03/2019 | 479000                             | Transfer | 1480000  | 0.23                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 1480000  | 0.23                             |
| 9      | IDFC ARBITRAGE FUND                                  | 5525000                                   | 0.87                             | 31/03/2018 |                                    |          | 5525000  | 0.87                             |
|        |  |   |                                  | 13/04/2018 | 168000                             | Transfer | 5693000  | 0.90                             |
|        |  |   |                                  | 13/04/2018 | -200000                            | Transfer | 5493000  | 0.87                             |
|        |  |   |                                  | 20/04/2018 | 7000                               | Transfer | 5500000  | 0.87                             |
|        |  |   |                                  | 27/04/2018 | 21000                              | Transfer | 5521000  | 0.87                             |
|        |  |   |                                  | 04/05/2018 | 66500                              | Transfer | 5587500  | 0.88                             |
|        |  |   |                                  | 01/06/2018 | 17500                              | Transfer | 5605000  | 0.89                             |
|        |  |   |                                  | 01/06/2018 | -150000                            | Transfer | 5455000  | 0.86                             |
|        |  |   |                                  | 08/06/2018 | -406500                            | Transfer | 5048500  | 0.80                             |
|        |  |   |                                  | 15/06/2018 | 101256                             | Transfer | 5149756  | 0.81                             |
|        |  |   |                                  | 15/06/2018 | -600000                            | Transfer | 4549756  | 0.72                             |
|        |  |   |                                  | 22/06/2018 | -333332                            | Transfer | 4216424  | 0.67                             |
|        |  |   |                                  | 29/06/2018 | -366668                            | Transfer | 3849756  | 0.61                             |
|        |  |   |                                  | 06/07/2018 | 472500                             | Transfer | 4322256  | 0.68                             |
|        |  |   |                                  | 06/07/2018 | -700000                            | Transfer | 3622256  | 0.57                             |
|        |  |   |                                  | 13/07/2018 | -38500                             | Transfer | 3583756  | 0.57                             |
|        |  |   |                                  | 20/07/2018 | -217000                            | Transfer | 3366756  | 0.53                             |
|        |  |   |                                  | 07/09/2018 | 70000                              | Transfer | 3436756  | 0.54                             |
|        |  |   |                                  | 14/09/2018 | -70000                             | Transfer | 3366756  | 0.53                             |
|        |  |   |                                  | 21/09/2018 | 213500                             | Transfer | 3580256  | 0.57                             |
|        |  |   |                                  | 19/10/2018 | -154000                            | Transfer | 3426256  | 0.54                             |
|        |  |   |                                  | 26/10/2018 | -91000                             | Transfer | 3335256  | 0.53                             |
|        |  |   |                                  | 07/12/2018 | -227500                            | Transfer | 3107756  | 0.49                             |
|        |  |   |                                  | 14/12/2018 | -14000                             | Transfer | 3093756  | 0.49                             |
|        |  |   |                                  | 21/12/2018 | -3500                              | Transfer | 3090256  | 0.49                             |
|        |  |   |                                  | 28/12/2018 | -14000                             | Transfer | 3076256  | 0.49                             |
|        |  |   |                                  | 08/03/2019 | 131200                             | Transfer | 3207456  | 0.51                             |
|        |  |   |                                  | 15/03/2019 | 479700                             | Transfer | 3687156  | 0.58                             |
|        |  |   |                                  | 22/03/2019 | 82000                              | Transfer | 3769156  | 0.60                             |
|        |  |   |                                  | 31/03/2019 |                                    |          | 3769156  | 0.60                             |
| 10     | DSP BLACKROCK EQUITY OPPORTUNITIES FUND              | 5421096                                   | 0.86                             | 31/03/2018 |                                    |          | 5421096  | 0.86                             |
|        |  |   |                                  | 04/05/2018 | 184231                             | Transfer | 5605327  | 0.89                             |



| S. No. | Name of the Share Holder | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--------------------------|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|        |                          | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
|        |                          |   |                                  | 11/05/2018 | 786551                             | Transfer | 6391878  | 1.01                             |
|        |                          |   |                                  | 18/05/2018 | 1210303                            | Transfer | 7602181  | 1.20                             |
|        |                          |   |                                  | 25/05/2018 | 366926                             | Transfer | 7969107  | 1.26                             |
|        |                          |   |                                  | 27/07/2018 | 434635                             | Transfer | 8403742  | 1.33                             |
|        |                          |   |                                  | 03/08/2018 | 853638                             | Transfer | 9257380  | 1.46                             |
|        |                          |   |                                  | 10/08/2018 | -285116                            | Transfer | 8972264  | 1.42                             |
|        |                          |   |                                  | 14/09/2018 | 226225                             | Transfer | 9198489  | 1.46                             |
|        |                          |   |                                  | 21/09/2018 | 81670                              | Transfer | 9280159  | 1.47                             |
|        |                          |   |                                  | 28/09/2018 | 468915                             | Transfer | 9749074  | 1.54                             |
|        |                          |   |                                  | 09/11/2018 | -1237106                           | Transfer | 8511968  | 1.35                             |
|        |                          |   |                                  | 16/11/2018 | -601809                            | Transfer | 7910159  | 1.25                             |
|        |                          |   |                                  | 23/11/2018 | -760408                            | Transfer | 7149751  | 1.13                             |
|        |                          |   |                                  | 08/03/2019 | -793040                            | Transfer | 6356711  | 1.01                             |
|        |                          |   |                                  | 15/03/2019 | -2680134                           | Transfer | 3676577  | 0.58                             |
|        |                          |   |                                  | 22/03/2019 | -2700195                           | Transfer | 976382   | 0.15                             |
|        |                          |   |                                  | 29/03/2019 | -976382                            | Transfer | 0  | 0.00                             |
|        |                          |   |                                  | 31/03/2019 |                                    |          | 0  | 0.00                             |

## (v) Shareholding of Directors and Key Managerial Personnel

| S. No. | Name  | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason                       | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|---|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
|        |   | No. of Shares at the beginning (01-04-2018)/end of the year (31-03-2019) | % of total shares of the company |            |                                    |                              | No. of Shares  | % of total shares of the company |
| 1      | Shri Jagdish Chander Nakra,<br>Chairman &<br>Managing Director                | 8534   | 0.00                             | 01/04/2018 |                                    |                              | 8534   | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | 8534   | 0.00                             | 31/03/2019 |                                    |                              | 8534   | 0.00                             |
| 2      | Shri Sandeep Poundrik,<br>Director<br>(Govt. Nominee)                         | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 3      | Shri Ashish Chatterjee,<br>Director<br>(Govt. Nominee)<br>(w.e.f. 26.07.2018) | Nil  | 0.00                             | 26/07/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 4      | Dr. (Prof.) Mukesh Khare,<br>Non-official<br>Independent Director             | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 5      | Mrs. Arusha vasudev,<br>Non-official<br>Independent Director                  | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  | 0.00                             |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |

**(v) Shareholding of Directors and Key Managerial Personnel**

| S. No. | Name  | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason                       | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|---|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
|        |   | No. of Shares at the beginning (01-04-2018)/end of the year (31-03-2019) | % of total shares of the company |            |                                    |                              | No. of Shares  | % of total shares of the company |
| 6      | Shri V.K. Deshpande, Non- official Independent Director         | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 7      | Shri Umesh Chandra Pandey , Non-official Independent Director   | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  | 0.00                             |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 8      | Ms. Shazia Ilmi Malik, Non-official Independent Director        | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  | 0.00                             |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 9      | Shri Chaman Kumar, Non-official Independent Director            | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  | 0.00                             |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 10     | Shri R.K. Gogna, Non-official Independent Director              | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 11     | Shri V.C. Bhandari, Director (HR)                               | 280  | 0.00                             | 01/04/2018 |                                    |                              | 140  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | 280  | 0.00                             | 31/03/2019 |                                    |                              | 140  | 0.00                             |
| 12     | Shri R.K. Sabharwal, Director (Commercial)                      | 7400   | 0.00                             | 01/04/2018 |                                    |                              | 7400   | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | 7400   | 0.00                             | 31/03/2019 |                                    |                              | 7400   | 0.00                             |
| 13     | Shri L.K.Vijh, Director(Technical) (w.e.f 02.05.2018)           | 680  | 0.00                             | 02/05/2018 | 0                                  | Nil movement during the year |  |                                  |
|        |   | 680  | 0.00                             | 31/03/2019 |                                    |                              | 680  | 0.00                             |
| 14     | Shri Sunil Bhatia, Director(Finance) (w.e.f 18.10.2018)         | Nil  | 0.00                             | 18/10/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |
| 15     | Shri Sanjeev Kumar Handa, Director(Projects) (w.e.f 11.03.2019) | 2143   | 0.00                             | 11/03/2019 |                                    |                              |  |                                  |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | 2143   | 0.00                             | 31/03/2019 |                                    |                              | 4534   | 0.00                             |
| 16     | Shri Rajan Kapur, Company Secretary (till 26.07.2018)           | Nil  | 0.00                             | 01/04/2018 |                                    |                              | Nil  | 0.00                             |
|        |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|        |   | Nil  | 0.00                             | 26/07/2018 |                                    |                              | Nil  | 0.00                             |

| S. No. | Name   | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason                       | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) |                                  |
|--------|--|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
|        |  | No. of Shares at the beginning (01-04-2018)/end of the year (31-03-2019) | % of total shares of the company |            |                                    |                              | No. of Shares  | % of total shares of the company |
| 17     | Shri Narendra Kumar<br>Company Secretary<br>(w.e.f 09.08.2018 to 15.01.2019) | Nil  | 0.00                             | 09/08/2018 | 0                                  | Nil movement during the year | Nil  | 0.00                             |
|        |  |  |                                  |            |                                    |                              |  |                                  |
|        |  | Nil  | 0.00                             | 15/01/2019 |                                    |                              | Nil  | 0.00                             |
| 18     | Shri S.K.Padhi<br>Company Secretary<br>(w.e.f 15.01.2019)                    | Nil  | 0.00                             | 15/01/2019 | 0                                  | Nil movement during the year | Nil  | 0.00                             |
|        |  | Nil  | 0.00                             | 31/03/2019 |                                    |                              | Nil  | 0.00                             |

**V. INDEBTEDNESS**

The Company has not availed any loan during the year and is a debt-free Company.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors both Executive and Non-Executive are made by the Government of India and are being paid remuneration as per the terms of their appointment. The details in this regard are given in the Corporate Governance Report which forms part of Annual Report.

**REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD/MANAGER/WTD):**

Amount in ₹

| SI. No. | PARTIUCLARS TO REMUNERATION S  | KEY MANAGERIAL PERSONNEL           |   |                                    | Total     |
|---------|--|------------------------------------|---|------------------------------------|-----------|
|         |  | Company Secretary                  |   |                                    |           |
|         |  | Shri Rajan Kapur (till 26.07.2018) | Shri Narendra Kumar (w.e.f 9.08.2018 to 15.01.2019) | Shri S.K. Padhi (w.e.f 15.01.2019) |           |
| 1       | GROSS SALARY   |                                    |   |                                    |           |
|         | (a) Salary as per provisions contained in Section 17 (1) of the income tax Act, 1961 | 34,54,073/-                        | 6,91,239  | 4,94,623                           | 46,39,935 |
|         | (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961                       | 74,071                             | 34,675  | 19,064                             | 1,27,810  |
|         | (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961                  | -                                  | -   | -                                  | -         |
| 2       | Stock Option   | -                                  | -   | -                                  | -         |
| 3       | Sweat Equity   | -                                  | -   | -                                  | -         |
| 4       | Commission   |                                    |   |                                    |           |
|         | - as% of profit  | -                                  | -   | -                                  | -         |
|         | - others   | -                                  | -   | -                                  | -         |
| 5       | Others   | -                                  | -   | -                                  | -         |
|         | Total (A)  | 35,28,144                          | 7,25,914  | 5,13,687                           | 47,67,745 |

Regarding the other KMPs:

-Shri J.C.Nakra, C&MD, was the Chief Executive Officer (CEO) of the Company during the period under review.

-Shri V.C.Bhandari, Director (H.R.), was Chief Financial Officer (CFO) of the Company till appointment of Shri Sunil Bhatia, Director (Finance), as CFO of the Company w.e.f 13.11.2018.

Remuneration paid to Shri J.C.Nakra, Shri V.C.Bhandari and Shri Sunil Bhatia has been given under the heading remuneration of Directors under Corporate Governance Section.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the financial year ended 31<sup>st</sup> March, 2019.

## Independent Auditor's Report

TO

**THE MEMBERS OF  
ENGINEERS INDIA LIMITED**

### **Report on the Audit of Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **ENGINEERS INDIA LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2019, the statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

1. Estimation in relation to Percentage Completion Method

The company recognizes revenue using the percentage of completion method. This method involves management estimates w.r.t cost and outcomes of long-term construction and service contracts. Revenue recognition in this regard is complex because it is based on the management estimates, assessments and judgements of:

- estimated contract revenue and estimated costs;
- the assessment of stage of completion of respective jobs;
- total efforts incurred till date and balance efforts required to complete the remaining contract performance obligations;
- changes in work scope;
- the probability of customer approval of variations and claims; and
- probability of levy for liquidated damages, warranty/guarantee and price reduction for delay or waiver/ reduction of such levies.

Audit procedures were carried out for verifying the revenue recognized from such contracts, and for that purpose, we:

- selected a sample of contracts and evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations;

- assessed management's estimates of total contract revenue and contract costs and recalculated the stage of completion based on actual costs incurred till date for a sample of contracts;
- selected a sample of contracts and performed a review of efforts incurred with estimated efforts to identify significant variations, if any and verify whether those variations have been considered while estimating the remaining efforts required to complete the respective contract;
- reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones and change if any, required in estimated efforts to complete the remaining performance obligations by the company;
- performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

This has been considered as a key audit matter because of the involvement of management's judgement and estimates in recognizing revenue from such contracts and potential variations that may have consequential impact on the profitability of the company.

## 2. Arbitration Proceedings in case of M/s Fernas Construction India Private Limited

In April, 2016, the company terminated an existing contract with M/s Fernas Construction India Private Limited ("contractor") consequent to the findings of an investigating agency that certificates submitted for qualifying the contract was bogus. Subsequent to termination of the contract, the company is completing the project at the risk and cost of contractor in terms of provisions of the contract. The matter has been referred to the Arbitral Tribunal wherein the contractor has filed its claim amounting to ₹ 40,960.75 Lakhs against the company. The company has filed its reply along with its counter claim and application to implead the parent company of the contractor, decisions on which is pending with the Arbitral Tribunal.

During the current financial year, a third party creditor of the contractor has filed an application against the contractor with National Company Law Appellate Tribunal (NCLAT) under Insolvency and Bankruptcy Code, 2016 (IBC). Interim Resolution Professional (IRP) has been appointed and hence arbitration proceedings have been stayed sine die. The company has filed its claim before the IRP. Refer Note 52 to the standalone financial statements.

This has been considered as a key audit matter given uncertain outcome of legal/arbitral proceedings and the involvement of management judgement and estimates in relation to the same and any variation may have consequential impact on the profitability of the company.

The status of such job has been reviewed on regular basis. Also outcome of the legal proceedings was reviewed time to time. Based on the management's assessment, the Management has not considered any possible obligation on this account requiring future probable outflow of resources of the company and accordingly no provision has been made nor disclosed as Contingent Liability in the standalone financial statements of the company.

## **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Business Responsibility Report, Corporate Governance, Ten years' Performance at a Glance and Chairman's Statement included in the Annual Report of the company, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

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

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

On reading the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

## **Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements**

The company's Board of Directors is responsible for the matters stated in section 134(5) of 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 (including other comprehensive income), changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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

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

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

**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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India has issued Directions indicating the areas to be examined in terms of sub section (5) of section 143 of the Act, compliance of which are 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.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
  - (e) As per notification number G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report, as per notification number G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, section 197(16) of the Act regarding the Managerial remuneration is not applicable to the company, since it is a Government Company.
  - (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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements;
    - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 54 to the standalone financial statements; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

Place: New Delhi  
Date: 17 May 2019

Sd/-  
**Arun Kumar Agarwal**  
(Partner)  
M. No. 082899

## Annexure A to Independent Auditors' Report

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year and according to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations 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 the following:

| (₹ in Lakhs)                            |             |           |
|---|-------------|-----------|
| PARTICULARS                             | GROSS BLOCK | NET BLOCK |
| 4 Flats at Naranpura, Ahmedabad         | 10.31       | 3.30      |
| Land at Memnagar, Ahmedabad             | 69.21       | 53.10     |
| 2 Flats at Viman Nagar, Pune            | 8.45        | 2.84      |
| 84 Flats at Gokuldhham Goregaon, Mumbai | 238.19      | 32.38     |
| 6 Flats in Andheri East, Mumbai         | 9.93        | 0.16      |
| 1 Floor at CBD Belapur, Navi Mumbai     | 101.68      | 37.34     |

- ii. The Company has carried out physical verification of inventory at the year end. In our opinion, frequency of physical verification is reasonable. As per the information and explanations given to us, the discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been dealt with in the books of account.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraphs 3 (iii) (a), (b) and (c) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the grant of loan, making investment, providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and Rules framed there under. Accordingly paragraphs 3 (v) (a), (b) and (c) of the order are not applicable.
- vi. As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, GST, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other statutory dues have been regularly deposited during the year by the company with appropriate authorities, as applicable.

According to the information and explanation given to us and on the basis of our examination of the books of accounts, no undisputed amounts payable in respect of Provident Fund, Income Tax, GST, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other statutory dues were in arrears as at 31 March 2019 for a period more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of Income Tax, Sales Tax, Service Tax have not been deposited by the Company on account of disputes:

| S. No. | Name of Statute      | Nature of dues           | Forum where dispute is pending    | Period to which amount relates | Amount including interest (₹ in lakhs) |
|--------|----------------------|--------------------------|-----------------------------------|--------------------------------|--|
| 1.     | Income Tax Act, 1961 | TDS Under section 201(1) | CIT (Appeals)                     | F.Y. 2008-09<br>(A.Y. 2009-10) | 0.70                                   |
| 2.     | Income Tax Act, 1961 | Income Tax               | Income Tax<br>Appellate Tribunals | F.Y. 2001-02<br>(A.Y. 2002-03) | 620.84                                 |
|        |                      |                          |                                   | F.Y. 2003-04<br>(A.Y. 2004-05) | 213.00                                 |
|        |                      |                          |                                   | F.Y. 2011-12<br>(A.Y. 2012-13) | 78.60                                  |
|        |                      |                          |                                   | F.Y. 2013-14<br>(A.Y. 2014-15) | 119.44                                 |
| 3.     | Sales Tax            | Entry Tax                | Sales Tax Tribunal Noida          | F.Y. 1999-2000                 | 59.26                                  |
| 4.     | Sales Tax            | VAT                      | Andhra Pradesh High Court         | April 2014 to June 2017        | 219.88                                 |
| 5.     | Sales Tax            | VAT                      | Karnataka High Court              | F.Y. 2009-10                   | 3589.12                                |
| 6.     | Sales Tax            | VAT                      | Karnataka High Court              | F.Y. 2010-11                   | 28572.56                               |
| 7.     | Sales Tax            | VAT                      | Karnataka High Court              | F.Y. 2013-14                   | 584.89                                 |
| 8.     | Sales Tax            | VAT                      | Karnataka High Court              | F.Y. 2014-15                   | 718.74                                 |

- viii. The company does not have any loan or borrowings from any financial institution, bank, government or debenture holders during the year. 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 loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanation given to us by the management and based on audit procedures performed, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. As per Notification dated 05.06.2015, Section 197 of the Act is not applicable in case of a Government Company. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. 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 Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

Place: New Delhi  
Date: 17 May 2019

Sd/-  
**Arun Kumar Agarwal**  
(Partner)  
M. No. 082899

## Annexure B to Independent Auditors' Report

Referred to Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

According to the information and explanations given to us we report as under:

| S. No. | Areas Examined   | Observations/Findings  |
|--------|--|--|
| 1.     | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The Company has in-house developed IT software and systems in place to process all the accounting transactions. The Company has adequate internal control system to process all the accounting transactions through IT system. |
| 2.     | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.   | There is no restructuring of loan or cases of waiver/write off of debts/loans/interest etc. taken by the Company.  |
| 3.     | Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.   | Funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions.  |

**For Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

Place: New Delhi  
Date: 17 May 2019

Sd/-  
**Arun Kumar Agarwal**  
(Partner)  
M. No. 082899



## Annexure C to Independent Auditors' Report

Referred to Paragraph 3(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

### **Report on the Internal Financial Controls Over Financial Reporting 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 **ENGINEERS INDIA LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

#### **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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion and 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 31 March 2019, 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.

**For Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

Sd/-

**Arun Kumar Agarwal**  
(Partner)

M. No. 082899

Place: New Delhi

Date: 17 May 2019

## Balance Sheet

AS AT 31 MARCH, 2019

(₹ in Lakhs)

|  | Note | 31 March 2019      | 31 March 2018      |
|--|------|--------------------|--------------------|
| <b>Assets</b>  |      |                    |                    |
| <b>Non-current assets</b>  |      |                    |                    |
| Property, plant and equipment  | 4    | 21,588.24          | 22,043.79          |
| Capital work-in-progress   | 4    | 3,366.97           | 2,340.79           |
| Investment property  | 5    | 2,739.77           | 2,882.21           |
| Other intangibles assets   | 6A   | 232.75             | 587.64             |
| Intangible assets under development  | 6B   | 1,833.94           | 2,844.04           |
| <b>Financial assets</b>  |      |                    |                    |
| Investments  | 7A   | 27,398.00          | 21,898.95          |
| Loans  | 8A   | 3,988.39           | 3,378.54           |
| Other financial assets   | 9A   | 38.16              | 85.60              |
| Deferred tax assets (net)  | 10   | 29,691.53          | 30,289.64          |
| Non-current tax assets (net)   | 11   | 1,705.75           | 101.39             |
| Other non-current assets   | 12A  | 1,058.01           | 972.61             |
| <b>Total non-current assets</b>  |      | <b>93,641.51</b>   | <b>87,425.20</b>   |
| <b>Current assets</b>  |      |                    |                    |
| Inventories  | 13   | 689.65             | 110.19             |
| <b>Financial assets</b>  |      |                    |                    |
| Investments  | 7B   | 4,606.44           | 2,501.60           |
| Trade receivables  | 14   | 41,414.56          | 54,492.59          |
| Cash and cash equivalents  | 15   | 21,296.40          | 2,456.37           |
| Other bank balances  | 16   | 2,44,809.16        | 2,45,606.76        |
| Loans  | 8B   | 1,312.37           | 1,033.86           |
| Other financial assets   | 9B   | 44,445.12          | 35,632.33          |
| Other current assets   | 12B  | 16,233.62          | 13,772.68          |
| <b>Total current assets</b>  |      | <b>3,74,807.32</b> | <b>3,55,606.38</b> |
| <b>Total assets</b>  |      | <b>4,68,448.83</b> | <b>4,43,031.58</b> |
| <b>Equity and liabilities</b>  |      |                    |                    |
| <b>Equity</b>  |      |                    |                    |
| Equity share capital   | 17   | 31,595.58          | 31,595.58          |
| Other equity   | 18   | 1,95,988.94        | 1,95,191.69        |
| <b>Total equity</b>  |      | <b>2,27,584.52</b> | <b>2,26,787.27</b> |
| <b>Liabilities</b>   |      |                    |                    |
| <b>Non-current liabilities</b>   |      |                    |                    |
| <b>Financial liabilities</b>   |      |                    |                    |
| Other financial liabilities  | 19 A | 389.44             | 650.38             |
| Provisions   | 20A  | 310.77             | 727.91             |
| Other non-current liabilities  | 21A  | 150.97             | 860.99             |
| <b>Total non-current liabilities</b>   |      | <b>851.18</b>      | <b>2,239.28</b>    |
| <b>Current liabilities</b>   |      |                    |                    |
| <b>Financial liabilities</b>   |      |                    |                    |
| Trade payables   | 22   |                    |                    |
| Total outstanding dues of Micro Enterprises and Small Enterprises                      |      | 4,406.09           | 959.24             |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |      | 20,350.91          | 20,841.79          |
| Other financial liabilities  | 19B  | 35,545.04          | 41,646.91          |
| Other current liabilities  | 21B  | 1,31,970.82        | 1,02,766.11        |
| Provisions   | 20B  | 47,610.80          | 46,666.55          |
| Current tax liabilities (net)  | 23   | 129.47             | 1,124.43           |
| <b>Total current liabilities</b>   |      | <b>2,40,013.13</b> | <b>2,14,005.03</b> |
| <b>Total equity and liabilities</b>  |      | <b>4,68,448.83</b> | <b>4,43,031.58</b> |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 66

This is the balance sheet referred to in our report of even date.

**For Arun K Agarwal and Associates**

Chartered Accountants

FRN No. 003917N

Sd/-

Arun Kumar Agarwal

**Partner**

Membership No. 082899

**Place : New Delhi**
**Date : 17 May 2019**

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN : AHYPP2198P

Sd/-

R.P. Batra

**C.G.M. [F&A]**

PAN : AHPPB4262M

Sd/-

Sunil Bhatia

**Director (Finance) & CFO**

DIN : 08259936

Sd/-

J C Nakra

**Chairman & Managing**
**Director & CEO**

DIN : 07676468

**For and on behalf of Engineers India Limited**

## Statement of profit and loss

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

|   | Note | 31 March 2019      | 31 March 2018      |
|---|------|--------------------|--------------------|
| <b>Revenue</b>  |      |                    |                    |
| Revenue from operations   | 24   | 2,44,433.85        | 1,78,758.25        |
| Other income  | 25   | 22,508.09          | 17,947.07          |
| <b>Total revenue</b>  |      | <b>2,66,941.94</b> | <b>1,96,705.32</b> |
| <b>Expenses</b>   |      |                    |                    |
| Techincal assistance/sub-contracts  | 26   | 45,093.48          | 21,210.66          |
| Construction materials and equipments   | 27   | 61,156.60          | 9,979.83           |
| Employee benefits expenses  | 28   | 75,706.98          | 75,714.90          |
| Finance costs   | 29   | 122.89             | 57.21              |
| Depreciation and amortisation expense   | 30   | 2,235.95           | 2,382.69           |
| Other expenses  | 31   | 25,875.42          | 30,549.88          |
| <b>Total expenses</b>   |      | <b>2,10,191.32</b> | <b>1,39,895.17</b> |
| <b>Profit before tax</b>  |      | <b>56,750.62</b>   | <b>56,810.15</b>   |
| Less: Tax expense   | 32   |                    |                    |
| Current tax   |      | 19,470.19          | 21,669.47          |
| Earlier years tax adjustments (net)   |      | (597.63)           | 532.86             |
| Deferred tax  |      | 871.04             | (3,179.42)         |
| <b>Profit for the year</b>  |      | <b>37,007.02</b>   | <b>37,787.24</b>   |
| <b>Other comprehensive income</b>   |      |                    |                    |
| Items that will not be reclassified to profit and loss                        |      |                    |                    |
| Re-measurement gains (losses) on defined benefit plans                        |      | (264.67)           | 648.87             |
| Income tax relating to items that will not be reclassified to profit and loss |      | 92.48              | (204.10)           |
| Items that will be reclassified to profit and loss                            |      |                    |                    |
| Exchange differences on translation of foreign operations                     |      | 22.19              | 22.65              |
| Income tax relating to items that will be reclassified to profit and loss     |      | (7.75)             | (7.81)             |
| <b>Total comprehensive income for the year</b>                                |      | <b>36,849.27</b>   | <b>38,246.85</b>   |
| <b>Earnings per equity share (Face value ₹ 5 per share)</b>                   | 33   |                    |                    |
| Basic (₹ )  |      | 5.86               | 5.83               |
| Diluted (₹ )  |      | 5.86               | 5.83               |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 66

This is the statement of profit and loss referred to in our report of even date.

**For Arun K Agarwal and Associates**

Chartered Accountants  
FRN No. 003917N

Sd/-  
Arun Kumar Agarwal  
**Partner**  
Membership No. 082899

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
R.P. Batra  
**C.G.M. [F&A]**  
PAN : AHPPB4262M

Sd/-  
Sunil Bhatia  
**Director (Finance) & CFO**  
DIN : 08259936

Sd/-  
J C Nakra  
**Chairman & Managing Director & CEO**  
DIN : 07676468

Place : New Delhi  
Date : 17 May 2019

**For and on behalf of Engineers India Limited**

## Statement of Changes in Equity

AS AT 31 MARCH, 2019

### A Equity share capital\*

(₹ in Lakhs)

| Particulars  | Opening balance as at 1 April 2017 | Changes in equity share capital during the year | Redemption of equity share capital during the year (Buy Back of Shares) | Balance as at 31 March 2018 | Changes in equity share capital during the year | Redemption of equity share capital during the year | Balance as at 31 March 2019 |
|--------------|------------------------------------|---|---|-----------------------------|---|--|-----------------------------|
| Equity share | 33,693.67                          | -   | (2,098.09)  | 31,595.58                   | -   | -  | 31,595.58                   |

### B Other equity\*\*

(₹ in Lakhs)

| Description   | Reserves and surplus |                            |                   |                      |   | Other comprehensive income                              |  | Total              |
|---|----------------------|----------------------------|-------------------|----------------------|---|---|--|--------------------|
|   | General reserve      | Capital Redemption reserve | Retained earnings | CSR activity reserve | Corpus for Medical Benefits for Employees retired prior to 01.01.2007 | Exchange difference on translation of foreign operation | Remeasurement of defined benefit plans |                    |
| <b>Balance as at 1 April 2017</b>                         | <b>2,29,854.96</b>   | <b>-</b>                   | <b>13,912.51</b>  | <b>2,683.44</b>      | <b>-</b>  | <b>23.40</b>  | <b>(2,571.99)</b>                      | <b>2,43,902.32</b> |
| Profit for the year                                       | -                    | -                          | 37,787.24         | -                    | -   | -   | -                                      | 37,787.24          |
| Other comprehensive income                                | -                    | -                          | -                 | -                    | -   | 22.65   | 648.87                                 | 671.52             |
| Income tax related to items of other comprehensive income | -                    | -                          | -                 | -                    | -   | (7.81)  | (204.10)                               | (211.91)           |
| Buy Back of equity shares                                 | (65,879.99)          | 2,098.09                   | -                 | -                    | -   | -   | -                                      | (63,781.90)        |
| Transaction Cost of Buy Back                              | -                    | -                          | (501.12)          | -                    | -   | -   | -                                      | (501.12)           |
| Dividend including tax impact (refer note 37)             | -                    | -                          | (22,674.46)       | -                    | -   | -   | -                                      | (22,674.46)        |
| Transfer from retained earnings                           | 10,180.85            | -                          | (12,814.03)       | 916.03               | 1,717.15  | -   | -                                      | -                  |
| Transfer to retained earnings                             | -                    | -                          | 2,185.10          | (1,474.29)           | (710.81)  | -   | -                                      | -                  |
| <b>Balance as at 31 March 2018</b>                        | <b>1,74,155.82</b>   | <b>2,098.09</b>            | <b>17,895.24</b>  | <b>2,125.18</b>      | <b>1,006.34</b>   | <b>38.24</b>  | <b>(2,127.22)</b>                      | <b>1,95,191.69</b> |
| Profit for the year                                       | -                    | -                          | 37,007.02         | -                    | -   | -   | -                                      | 37,007.02          |
| Other comprehensive income                                | -                    | -                          | -                 | -                    | -   | 22.19   | (264.67)                               | (242.48)           |
| Income tax related to items of other comprehensive income | -                    | -                          | -                 | -                    | -   | (7.75)  | 92.48                                  | 84.73              |
| Dividend including tax impact (refer note 37)             | -                    | -                          | (36,052.02)       | -                    | -   | -   | -                                      | (36,052.02)        |
| Transfer from retained earnings                           | 6,540.16             | -                          | (8,372.48)        | 981.06               | 851.26  | -   | -                                      | -                  |
| Transfer to retained earnings                             | -                    | -                          | 1,561.71          | (1,004.37)           | (557.34)  | -   | -                                      | -                  |
| <b>Balance as at 31 March 2019</b>                        | <b>1,80,695.98</b>   | <b>2,098.09</b>            | <b>12,039.47</b>  | <b>2,101.87</b>      | <b>1300.26</b>  | <b>52.68</b>  | <b>(2,299.41)</b>                      | <b>1,95,988.94</b> |

\*Refer note 17 for details

\*\*Refer note 18 for details

This is the statement of change in equity referred to in our report of even date.

**For Arun K Agarwal and Associates**

Chartered Accountants

FRN No. 003917N

Sd/-

Arun Kumar Agarwal

**Partner**

Membership No. 082899

**Place : New Delhi**

**Date : 17 May 2019**

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN : AHYPP2198P

Sd/-

R.P. Batra

**C.G.M. [F&A]**

PAN : AHPPB4262M

Sd/-

Sunil Bhatia

**Director (Finance) & CFO**

DIN : 08259936

Sd/-

J C Nakra

**Chairman & Managing**

**Director & CEO**

DIN : 07676468

**For and on behalf of Engineers India Limited**

# Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

|   | 31 March 2019    | 31 March 2018    |
|---|------------------|------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                  |                  |
| Profit before tax   | 56,750.62        | 56,810.15        |
| <b>Adjustments for:</b>   |                  |                  |
| Depreciation and amortisation expense                                       | 2,235.95         | 2,382.69         |
| Fixed assets written off  | 1.06             | 5.74             |
| Deposits written off  | 10.65            | 1.86             |
| (Reversal of impairment)/impairment in value of investments                 | (201.67)         | 2.23             |
| Loss in Investment in Joint Venture   | 202.62           | -                |
| Bad debts written off   | 79.59            | 55.32            |
| Dry well written off  | 1,542.66         | 1,961.77         |
| Allowance for expected credit losses - trade receivables and advances (net) | (468.70)         | 2,474.44         |
| Provision Employees' post retirement/long-term benefits                     | (6,431.63)       | (4,361.43)       |
| Provision for corporate social responsibility                               | 144.91           | 0.46             |
| (Reversal of provision)/provision for contractual obligations (net)         | 5,907.25         | 6,403.51         |
| (Reversal of provision)/provision for expected losses (net)                 | 641.91           | (339.10)         |
| Interest expense  | 122.89           | 57.21            |
| (Profit)/loss on sale of fixed assets                                       | (0.59)           | (4.89)           |
| Interest income   | (17,687.41)      | (12,805.29)      |
| Loss/(gain) on modification of employee advances                            | 29.19            | 6.68             |
| Amortization of deferred income   | (111.71)         | (45.73)          |
| Capital gain on redemption of investments in mutual funds                   | (1.39)           | (27.82)          |
| Dividend income   | (981.30)         | (2,030.51)       |
| <b>Operating profit before changes in Assets &amp; Liabilities</b>          | <b>41,784.90</b> | <b>50,547.29</b> |
| <b>Movement in Assets and Liabilities</b>                                   |                  |                  |
| (Increase)/decrease in Trade and Other Receivables                          | 1,078.07         | (23,854.72)      |
| (Increase)/decrease in Inventories  | (579.46)         | (4.75)           |
| Increase/(decrease) in Trade and Other Payables                             | 33,797.47        | 59,564.90        |
| <b>Cash flow from operations</b>  | <b>76,080.98</b> | <b>86,252.72</b> |
| Income tax paid (net)   | (21,608.52)      | (27,533.73)      |
| <b>Net cash flow from operating activities (A)</b>                          | <b>54,472.46</b> | <b>58,718.99</b> |



## Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

|   | 31 March 2019      | 31 March 2018      |
|---|--------------------|--------------------|
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                    |                    |
| Purchase of property, plant and equipment, investment property, intangibles assets and intangible assets under development (including capital work-in-progress) | (3,215.16)         | (2,895.95)         |
| Sale of fixed assets  | 6.92               | 10.40              |
| Interest received   | 16,545.41          | 13,803.50          |
| Dividend received   | 981.30             | 2,030.51           |
| Investment in liquid plans of mutual funds (net)  | (2,103.45)         | 35,392.39          |
| Fixed deposit placed with banks having original maturity of more than three months  | (2,31,943.54)      | (2,35,596.84)      |
| Fixed deposit with banks matured having original maturity of more than three months   | 2,25,648.11        | 2,10,828.86        |
| Investment in joint ventures  | (5,500.00)         | (6,525.00)         |
| <b>Net cash flows from investing activities (B)</b>   | <b>419.59</b>      | <b>17,047.87</b>   |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                    |
| Dividend paid (including tax)   | (36,052.02)        | (22,674.46)        |
| Buy Back of Shares (including transaction cost)   | -                  | (66,381.11)        |
| <b>Net cash used in financing activities (C)</b>  | <b>(36,052.02)</b> | <b>(89,055.57)</b> |
| Increase/(decrease) in cash and cash equivalents (A+B+C)  | 18,840.03          | (13,288.71)        |
| Cash and cash equivalents at the beginning of the year (refer note 15)  | 2,456.37           | 15,745.08          |
| <b>Cash and cash equivalents at the end of the year (refer note 15)</b>   | <b>21,296.40</b>   | <b>2,456.37</b>    |

This is the cash flow statement referred to in our report of even date.

**For Arun K Agarwal and Associates**

Chartered Accountants  
FRN No. 003917N

Sd/-  
Arun Kumar Agarwal  
**Partner**  
Membership No. 082899

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
R.P. Batra  
**C.G.M. [F&A]**  
PAN : AHPPB4262M

**For and on behalf of Engineers India Limited**

Sd/-  
Sunil Bhatia  
**Director (Finance) & CFO**  
DIN : 08259936

Sd/-  
J C Nakra  
**Chairman & Managing Director & CEO**  
DIN : 07676468

**Place :** New Delhi  
**Date :** 17 May 2019

## Summary of significant accounting policies for the year ended 31 March 2019

### 1. NATURE OF PRINCIPAL ACTIVITIES

Engineers India Limited and (referred to as “EIL” or “the Company”) is a Government of India Enterprise under Ministry of Petroleum and Natural Gas. The Company operates into two major segments namely Consultancy & engineering projects and Turnkey projects.

### 2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The Company has its registered office situated at 1 Bhikaji Cama Place, New Delhi 110066, India. The shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange.

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (‘Ind AS’) and relevant amended rules issued thereafter. These are Company’s standalone financial statements. The Company also prepared consolidated financial statements separately.

Effective from 1 April 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 “First time adoption of Indian Accounting Standards”, with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 17 May 2019.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. ACCOUNTING CONCEPTS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

#### B. REVENUE RECOGNITION

##### REVENUE RECOGNITION

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method and accordingly comparatives for the previous periods is not retrospectively adjusted. The effect of adoption of Ind AS 115 Revenue from contract with customers on the accounts of the Company for the year ended 31 March 2019 is insignificant.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those services. The services performed by the company fall into the criteria of the transfer of control over a period of time and as such company satisfy the performance obligation and revenue over a period of time.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Arrangements with customers are either on a cost plus, rate plus jobs, lump sum services, turnkey contracts and Inspection contracts.

Revenue from services is accounted as follows:

- i) In the case of cost plus and rate plus jobs on the basis of services rendered and amount billable under the contract
- ii) In the case of lump sum services and turnkey contracts as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.
- iii) In the case of inspection contracts providing for a percentage fee on project cost, on the basis of physical progress duly certified.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price (or both). The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

##### TURNOVER/WORK-IN-PROGRESS

- a) No income has been taken into account on jobs for which:
- The terms of consideration receivable by the Company have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
  - The terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably.
- b) The cost of such jobs as stated in 'a' above is carried forward as work-in-progress at actual direct cost.

**EXPORT BENEFIT**

Export benefits constituting Service Export from India Scheme are accounted for on accrual basis when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received.

**DIVIDEND INCOME**

Dividend on units/shares is accounted for when right to receive payment is established.

**C. INTANGIBLE ASSETS**

**Recognition**

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto ₹ 500,000 is fully amortized during the year of its acquisition.

**D. PROPERTY, PLANT AND EQUIPMENT**

**Recognition**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged. Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

**E. LEASES**

**Company as a lessee**

*Finance leases*

Management applies judgment in considering the substance of a lease agreement and whether it gives substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the

asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease, at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to statement of profit and loss, as finance costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

#### *Operating leases*

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

#### **Company as a lessor**

##### *Operating lease*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

### **F. INVESTMENT PROPERTIES**

#### **Recognition**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### **Subsequent measurement (depreciation)**

Depreciation on investment properties is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

#### **De-recognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the year of de-recognition.

### **G. FOREIGN CURRENCY**

#### *Functional and presentation currency*

The financial statements are presented in INR, which is also the functional currency of the Company.

#### *Foreign currency transactions and balances*

##### *Initial recognition*

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc and Japanese Yen and in respect of other currencies at Government rates prevailing in the month. However, foreign currency transactions in respect of sub-contractors/vendors are recorded at bank rate prevailing on the date of transaction.

##### *Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

For the foreign operation of the Company, all assets and liabilities are translated into INR using the exchange rate in effect at the balance sheet date and for revenue and expense items using the average exchange rate for respective period.

##### *Exchange differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

For the foreign operation of the Company, gain/(loss) arising on conversion of branch financial statements is recognised as exchange translation gain/(loss) under other comprehensive income and accumulated as foreign exchange translation reserve under the head other equity.

#### **H. IMPAIRMENT OF NON-FINANCIAL ASSETS**

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of profit and loss in the year of reversal and is restricted to the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

#### **I. FINANCIAL INSTRUMENTS**

##### **Financial assets**

###### *Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

###### *Subsequent measurement*

i. **Debt instruments at amortised cost** – A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Equity investments** – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

###### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### **Financial liabilities**

###### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

###### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. This category generally applies to long-term payables and deposits.

###### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### **Forward contracts**

A forward contract is recognised as an asset or a liability on the commitment date. Outstanding forward contracts as at reporting date are restated using the mark to market information and resultant gain/(loss) is accounted in statement of profit and loss.



**J. IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The provision for estimated liabilities on account of guarantees and warranties etc. in respect of lumpsum services and turnkey contracts awarded to the Company are being made on the basis of management's assessment of risk and consequential probable liabilities on each such jobs.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**L. GOVERNMENT GRANT**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to a revenue item, it is recognized in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.
  - When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.
- When the Company receives grant as a non-monetary asset, the asset and the grant are recorded at fair value. The amount is then recognised in statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**M. OIL AND GAS EXPLORATION ACTIVITIES**

The Company follows 'Successful Efforts Method' in accounting for Oil and Gas exploration and production activities as detailed below:

- Survey costs are charged as expense in the year of its incurrence.
- Acquisition costs, cost of incomplete/undecided exploratory wells and development costs are carried as intangible assets under development till these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.

The Company's share of proved oil and gas reserves are disclosed when notified by the operator of the relevant block.

The Company's proportionate share in the assets, liabilities, income and expenditure of jointly controlled assets are accounted for as per the participating interest.

**N. RESEARCH AND DEVELOPMENT EXPENDITURE**

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under property, plant and equipment.

**O. FINANCIAL GUARANTEES***Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

#### *Initial recognition*

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

#### *Subsequent recognition*

Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### **P. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value.

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **Q. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

### **R. INVESTMENT IN EQUITY INSTRUMENTS OF CONSOLIDATED ENTITIES**

The Company's investment in equity instruments of subsidiaries and joint ventures are accounted for at cost.

### **S. INVESTMENT IN JOINTLY CONTROLLED OPERATIONS**

A joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation is generally not structured through a separate legal vehicle.

The particulars of joint operations considered in the financial statements are as under:

| Sl. No. | Name of the Company   | Country of Incorporation | Relationship    | 31 March 2019 | 31 March 2018 |
|---------|---|--------------------------|-----------------|---------------|---------------|
| 1       | Petroleum India International (Association of Person (AOP)) | India                    | Joint Operation | 9.50%         | 9.50%         |
| 2       | CB-ONN-2010/11  | India                    | Joint Operation | 20%           | 20%           |
| 3       | CB-ONN-2010/08  | India                    | Joint Operation | 20%           | 20%           |

The Company accounts for proportionate share in the assets, liabilities, income and expenditure of the said jointly controlled operations as participating interest.

### **T. CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestrictive use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

**U. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS***Defined benefit plans*

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

*Other long-term benefits*

The liabilities for leave (earned and half pay leave) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Company has secured these liabilities against the plan assets. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method).

*Short-term employee benefits*

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

*Defined contribution plans*

Contributions with respect to provident fund and superannuation fund, defined contribution plans, are made to the trust set-up by the Company for the purpose.

*Other benefits*

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

**V. 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. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

**W. RECENT ACCOUNTING PRONOUNCEMENT**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

**Ind AS 116- Leases:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases effective from April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company will use the 'Modified Retrospective Approach' and recognise lease liability as the present value of the remaining lease payments, discounted at the borrowing rate and the right of use asset at amount equal to the lease liability, adjusted. Accordingly comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

The company will recognise a right-of-use asset and a corresponding lease liability approximately by ₹ 114.43 Lakhs.

**Ind AS 12 - Income Taxes- Appendix C, Uncertainty over Income Taxes Treatment:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 12, Appendix C, Uncertainty over Income Taxes Treatment. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 12 - Income Taxes- Amendment to Ind AS 12:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued amendments in Ind AS 12, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued amendments in Ind AS 19. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

*Significant management judgements*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Revenue** – For Lumpsum services and Turnkey Contracts the Company recognises revenue using the percentage completion method. Use of the percentage completion method requires the company to estimate the cost incurred relative to total expected cost to the satisfaction of performance obligation. This requires estimates to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured. Cost and time incurred have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

## Notes to the Financial Statements for the year ended 31 March 2019

## Note: 4 Property, plant and equipment

(₹ in Lakhs)

| Particulars   | Freehold land | Leasehold land* | Building         | Plant and machinery | Computer hardware | Furniture, fixtures and office/construction equipments | Vehicles    | Library books | Total            | Capital work-in-progress |
|---|---------------|-----------------|------------------|---------------------|-------------------|--|-------------|---------------|------------------|--------------------------|
| <b>Gross carrying amount</b>                                      |               |                 |                  |                     |                   |  |             |               |                  |                          |
| At 1 April 2017   | 297.73        | 1,287.25        | 19,830.29        | 47.52               | 2,997.00          | 1,750.15   | 0.30        | 5.45          | <b>26,215.69</b> | -                        |
| Additions   | -             | -               | 208.63           | 39.36               | 378.35            | 58.29  | 0.14        | 0.24          | <b>685.01</b>    | -                        |
| Reclassification to investment property due to change in use      | 0.18          | -               | 762.92           | -                   | -                 | 20.93  | -           | -             | <b>784.03</b>    | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | 0.01             | -                   | (12.60)           | (13.73)  | -           | -             | <b>(26.32)</b>   | -                        |
| Disposals/assets written off/Adjustment                           | -             | -               | (11.54)          | -                   | (4.79)            | (8.94)   | -           | (0.09)        | <b>(25.36)</b>   | -                        |
| <b>Balance as at 31 March 2018</b>                                | <b>297.91</b> | <b>1,287.25</b> | <b>20,790.31</b> | <b>86.88</b>        | <b>3,357.96</b>   | <b>1,806.70</b>  | <b>0.44</b> | <b>5.60</b>   | <b>27,633.05</b> | -                        |
| Additions   | -             | -               | 650.57           | 259.56              | 478.53            | 162.15   | -           | 0.16          | <b>1,550.97</b>  | -                        |
| Reclassification from/to investment property due to change in use | -             | -               | 24.51            | -                   | -                 | -  | -           | -             | <b>24.51</b>     | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | 0.67             | -                   | 6.63              | 21.04  | -           | -             | <b>28.34</b>     | -                        |
| Disposals/assets written off/Adjustment                           | -             | -               | (358.71)         | -                   | (44.96)           | (12.52)  | -           | (0.02)        | <b>(416.21)</b>  | -                        |
| <b>Balance as at 31 March 2019</b>                                | <b>297.91</b> | <b>1,287.25</b> | <b>21,107.35</b> | <b>346.44</b>       | <b>3,798.16</b>   | <b>1,977.37</b>  | <b>0.44</b> | <b>5.74</b>   | <b>28,820.66</b> | -                        |
| <b>Accumulated depreciation</b>                                   |               |                 |                  |                     |                   |  |             |               |                  |                          |
| At 1 April 2017   | -             | 35.15           | 1,683.68         | 0.03                | 1,459.37          | 489.83   | 0.12        | 5.45          | <b>3,673.63</b>  | -                        |
| Charge for the year   | -             | 17.57           | 879.92           | 3.35                | 725.23            | 235.31   | -           | 0.24          | <b>1,861.62</b>  | -                        |
| Reclassification to investment property due to change in use      | -             | -               | 78.63            | -                   | -                 | 6.26   | -           | -             | <b>84.89</b>     | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | (0.07)           | -                   | (13.70)           | (13.31)  | -           | -             | <b>(27.08)</b>   | -                        |
| Adjustments for disposals   | -             | -               | (0.86)           | -                   | (0.80)            | (2.05)   | -           | (0.09)        | <b>(3.80)</b>    | -                        |
| <b>Balance as at 31 March 2018</b>                                | <b>-</b>      | <b>52.72</b>    | <b>2,641.30</b>  | <b>3.38</b>         | <b>2,170.10</b>   | <b>716.04</b>  | <b>0.12</b> | <b>5.60</b>   | <b>5,589.26</b>  | -                        |



| (₹ in Lakhs)  |               |                 |                  |                     |                   |   |             |               |                  |                          |
|---|---------------|-----------------|------------------|---------------------|-------------------|---|-------------|---------------|------------------|--------------------------|
| Particulars   | Freehold land | Leasehold land* | Building         | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Vehicles    | Library books | Total            | Capital work-in-progress |
| Charge for the year   | -             | 17.57           | 866.78           | 17.87               | 572.98            | 231.88  | 0.02        | 0.16          | <b>1,707.26</b>  | -                        |
| Reclassification from/to investment property due to change in use | -             | -               | 28.45            | -                   | -                 | -   | -           | -             | <b>28.45</b>     | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | 0.09             | -                   | 4.62              | 9.84  | -           | -             | <b>14.55</b>     | -                        |
| Adjustments for disposals   | -             | -               | (89.06)          | -                   | (12.70)           | (5.32)  | -           | (0.02)        | <b>(107.10)</b>  | -                        |
| <b>Balance as at 31 March 2019</b>                                | <b>-</b>      | <b>70.29</b>    | <b>3,447.56</b>  | <b>21.25</b>        | <b>2,735.00</b>   | <b>952.44</b>   | <b>0.14</b> | <b>5.74</b>   | <b>7,232.42</b>  | <b>-</b>                 |
| <b>Net book value as at 31 March 2018</b>                         | <b>297.91</b> | <b>1,234.53</b> | <b>18,149.01</b> | <b>83.50</b>        | <b>1,187.86</b>   | <b>1,090.66</b>   | <b>0.32</b> | <b>-</b>      | <b>22,043.79</b> | <b>2,340.79</b>          |
| <b>Net book value as at 31 March 2019</b>                         | <b>297.91</b> | <b>1,216.96</b> | <b>17,659.79</b> | <b>325.19</b>       | <b>1,063.16</b>   | <b>1,024.93</b>   | <b>0.30</b> | <b>-</b>      | <b>21,588.24</b> | <b>3,366.97</b>          |

\*Refer note 39A for details

**(i) Contractual obligations**

Refer to note 40B(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Above excludes fixed assets having written down value of ₹ 30.82 lakhs (previous year 31 March 2018: ₹ 0.44 lakhs) shown as assets held for disposal under note 'Other Current Assets'.

(iii) Restriction on title of property, plant and equipment, refer note 42 (ii).

**Note : 5 Investment property**

(₹ in Lakhs)

| Particulars   | Freehold land | Leasehold land* | Building and related fixtures /assets | Total           |
|---|---------------|-----------------|---------------------------------------|-----------------|
| <b>Gross carrying amount</b>  |               |                 |                                       |                 |
| At 1 April 2017   | 0.35          | 264.53          | 3,768.50                              | <b>4,033.38</b> |
| Additions   | -             | -               | 10.16                                 | <b>10.16</b>    |
| Reclassification from property, plant and equipment due to change in use    | (0.18)        | -               | (783.85)                              | <b>(784.03)</b> |
| Disposals/assets written off  | -             | -               | (6.65)                                | <b>(6.65)</b>   |
| <b>Balance as at 31 March 2018</b>  | <b>0.17</b>   | <b>264.53</b>   | <b>2,988.16</b>                       | <b>3,252.86</b> |
| Additions   | -             | -               | 27.26                                 | <b>27.26</b>    |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | (24.51)                               | <b>(24.51)</b>  |
| Disposals/assets written off  | -             | -               | (66.79)                               | <b>(66.79)</b>  |
| <b>Balance as at 31 March 2019</b>  | <b>0.17</b>   | <b>264.53</b>   | <b>2,924.12</b>                       | <b>3,188.82</b> |
| <b>Accumulated depreciation</b>   |               |                 |                                       |                 |
| At 1 April 2017   | -             | 1.42            | 324.80                                | <b>326.22</b>   |
| Charge for the year   | -             | 0.71            | 129.13                                | <b>129.84</b>   |
| Reclassification from property, plant and equipment due to change in use    | -             | -               | (84.89)                               | <b>(84.89)</b>  |
| Adjustments for disposals   | -             | -               | (0.52)                                | <b>(0.52)</b>   |
| <b>Balance as at 31 March 2018</b>  | <b>-</b>      | <b>2.13</b>     | <b>368.52</b>                         | <b>370.65</b>   |
| Charge for the year   | -             | 0.71            | 122.30                                | <b>123.01</b>   |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | (28.45)                               | <b>(28.45)</b>  |
| Adjustments for disposals   | -             | -               | (16.16)                               | <b>(16.16)</b>  |
| <b>Balance as at 31 March 2019</b>  | <b>-</b>      | <b>2.84</b>     | <b>446.21</b>                         | <b>449.05</b>   |
| <b>Net book value as at 31 March 2018</b>                                   | <b>0.17</b>   | <b>262.40</b>   | <b>2,619.64</b>                       | <b>2,882.21</b> |
| <b>Net book value as at 31 March 2019</b>                                   | <b>0.17</b>   | <b>261.69</b>   | <b>2,477.91</b>                       | <b>2,739.77</b> |

\*Refer note 39A for details

**(i) Amounts recognised in statement of profit and loss for investment properties**

(₹ in Lakhs)

|   | 31 March 2019   | 31 March 2018   |
|---|-----------------|-----------------|
| Rental income   | 2,101.95        | <b>2,102.31</b> |
| <b>Less:</b>  |                 |                 |
| Direct operating expenses generating rental income            | 469.75          | <b>482.90</b>   |
| Direct operating expenses that did not generate rental income | 116.28          | <b>146.69</b>   |
| <b>Profit/(Loss) from leasing of investment properties</b>    | <b>1,515.92</b> | <b>1,472.72</b> |

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39B(c) for details.

**(iii) Fair value of investment property**

| Description       | Fair Value (₹ in Lakhs) |               |
|-------------------|-------------------------|---------------|
|                   | 31 March 2019           | 31 March 2018 |
| Residential flats | 7,218.90                | 6,601.89      |
| Land and building | 32,316.45               | 31,766.08     |
| Office premises   | 785.13                  | 706.42        |

**Fair value hierarchy and valuation technique**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

**Note : 6A Other intangible assets**

(₹ in Lakhs)

| Particulars   | Computer software | Total           |
|---|-------------------|-----------------|
| <b>Gross carrying amount</b>                            |                   |                 |
| At 1 April 2017   | 1,504.21          | <b>1,504.21</b> |
| Additions   | 235.04            | <b>235.04</b>   |
| Exchange difference on translation of foreign operation | 0.08              | <b>0.08</b>     |
| Disposals/assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2018</b>                      | <b>1,739.33</b>   | <b>1,739.33</b> |
| Additions   | 49.24             | <b>49.24</b>    |
| Exchange difference on translation of foreign operation | 9.33              | <b>9.33</b>     |
| Disposals/assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2019</b>                      | <b>1,797.90</b>   | <b>1,797.90</b> |
| <b>Accumulated amortisation</b>                         |                   |                 |
| At 1 April 2017   | 762.40            | <b>762.40</b>   |
| Amortisation charge for the year                        | 391.23            | <b>391.23</b>   |
| Exchange difference on translation of foreign operation | (1.94)            | <b>(1.94)</b>   |
| Adjustments for disposals                               | -                 | -               |
| <b>Balance as at 31 March 2018</b>                      | <b>1,151.69</b>   | <b>1,151.69</b> |
| Amortisation charge for the year                        | 405.68            | <b>405.68</b>   |
| Exchange difference on translation of foreign operation | 7.78              | <b>7.78</b>     |
| Adjustments for disposals                               | -                 | -               |
| <b>Balance as at 31 March 2019</b>                      | <b>1,565.15</b>   | <b>1,565.15</b> |
| <b>Net book value as at 31 March 2018</b>               | <b>587.64</b>     | <b>587.64</b>   |
| <b>Net book value as at 31 March 2019</b>               | <b>232.75</b>     | <b>232.75</b>   |

**Note : 6B Intangible assets under development**

(₹ in Lakhs)

| Particulars                        | Exploration and evaluation assets | Total           |
|------------------------------------|-----------------------------------|-----------------|
| <b>Gross carrying amount</b>       |                                   |                 |
| At 1 April 2017                    | 3,762.27                          | 3,762.27        |
| Additions                          | 1,043.54                          | 1,043.54        |
| Disposals/assets written off       | (1,961.77)                        | (1,961.77)      |
| <b>Balance as at 31 March 2018</b> | <b>2,844.04</b>                   | <b>2,844.04</b> |
| Additions                          | 532.56                            | 532.56          |
| Disposals/assets written off       | (1,542.66)                        | (1,542.66)      |
| <b>Balance as at 31 March 2019</b> | <b>1,833.94</b>                   | <b>1,833.94</b> |

(₹ in Lakhs)

| Particulars  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
| <b>Note : 7</b>  |                  |                  |
| <b>A Investments - non-current</b>   |                  |                  |
| <b>Equity instruments</b>  |                  |                  |
| <b>Investment in subsidiary companies (unquoted)</b>   |                  |                  |
| Certification Engineers International Limited  | 20.00            | 20.00            |
| 9,00,000 (previous year 31 March 2018: 100,000) equity shares of ₹ 100 each fully paid up<br>in wholly owned subsidiary, out of which 8,80,000 equity shares were received by way of Bonus shares) |                  |                  |
| <b>Sub-total (A)</b>   | <b>20.00</b>     | <b>20.00</b>     |
| <b>Investment in joint venture companies (unquoted)</b>  |                  |                  |
| TEIL Projects Limited  | 550.00           | 550.00           |
| 5,50,000 (previous year 31 March 2018 : 5,50,000) equity shares of ₹ 10 each fully paid up)  |                  |                  |
| Less: Impairment in value of investments   | (541.00)         | (540.05)         |
| <b>Sub-total (B)</b>   | <b>9.00</b>      | <b>9.95</b>      |
| Jabal Elliot Co. Ltd.  | -                | 599.00           |
| Nil Shares (previous year 31 March 2018 : 500,000 shares) of SR 10 each fully paid up  |                  |                  |
| Less: Historical cost of part repatriated capital  | -                | (396.38)         |
| Less: Impairment in value of investments   | -                | (202.62)         |
| <b>Sub-total (C)</b>   | <b>-</b>         | <b>-</b>         |
| Ramagundam Fertilizers and Chemicals Limited   | 27,369.00        | 21,869.00        |
| 273,690,002 (previous year 31 March 2018: 218,690,002) equity shares of ₹ 10 each fully paid up  |                  |                  |
| <b>Sub-total (D)</b>   | <b>27,369.00</b> | <b>21,869.00</b> |
| <b>Grand total (A+B+C+D)</b>   | <b>27,398.00</b> | <b>21,898.95</b> |
| Aggregate book value of unquoted investments - Gross book value  | 27,939.00        | 22,641.62        |
| Aggregate amount of impairment in value of investments   | 541.00           | 742.67           |

| Particulars  | Principal place<br>of business | Ownership<br>interests | Accounted<br>on |
|--|--------------------------------|------------------------|-----------------|
| Certification Engineers International Limited      | India                          | 100%                   | Stated at cost  |
| TEIL Projects Limited                              | India                          | 50%                    | as per the      |
| Jabal Elliot Co. Ltd.(Dissolved on 14 August 2018) | Saudi Arabia                   | 33.33%                 | provisions of   |
| Ramagundam Fertilizers and Chemicals Limited       | India                          | 26.86%                 | Ind AS 27       |
|  | (Previous year                 |                        | 'Separate       |
|  | 31 March 2018 :                | 36.3202%)              | Financial       |
|  |                                |                        | Statements'     |



(₹ in Lakhs)

| Particulars   | 31 March 2019   | 31 March 2018   |
|---|-----------------|-----------------|
| <b>B Investments - current</b>  |                 |                 |
| <b>Liquid plan of mutual funds (quoted)</b>   |                 |                 |
| IDBI Liquid Fund Nil units(Previous year 31 March 2018: 2,49,572.165 units)             | -               | 2,501.60        |
| - Direct Daily dividend re-investment of ₹1,000 each (31 March 2018: NAV - ₹1,002.3548) |                 |                 |
| UTI Liquid Cash Plan 4,51,857.730 units(Previous year 31 March 2018: Nil units)         | 4,606.44        | -               |
| -Direct Daily dividend re-investment of ₹1,000 each (31 March 2019: NAV - ₹1,019.4457)  |                 |                 |
|   | <b>4,606.44</b> | <b>2,501.60</b> |
| Aggregate book value of quoted investments  | 4,606.44        | 2,501.60        |
| Aggregate market value of quoted investments  | 4,606.44        | 2,501.60        |
| <br><b>Note : 8</b>   |                 |                 |
| <b>A Loans - non-current</b>  |                 |                 |
| <b>(Considered good unless otherwise stated)</b>  |                 |                 |
| <b>Secured</b>  |                 |                 |
| Loans to employees  | 1,770.58        | 1,340.54        |
| <b>Unsecured</b>  |                 |                 |
| Security deposits   | 129.10          | 105.24          |
| Loans to related parties:   |                 |                 |
| Loans to other key managerial personnel   | -               | 3.66            |
| Loans to employees  | 2,088.71        | 1,929.10        |
|   | <b>3,988.39</b> | <b>3,378.54</b> |
| <br><b>B. Loans - current</b>   |                 |                 |
| <b>(Considered good unless otherwise stated)</b>  |                 |                 |
| <b>Secured</b>  |                 |                 |
| Loans to employees  | 268.59          | 236.81          |
| <b>Unsecured</b>  |                 |                 |
| Loans to related parties:   |                 |                 |
| Loans to directors  | 0.10            | -               |
| Loans to other key managerial personnel   | -               | 0.75            |
| Loans to employees  | 615.67          | 608.09          |
| Security deposits   |                 |                 |
| Considered good   | 428.01          | 188.21          |
| Considered doubtful   | 4.23            | 4.23            |
|   | <b>1,316.60</b> | <b>1,038.09</b> |
| Less: Allowance for expected credit losses  | (4.23)          | (4.23)          |
|   | <b>1,312.37</b> | <b>1,033.86</b> |

(₹ in Lakhs)

| Particulars  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
| <b>Note : 9</b>  |                  |                  |
| <b>A Other financial asset - non-current</b>   |                  |                  |
| Bank deposits with maturity more than 12 months  | 38.16            | 85.60            |
|  | <u>38.16</u>     | <u>85.60</u>     |
| The above includes bank deposits ₹ 38.16 lakhs (previous year as at 31 March 2018: ₹ 85.60 lakhs) held as margin money/security against bank guarantees. |                  |                  |
| <b>B Other financial assets - current</b>  |                  |                  |
| <b>(Unsecured, considered good unless otherwise stated)</b>  |                  |                  |
| Retention against contracts  | 7.32             | 596.65           |
| Work-in-progress*  |                  |                  |
| Considered good  | 121.53           | 214.33           |
| Considered doubtful  | 181.36           | 179.56           |
| Unbilled revenue   |                  |                  |
| Considered good  | 42,302.97        | 31,589.06        |
| Considered doubtful  | 144.73           | 51.77            |
| Balances against joint venture entities  | -                | 833.00           |
| Others   |                  |                  |
| Considered good  | 2,013.30         | 2,399.29         |
| Considered doubtful  | -                | 2.40             |
|  | <u>44,771.21</u> | <u>35,866.06</u> |
| Less: Allowance for expected credit losses   | (326.09)         | (233.73)         |
|  | <u>44,445.12</u> | <u>35,632.33</u> |

\*As taken, valued and certified by the management

## Note : 10

### Deferred tax assets (net)

#### Deferred tax assets arising on:

##### Employee benefits:

|  |           |           |
|--|-----------|-----------|
| Provision for leave encashment                                   | 6,538.29  | 5,489.78  |
| Provision for post retirement medical benefits                   | 7,292.91  | 6,863.81  |
| Provision for other benefits on retirement                       | 90.52     | 93.95     |
| Provision for long service awards                                | 34.08     | 210.25    |
| Provision for employee related expenses allowed on payment basis | 505.77    | 4,158.74  |
| Provision for contractual obligations                            | 13,705.51 | 11,641.27 |
| Provision for estimated losses                                   | 355.06    | 130.75    |
| Provision for doubtful debts and advances                        | 3,577.29  | 3,741.07  |
| Others:  |           |           |
| Provision for loss in joint venture                              | 126.03    | 173.01    |
| Amortised cost financial instruments                             | 73.15     | 46.38     |
| Foreign currency translation reserve                             | 0.78      | 3.28      |

#### Deferred tax liabilities arising on:

|              |                  |                  |
|--------------|------------------|------------------|
| Depreciation | (2,607.86)       | (2,262.65)       |
|              | <u>29,691.53</u> | <u>30,289.64</u> |

## Movement in abovementioned deferred tax assets and liabilities

(₹ in Lakhs)

| Particulars                                 | 1 April 2017     | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2018    | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2019    |
|---|------------------|--|--|------------------|--|--|------------------|
| <b>Assets</b>                               |                  |  |  |                  |  |  |                  |
| Employee benefits                           | 16,580.89        | 544.20                                   | (308.56)                                   | 16,816.53        | 275.43                                   | (2,630.39)                                 | 14,461.57        |
| Provision for contractual obligations       | 9,313.21         | -  | 2,328.06                                   | 11,641.27        | -  | 2,064.24                                   | 13,705.51        |
| Provision for estimated losses              | 246.85           | -  | (116.10)                                   | 130.75           | -  | 224.31                                     | 355.06           |
| Trade receivables                           | 2,849.57         | -  | 891.50                                     | 3,741.07         | -  | (163.78)                                   | 3,577.29         |
| Others                                      | 214.72           | (5.95)                                   | 13.90                                      | 222.67           | (2.50)                                   | (20.21)                                    | 199.96           |
| <b>Deferred tax liabilities arising on:</b> |                  |  |  |                  |  |  |                  |
| Depreciation                                | (2,100.22)       | -  | (162.43)                                   | (2,262.65)       | -  | (345.21)                                   | (2,607.86)       |
| Others                                      | (533.05)         | -  | 533.05                                     | -                | -  | -  | -                |
| <b>Total</b>                                | <b>26,571.97</b> | <b>538.25</b>                            | <b>3,179.42</b>                            | <b>30,289.64</b> | <b>272.93</b>                            | <b>(871.04)</b>                            | <b>29,691.53</b> |

(₹ in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 11****Non-current tax assets (net)**

Advance income tax (net of provision for taxation amounting to ₹63,454.05 lakhs (previous year 31 March 2018: Nil)

|                |               |
|----------------|---------------|
| 1705.75        | 101.39        |
| <b>1705.75</b> | <b>101.39</b> |

**Note : 12****A Other non-current assets****(Unsecured, considered good unless otherwise stated)**

|                                  |                 |               |
|----------------------------------|-----------------|---------------|
| Capital advances                 | 60.46           | 189.93        |
| Prepaid expense and rent advance | 997.55          | 782.68        |
|                                  | <b>1,058.01</b> | <b>972.61</b> |

**B. Other current assets****(Unsecured, considered good unless otherwise stated)**

|   |                  |                  |
|---|------------------|------------------|
| Advances to vendors/contractors                 |                  |                  |
| Considered good                                 | 10,840.27        | 10,472.89        |
| Considered doubtful                             | 5.04             | 5.05             |
| Prepaid expenses                                | 610.51           | 501.67           |
| Deposit with statutory authorities              | 4,492.81         | 2,468.92         |
| Assets held for sale (refer note 65)            | 30.82            | 0.44             |
| Claims receivable                               |                  |                  |
| Considered good                                 | 0.60             | 0.60             |
| Considered doubtful                             | 1.79             | 10.05            |
| Advances to employees                           |                  |                  |
| Considered good                                 | 254.60           | 323.61           |
| Considered doubtful                             | 0.08             | 1.36             |
| Other advances                                  | 4.01             | 4.55             |
|   | <b>16,240.53</b> | <b>13,789.14</b> |
| <b>Less: Impairment of non-financial assets</b> | <b>(6.91)</b>    | <b>(16.46)</b>   |
|   | <b>16,233.62</b> | <b>13,772.68</b> |

(₹ in Lakhs)

| Particulars | 31 March<br>2019 | 31 March<br>2018 |
|-------------|------------------|------------------|
|-------------|------------------|------------------|

**Note : 13**
**Inventories**
**(lower of cost or net realizable value)**

Stores, spares and chemicals in hand\*

|               |               |
|---------------|---------------|
| 689.65        | 110.19        |
| <b>689.65</b> | <b>110.19</b> |

\* Includes projects inventory to the tune of ₹ 610.38 lakhs (previous year 31 March 2018: Nil)

**Note : 14**
**Trade receivables**

Trade receivable (Unsecured)

Considered good

Considered doubtful

|                  |                  |
|------------------|------------------|
| 41,414.56        | 54,492.59        |
| 9,910.62         | 10,462.14        |
| <b>51,325.18</b> | <b>64,954.73</b> |
| (9,910.62)       | (10,462.14)      |
| <b>41,414.56</b> | <b>54,492.59</b> |

**Less:** Allowance for expected credit losses

**Note : 15**
**Cash and cash equivalents**

Balances with banks in current account\*

Banks deposits having maturity of less than three months\*\*

Cash and stamps on hand\*

|                  |                 |
|------------------|-----------------|
| 844.80           | 894.98          |
| 20,441.80        | 1,556.60        |
| 9.80             | 4.79            |
| <b>21,296.40</b> | <b>2,456.37</b> |

\* Includes ₹113.36 lakhs(previous year 31 March 2018: ₹ 65.12 lakhs) in currencies which are not repatriable.

\*\* Includes interest accrued on bank deposits ₹ 3.32 lakhs (previous year 31 March 2018: ₹ 0.88 lakhs)

**Note : 16**
**Other bank balances**

Unpaid dividend account

Amount held on behalf of clients

Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below)

|                    |                    |
|--------------------|--------------------|
| 142.41             | 78.56              |
| 3,315.89           | 11,608.99          |
| 2,41,350.86        | 2,33,919.21        |
| <b>2,44,809.16</b> | <b>2,45,606.76</b> |

**Notes:**

- (i) Includes bank deposits having more than twelve months original maturity of ₹ 26,458.80 lakhs (previous year 31 March 2018: ₹ 23,028.41 lakhs)
- (ii) Includes bank deposits Nil (previous year 31 March 2018: ₹ 8,436.46 lakhs) held as margin money/security against bank guarantees.
- (iii) Includes interest accrued on bank deposits ₹ 4,057.32 lakhs (previous year 31 March 2018: ₹ 2,968.54 lakhs)

(₹ in Lakhs)

| Particulars  | 31 March<br>2019    | 31 March<br>2018    |
|--|---------------------|---------------------|
| <b>Note : 17</b>   |                     |                     |
| <b>Equity share capital</b>  |                     |                     |
| <b>Authorised share capital</b>  |                     |                     |
| 800,000,000 (previous year 31 March 2018: 800,000,000) equity shares of par value of ₹ 5 each  | 40,000.00           | 40,000.00           |
|  | <u>40,000.00</u>    | <u>40,000.00</u>    |
| <b>Issued share capital</b>  |                     |                     |
| 631,992,420 (previous year 31 March 2018: 631,992,420 ) equity shares of par value of ₹ 5 each   | 31,599.62           | 31,599.62           |
|  | <u>31,599.62</u>    | <u>31,599.62</u>    |
| <b>Subscribed and paid up</b>  |                     |                     |
| 631,911,420 (previous year 31 March 2018: 631,911,420) equity shares of par value of ₹ 5 each  | 31,595.57           | 31,595.57           |
| <b>Add: Forfeited shares</b>   | 0.01                | 0.01                |
| Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2018: 2,600 equity shares of par value of ₹ 5 each )   |                     |                     |
|  | <u>31,595.58</u>    | <u>31,595.58</u>    |
| <b>a) Reconciliation of shares outstanding at the beginning and at the end of the year</b>   |                     |                     |
| <b>Equity shares</b>   | <b>Number</b>       | <b>Number</b>       |
| Shares outstanding at the beginning of the year  | 63,19,11,420        | 67,38,73,200        |
| Less : buy back of shares during the year  | -                   | 4,19,61,780         |
| Shares outstanding at the end of the year  | <u>63,19,11,420</u> | <u>63,19,11,420</u> |
| <b>b) Details of shareholders holding more than 5% equity shares in the Company</b>  |                     |                     |
| <b>Name of shareholders</b>  | <b>Number</b>       | <b>Number</b>       |
| President of India   | 32,85,63,993        | 32,86,89,731        |
|  | 52.00%              | 52.02%              |
| ICICI Prudential Exports and Services Fund<br>(Previous year 31 March 2018 : ICICI Prudential Value Fund - Series - 1)   | 5,01,72,867         | 3,81,02,586         |
|  | 7.94%               | 6.03%               |
| L And T Mutual Fund Trustee Limited - L and T Conservative Hybrid Fund<br>(Previous Year 31 March 2018: L and T Mutual Fund Trustee Ltd - L and T Monthly Income Plan)   | 3,64,13,315         | 2,53,03,293         |
|  | 5.76%               | 4.00%               |
| <b>c) Other disclosures</b>  |                     |                     |
| Aggregate number of equity shares having par value of ₹ 5 each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date  | 33,69,36,600        | 33,69,36,600        |
| Aggregate number of equity shares having par value of ₹ 5 each has been bought back by way of buy back during the period of five years immediately preceding the Balance sheet date  | 4,19,61,780         | 4,19,61,780         |
| <b>d) Terms and rights attached to equity shares</b>   |                     |                     |
| The Company is having only one class of equity shares having par value of ₹ 5 each. Each Shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding. |                     |                     |

## Note : 18

### Other equity

#### Nature and purpose of other reserves

##### General Reserve

General Reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

##### Capital Redemption Reserve

The Company has Created Capital Redemption Reserve out of free reserves, a sum equal to the nominal value of the shares purchased transferred to the capital redemption reserve account.

##### Retained Earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

##### CSR Activity Reserve

The Company is required to create the CSR Activity Reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of the Companies Act, 2013 and rules made thereunder.

##### Corpus for Medical Benefits for Employees retired prior to 01.01.2007

The Company has created separate corpus of medical benefits to retired employees who have retired prior to 01.01.2007 in terms of DPE guidelines

##### Other Comprehensive Income

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re measurement of defined benefit plans.

(₹ in Lakhs)

| Particulars | 31 March<br>2019 | 31 March<br>2018 |
|-------------|------------------|------------------|
|-------------|------------------|------------------|

## Note : 19

### A Other financial liabilities - non-current

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security deposits and retentions | 389.44        | 650.38        |
|                                  | <b>389.44</b> | <b>650.38</b> |

### B Other financial liabilities - Current

|  |                  |                  |
|--|------------------|------------------|
| Security deposits and retentions                 | 24,379.90        | 19,986.64        |
| Capital creditors                                | 1,319.07         | 1,799.45         |
| Accrued employees benefits                       | 6,387.77         | 7,340.27         |
| Unpaid dividend*                                 | 142.41           | 78.56            |
| Amount held on behalf of clients                 | 3,315.89         | 11,608.99        |
| Other liabilities against joint venture entities | -                | 833.00           |
|  | <b>35,545.04</b> | <b>41,646.91</b> |

\*Excluding amount due for payment to Investor Education And Protection Fund

## Note : 20

### A Provisions - non-current

|   |               |               |
|---|---------------|---------------|
| Employees' post retirement/long-term benefits | 310.77        | 727.91        |
|   | <b>310.77</b> | <b>727.91</b> |

### B Provisions - current

|   |                  |                  |
|---|------------------|------------------|
| Employees' post retirement/long-term benefits | 6,991.11         | 12,740.93        |
| Provision for contractual obligations         | 39,368.14        | 33,460.89        |
| Provision for expected losses                 | 1,016.09         | 374.18           |
| Provision for corporate social responsibility | 235.46           | 90.55            |
|   | <b>47,610.80</b> | <b>46,666.55</b> |



(₹ in Lakhs)

| Particulars  | 31 March<br>2019   | 31 March<br>2018   |
|--|--------------------|--------------------|
| <b>Note : 21</b>   |                    |                    |
| <b>A Other non-current liabilities</b>                     |                    |                    |
| Advances received from clients                             | 119.79             | 845.35             |
| Deferred income  | 31.18              | 15.64              |
|  | <b>150.97</b>      | <b>860.99</b>      |
| <b>B Other current liabilities</b>                         |                    |                    |
| Advances received from clients*                            | 11,650.56          | 3,002.17           |
| Income received in advance                                 | 1,11,832.35        | 88,410.93          |
| Service tax/GST payable                                    | 5,911.90           | 3,991.75           |
| Withholding for employees including employers contribution | 1,510.51           | 2,751.10           |
| Withholding for income taxes                               | 772.36             | 4,396.69           |
| Deferred income  | 48.62              | 65.73              |
| Other liabilities  | 244.52             | 147.74             |
|  | <b>1,31,970.82</b> | <b>1,02,766.11</b> |

\* Includes ₹ 7,114.09 lakhs (previous year 31 March 2018 : Nil)  
received pursuant to the order of Hon'able court against which appeal has been filed by the client.

**Note : 22****Trade payables**

|  |                  |                  |
|--|------------------|------------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note 56)      | 4,406.09         | 959.24           |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 20,350.91        | 20,841.79        |
|  | <b>24,757.00</b> | <b>21,801.03</b> |

**Note : 23****Current tax liabilities (net)**

|   |               |                 |
|---|---------------|-----------------|
| Provision for taxation (net of advance tax amounting to Nil<br>(previous year 31 March 2018: ₹ 56,320.97 lakhs) | 129.47        | 1,124.43        |
|   | <b>129.47</b> | <b>1,124.43</b> |

(₹ in Lakhs)

| Particulars                                    | 31 March<br>2019   | 31 March<br>2018   |
|--|--------------------|--------------------|
| <b>Note : 24</b>                               |                    |                    |
| <b>Revenue from operations</b>                 |                    |                    |
| <b>I Consultancy and engineering services</b>  | <b>1,34,550.11</b> | <b>1,37,375.37</b> |
| Increase/(decrease) in work-in-progress        |                    |                    |
| Closing work-in-progress                       | 302.89             | 393.89             |
| Less: Opening work-in-progress                 | 393.89             | 965.93             |
|  | <b>(91.00)</b>     | <b>(572.04)</b>    |
| <b>Other operating income</b>                  |                    |                    |
| Income under service export from India scheme  | 487.86             | 1,125.90           |
| <b>Sub-total (A)</b>                           | <b>1,34,946.97</b> | <b>1,37,929.23</b> |
| <b>II Turnkey projects</b>                     | <b>1,09,486.88</b> | <b>40,829.02</b>   |
| <b>Increase/(decrease) in work-in-progress</b> |                    |                    |
| Closing work-in-progress                       | -                  | -                  |
| Less: Opening work-in-progress                 | -                  | -                  |
|  | <b>-</b>           | <b>-</b>           |
| <b>Sub-total (B)</b>                           | <b>1,09,486.88</b> | <b>40,829.02</b>   |
| <b>Grand total (A+B)</b>                       | <b>2,44,433.85</b> | <b>1,78,758.25</b> |

**Note : 25**

|   |                  |                  |
|---|------------------|------------------|
| <b>Other income</b>   |                  |                  |
| Interest income   |                  |                  |
| Bank deposits   | 17,111.72        | 12,313.19        |
| Loan to employees   | 328.14           | 298.58           |
| Income-tax refunds  | 62.73            | -                |
| Others  | 184.82           | 193.52           |
| Amortization of deferred income   | 111.71           | 45.73            |
| Dividend income from subsidiary company   | 650.00           | 700.00           |
| Dividend income from current investments  | 331.30           | 1,330.51         |
| Capital gain on redemption of investments in mutual funds   | 1.39             | 27.82            |
| Funds received against research and development (netting off the utilisation)   | -                | -                |
| (31 March 2019: Received ₹ 155.36 lakhs and utilised ₹ 155.36 lakhs and 31 March 2018: Received ₹ 744.01 lakhs and utilised ₹ 744.01 lakhs) |                  |                  |
| Profit on sale of assets  | 2.90             | 5.47             |
| Foreign exchange difference (net)   | 793.23           | 630.80           |
| Rental income   | 2,138.80         | 2,138.30         |
| Miscellaneous income  | 791.35           | 263.15           |
|   | <b>22,508.09</b> | <b>17,947.07</b> |

**Note : 26**

|   |                  |                  |
|---|------------------|------------------|
| <b>Technical assistance/sub contracts</b> | <b>45,093.48</b> | <b>21,210.66</b> |
|---|------------------|------------------|

(₹ in Lakhs)

| Particulars | 31 March<br>2019 | 31 March<br>2018 |
|-------------|------------------|------------------|
|-------------|------------------|------------------|

**Note : 27****Construction materials and equipments**

61,156.60

9,979.83

**Note : 28****Employee benefits expense****Salaries and allowances@**

Staff

62,037.72

62,021.34

Directors

177.27

182.77

**Contribution towards employees pension and provident fund and administration charges thereon**

Staff

4,930.46

4,837.05

Directors

14.29

14.51

**Contribution towards employees defined contributory superannuation scheme**

Staff

5,127.74

2,693.46

Directors

16.36

6.75

**Staff Welfare #**

Staff

2,403.76

2,974.34

Directors

15.68

6.02

**Contribution to gratuity fund (net of contribution received from others)\***

983.70

2,978.66

75,706.98

75,714.90

*@ Salaries and Allowances Includes :**a) Provision for bonus of ₹ 0.32 lakhs (previous year : ₹ 0.32 lakhs).**b) ₹ 4508.63 lakhs (previous year : ₹ 1,825.30 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.**c) ₹ 681.03 lakhs (previous year : Nil) on account of estimated enhanced Gratuity ceiling due to increase in Dearness Allowance in terms of DPE guidelines (refer note no.57)**# Includes expenditure for medical benefits of ₹ 557.34 lakhs (previous year : ₹ 710.81 lakhs) for employees retired prior to 01.1.2007.**\*Includes Term Insurance Premium paid to LIC of India.***Note : 29****Finance cost**

Interest on shortfall in payment of income tax

11.17

12.31

Unwinding of discount on security deposit

111.72

44.90

122.89

57.21

**Note : 30****Depreciation and amortization**

Depreciation on property, plant and equipment

1,707.26

1,861.62

Depreciation of investment property

123.01

129.84

Amortization of other intangible assets

405.68

391.23

2,235.95

2,382.69

(₹ in Lakhs)

| Particulars  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
| <b>Note : 31</b>   |                  |                  |
| <b>Other expenses</b>  |                  |                  |
| <b>A Facilities</b>  |                  |                  |
| Rent expense - office  | 560.69           | 523.66           |
| Rent - residential accommodation   |                  |                  |
| Staff (net of recovery of ₹ 60.07 lakhs (previous year: ₹ 152.83 lakhs))                     | 321.47           | 667.56           |
| Directors (net of recovery of Nil (previous year: ₹ 0.77 lakhs))                             | -                | 3.54             |
| Light, water and power   | 1,302.02         | 1,319.84         |
| Insurance  | 235.76           | 382.22           |
| Miscellaneous repair and maintenance   | 3,585.46         | 3,814.13         |
| Repair and maintenance of own building   | 103.11           | 275.61           |
| Repair and maintenance of plant and machinery  | 437.46           | 348.86           |
| Hire charges of office equipments  | 13.97            | 13.94            |
| <b>Sub total (A)</b>   | <b>6,559.94</b>  | <b>7,349.36</b>  |
| <b>B Corporate costs</b>   |                  |                  |
| Bank charges   | 152.26           | 136.64           |
| Sitting fees to independent directors  | 25.05            | 19.37            |
| Advertisement for tender and recruitment   | 63.21            | 1,072.41         |
| Publicity  | 529.56           | 356.63           |
| Subscription   | 113.26           | 127.84           |
| Entertainment  | 178.94           | 186.65           |
| Remuneration to auditors * :   |                  |                  |
| For Audit  | 12.02            | 10.04            |
| For Tax Audit  | 2.25             | 1.85             |
| Others   | 8.90             | 7.33             |
| Filing fee   | 0.23             | 7.79             |
| Legal and professional charges   | 1,081.28         | 682.82           |
| Licences and taxes   | 441.05           | 462.58           |
| Loss on sale of assets   | 2.31             | 0.58             |
| Fixed assets written off   | 1.06             | 5.74             |
| <b>Sub total (B)</b>   | <b>2,611.38</b>  | <b>3,078.27</b>  |
| <i>* Excluding remuneration for buy back amounting to Nil (previous year : ₹ 1.90 lakhs)</i> |                  |                  |
| <b>C Other costs</b>   |                  |                  |
| Consumables/stores/equipment - R&D Centre  | 16.41            | 19.69            |
| Travel and conveyance  |                  |                  |
| Directors*   | 60.90            | 28.23            |
| Others   | 6,242.72         | 5,941.61         |
| Printing, stationery and general Office supplies   | 417.50           | 409.75           |
| Newspapers and periodicals   | 26.10            | 29.11            |
| Postage and telecommunications   | 480.29           | 482.67           |
| Courier, transportation and handling   | 138.43           | 163.49           |
| Commission to foreign agents   | 176.97           | 186.97           |
| Allowance for expected credit losses - trade receivables and advances (net)                  | (468.70)         | 2,474.44         |
| Bad debts written off  | 79.59            | 55.32            |
| Deposits written off   | 10.65            | 1.86             |

(₹ in Lakhs)

| Particulars   | 31 March 2019    | 31 March 2018    |
|---|------------------|------------------|
| Dry well written off  | 1,542.66         | 1,961.77         |
| Provision for contractual obligations (net)                 | 5,907.25         | 6,403.51         |
| Provision for expected losses (net)                         | 641.91           | (339.10)         |
| (Reversal of impairment)/impairment in value of investments | (201.67)         | 2.23             |
| Loss in Investment in Joint Venture                         | 202.62           | -                |
| Training Expenses   |                  |                  |
| Travel  | 14.93            | -                |
| Others  | 45.16            | 53.73            |
| CSR Expenses (Refer note below)                             | 1,004.37         | 1,474.29         |
| Expenditure relating to oil and gas exploration blocks      | 251.19           | 681.37           |
| Loss on modification of employee advances                   | 29.19            | 6.68             |
| Miscellaneous expenses                                      | 191.67           | 121.32           |
|   | <b>16,810.14</b> | <b>20,158.94</b> |
| <b>Less: Inhouse expenditure relating to</b>                |                  |                  |
| Capital works   | (106.04)         | (36.69)          |
| <b>Sub total (c)</b>  | <b>16,704.10</b> | <b>20,122.25</b> |
| <b>Grand total (A+B+C)</b>                                  | <b>25,875.42</b> | <b>30,549.88</b> |

\*Includes recovery of ₹ 0.80 lakhs on account of use of car (previous year : ₹ 1.31 lakhs)

**Note:**

**Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year 2018-19 -

₹ 981.06 lakhs (previous year: ₹ 916.03 lakhs)

(b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

(₹ in Lakhs)

| Particulars                               |                      | In cash | Yet to be paid in cash | Total  |
|---|----------------------|---------|------------------------|--------|
| (I) Construction/acquisition of any asset | <b>31 March 2019</b> | 315.19  | 9.07                   | 324.26 |
|   | <b>31 March 2018</b> | 609.94  | 27.04                  | 636.98 |
| (ii) On purposes other than (i) above     | <b>31 March 2019</b> | 453.72  | 226.39                 | 680.11 |
|   | <b>31 March 2018</b> | 773.80  | 63.51                  | 837.31 |

(₹ in Lakhs)

| Particulars | 31 March 2019 | 31 March 2018 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 32**
**Income tax**
**Tax expense comprises of:**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Current income tax                  | 19,470.19        | 21,669.47        |
| Earlier years tax adjustments (net) | (597.63)         | 532.86           |
| Deferred tax                        | 871.04           | (3,179.42)       |
|                                     | <b>19,743.60</b> | <b>19,022.91</b> |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (Previous year :34.608%) and the reported tax expense in statement of profit and loss are as follows:

**Statement of profit and loss**

|  |           |           |
|--|-----------|-----------|
| Accounting profit before tax   | 56,750.62 | 56,810.15 |
| At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%) | 19,830.94 | 19,660.86 |

**Adjustments in respect of current income tax**

|  |                  |                  |
|--|------------------|------------------|
| Tax expense on account of joint control operation  | 0.62             | 0.78             |
| Tax impact of exempted income                      | (342.91)         | (702.72)         |
| Tax impact of expenses which will never be allowed | 439.28           | 334.67           |
| Earlier years current tax adjustments (net)        | (597.63)         | 532.86           |
| Earlier years deferred tax adjustments (net)       | 436.80           | (803.80)         |
| Others   | (23.50)          | 0.26             |
|  | <b>19,743.60</b> | <b>19,022.91</b> |

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

**Note : 33**
**Earnings per share (EPS)**

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

During the financial year 2017-18, pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017.

|  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 37,007.02     | 37,787.24     |
| Weighted average number of equity shares                       | 63,19,11,420  | 64,76,61,458  |
| <b>Nominal value per share in ₹</b>                            | <b>5.00</b>   | <b>5.00</b>   |
| <b>Earnings per equity share in ₹</b>                          |               |               |
| Basic  | 5.86          | 5.83          |
| Diluted  | 5.86          | 5.83          |



**Note : 34****(i) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements**

(₹ in Lakhs)

| 31 March 2019                 | Level 1         | Level 2  | Level 3  | Total           |
|-------------------------------|-----------------|----------|----------|-----------------|
| <b>Financial assets</b>       |                 |          |          |                 |
| Liquid plan of mutual funds   | 4,606.44        | -        | -        | 4,606.44        |
| <b>Total financial assets</b> | <b>4,606.44</b> | <b>-</b> | <b>-</b> | <b>4,606.44</b> |

**Financial assets and liabilities measured at fair value – recurring fair value measurements**

(₹ in Lakhs)

| 31 March 2018                 | Level 1         | Level 2  | Level 3  | Total           |
|-------------------------------|-----------------|----------|----------|-----------------|
| <b>Financial assets</b>       |                 |          |          |                 |
| Liquid plan of mutual funds   | 2,501.60        | -        | -        | 2,501.60        |
| <b>Total financial assets</b> | <b>2,501.60</b> | <b>-</b> | <b>-</b> | <b>2,501.60</b> |

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

**Note : 35****Financial instruments****(i) Financial instruments by category**

(₹ in Lakhs)

| Particulars                         | 31 March 2019   |                    | 31 March 2018   |                    |
|-------------------------------------|-----------------|--------------------|-----------------|--------------------|
|                                     | FVTPL           | Amortised cost     | FVTPL           | Amortised cost     |
| <b>Financial assets</b>             |                 |                    |                 |                    |
| Investments - mutual funds          | 4,606.44        | -                  | 2,501.60        | -                  |
| Trade receivables                   | -               | 41,414.56          | -               | 54,492.59          |
| Loans (excluding security deposits) | -               | 4,743.65           | -               | 4,118.95           |
| Other financial assets              | -               | 44,483.28          | -               | 35,717.93          |
| Cash and cash equivalents           | -               | 21,296.40          | -               | 2,456.37           |
| Other bank balances                 | -               | 2,44,809.16        | -               | 2,45,606.76        |
| Security deposits                   | -               | 557.11             | -               | 293.45             |
| <b>Total financial assets</b>       | <b>4,606.44</b> | <b>3,57,304.16</b> | <b>2,501.60</b> | <b>3,42,686.05</b> |
| <b>Financial liabilities</b>        |                 |                    |                 |                    |
| Trade payables                      | -               | 24,757.00          | -               | 21,801.03          |
| Security deposits and retentions    | -               | 24,769.34          | -               | 20,637.02          |
| Other financial liabilities         | -               | 9,846.07           | -               | 19,860.82          |
| Capital creditors                   | -               | 1,319.07           | -               | 1,799.45           |
| <b>Total financial liabilities</b>  | <b>-</b>        | <b>60,691.48</b>   | <b>-</b>        | <b>64,098.32</b>   |

Investment in subsidiaries, associate and joint venture are measured at cost as per Ind AS 27, 'Separate financial statements'.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

## (ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

### (A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

##### i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Asset group          | Basis of categorisation   | Provision for expected credit loss                              |
|----------------------|---|---|
| Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 12 month expected credit loss                                   |
| Moderate credit risk | Trade receivables, loans and other financial assets   | Life time expected credit loss or 12 month expected credit loss |
| High credit risk     | Trade receivables   | Life time expected credit loss or fully provided for            |

In respect of trade receivables, the company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Lakhs)

| Credit rating           | Particulars   | 31 March 2019 | 31 March 2018 |
|-------------------------|---|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 3,57,304.16   | 3,42,686.05   |
| B: Moderate credit risk | Trade receivables, loans and other financial assets   | 3,269.29      | 3,505.35      |
| C: High credit risk     | Trade receivables   | 6,971.65      | 7,194.75      |

ii) *Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in Lakhs)

| Particulars         | 31 March 2019    | 31 March 2018    |
|---------------------|------------------|------------------|
| Chemical Fertilizer | 1,322.70         | 3,509.30         |
| Hydro Carbon        | 43,279.23        | 56,360.98        |
| Infrastructure      | 4,659.04         | 3,684.69         |
| Metallurgy          | 359.60           | 539.38           |
| Power               | 889.12           | 739.37           |
| Others              | 815.49           | 121.01           |
| <b>Total</b>        | <b>51,325.18</b> | <b>64,954.73</b> |

b) **Credit risk exposure**

(i) **Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**31 March 2019**

(₹ in Lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|------------------------|---|
| Cash and cash equivalents           | 21,296.40                                  | -                      | 21,296.40                                   |
| Other bank balances                 | 2,44,809.16                                | -                      | 2,44,809.16                                 |
| Loans (excluding security deposits) | 4,743.65                                   | -                      | 4,743.65                                    |
| Security deposits                   | 561.34                                     | 4.23                   | 557.11                                      |
| Other financial assets              | 44,809.37                                  | 326.09                 | 44,483.28                                   |

**31 March 2018**

(₹ in Lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|------------------------|---|
| Cash and cash equivalents           | 2,456.37                                   | -                      | 2,456.37                                    |
| Other bank balances                 | 2,45,606.76                                | -                      | 2,45,606.76                                 |
| Loans (excluding security deposits) | 4,118.95                                   | -                      | 4,118.95                                    |
| Security deposits                   | 297.68                                     | 4.23                   | 293.45                                      |
| Other financial assets              | 35,951.66                                  | 233.73                 | 35,717.93                                   |

**(ii) Expected credit loss for trade receivables under simplified approach**
**As at 31 March 2019**
**(₹ in Lakhs)**

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 19,127.48   | 6,752.87      | 1,543.52       | 2,061.60       | 1,065.65       | 1,461.12       |
| Expected credit loss (provision)    | 590.96      | 382.12        | 168.27         | 355.66         | 278.02         | 299.31         |
| Carrying amount (net of impairment) | 18,536.52   | 6,370.75      | 1,375.25       | 1,705.94       | 787.63         | 1,161.81       |

| Particulars                         | 540 - 630 days | 630 - 720 days | 720 - 1095 days | >1095 days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 704.94         | 3,252.41       | 4,085.68        | 6,971.65   |
| Expected credit loss (provision)    | 45.24          | 483.30         | 336.09          | 6,971.65   |
| Carrying amount (net of impairment) | 659.70         | 2,769.11       | 3,749.59        | -          |

**As at 31 March 2018**
**(₹ in Lakhs)**

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 24,184.98   | 7,670.30      | 5,036.14       | 7,775.24       | 1,295.89       | 1,227.58       |
| Expected credit loss (provision)    | 733.76      | 453.14        | 473.87         | 446.81         | 147.42         | 209.93         |
| Carrying amount (net of impairment) | 23,451.22   | 7,217.16      | 4,562.27       | 7,328.43       | 1,148.47       | 1,017.65       |

| Particulars                         | 540 - 630 days | 630 - 720 days | 720 - 1095 days | >1095 days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 1,762.68       | 1,590.73       | 2,583.15        | 7,194.75   |
| Expected credit loss (provision)    | 94.08          | 337.12         | 371.26          | 7,194.75   |
| Carrying amount (net of impairment) | 1,668.60       | 1,253.61       | 2,211.89        | -          |

**Reconciliation of loss provision – lifetime expected credit losses**
**(₹ in Lakhs)**

| Reconciliation of loss allowance                    | Security deposits | Other financial assets | Trade receivables |
|---|-------------------|------------------------|-------------------|
| <b>Loss allowance on 1 April 2017</b>               | <b>0.69</b>       | <b>182.23</b>          | <b>8045.21</b>    |
| Impairment loss recognised/reversed during the year | 3.54              | 54.17                  | 2,424.96          |
| Amounts written off                                 | -                 | (2.67)                 | (8.03)            |
| <b>Loss allowance on 31 March 2018</b>              | <b>4.23</b>       | <b>233.73</b>          | <b>10,462.14</b>  |
| Impairment loss recognised/reversed during the year | -                 | 94.76                  | (515.50)          |
| Amounts written off                                 | -                 | (2.40)                 | (36.02)           |
| <b>Loss allowance on 31 March 2019</b>              | <b>4.23</b>       | <b>326.09</b>          | <b>9,910.62</b>   |

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lakhs)

| 31 March 2019                    | Less than 1 year | 1 - 2 years   | More than 2 years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 24,757.00        | -             | -                 | 24,757.00        |
| Security deposits and retentions | 24,393.89        | 289.11        | 168.02            | 24,851.02        |
| Capital creditors                | 1,319.07         | -             | -                 | 1,319.07         |
| Other financial liabilities      | 9,846.07         | -             | -                 | 9,846.07         |
| <b>Total</b>                     | <b>60,316.03</b> | <b>289.11</b> | <b>168.02</b>     | <b>60,773.16</b> |

(₹ in Lakhs)

| 31 March 2018                    | Less than 1 year | 1 - 2 years   | More than 2 years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 21,801.03        | -             | -                 | 21,801.03        |
| Security deposits and retentions | 19,997.33        | 693.54        | 29.40             | 20,720.27        |
| Capital creditors                | 1,799.45         | -             | -                 | 1,799.45         |
| Other financial liabilities      | 19,860.82        | -             | -                 | 19,860.82        |
| <b>Total</b>                     | <b>63,458.63</b> | <b>693.54</b> | <b>29.40</b>      | <b>64,181.57</b> |

**(C) Market risk**

**(i) Foreign exchange risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

**Foreign currency risk exposure:**

(₹ in Lakhs)

| Particulars                                      | Currency | 31 March 2019 | 31 March 2018 |
|--|----------|---------------|---------------|
| Trade payables, security deposits and retentions | AED      | 35.78         | 69.15         |
|  | USD      | 9,391.84      | 9,072.13      |
|  | EURO     | 173.32        | 28.44         |
|  | GBP      | 387.09        | 387.44        |
|  | Others   | 188.57        | 46.65         |
| Trade receivables and security deposits          | AED      | 295.17        | 302.27        |
|  | USD      | 8,154.25      | 13,220.83     |
|  | EURO     | 469.17        | 3,831.93      |
|  | GBP      | 1.36          | 1.38          |
|  | Others   | 138.23        | 96.14         |
| Cash and bank balance                            | AED      | 294.04        | 231.49        |
|  | USD      | 13.75         | -             |
|  | GBP      | 36.94         | 8.23          |
|  | Others   | 119.14        | 89.70         |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

| Particulars                                      | Currency | Exchange rate increase by 1% |               | Exchange rate decrease by 1% |               |
|--|----------|------------------------------|---------------|------------------------------|---------------|
|  |          | 31 March 2019                | 31 March 2018 | 31 March 2019                | 31 March 2018 |
| Trade payables, security deposits and retentions | AED      | 0.36                         | 0.69          | (0.36)                       | (0.69)        |
|  | USD      | 93.92                        | 90.72         | (93.92)                      | (90.72)       |
|  | EURO     | 1.73                         | 0.28          | (1.73)                       | (0.28)        |
|  | GBP      | 3.87                         | 3.87          | (3.87)                       | (3.87)        |
|  | Others   | 1.89                         | 0.47          | (1.89)                       | (0.47)        |
| Trade receivables and deposits                   | AED      | 2.95                         | 3.02          | (2.95)                       | (3.02)        |
|  | USD      | 81.54                        | 132.21        | (81.54)                      | (132.21)      |
|  | EURO     | 4.69                         | 38.32         | (4.69)                       | (38.32)       |
|  | GBP      | 0.01                         | 0.01          | (0.01)                       | (0.01)        |
|  | Others   | 1.38                         | 0.96          | (1.38)                       | (0.96)        |
| Cash and bank balance                            | AED      | 2.94                         | 2.31          | (2.94)                       | (2.31)        |
|  | USD      | 0.14                         | -             | (0.14)                       | -             |
|  | GBP      | 0.37                         | 0.08          | (0.37)                       | (0.08)        |
|  | Others   | 1.19                         | 0.90          | (1.19)                       | (0.90)        |



**(ii) Price risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

*Sensitivity analysis*

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

(₹ in Lakhs)

| Particulars                    | 31 March 2019 | 31 March 2018 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | 138.19        | 75.05         |
| Price decrease by (3 %)- FVTPL | (138.19)      | (75.05)       |

**Note : 36****Capital management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

(₹ in Lakhs)

|                      | 31 March 2019 | 31 March 2018 |
|----------------------|---------------|---------------|
| Equity share capital | 31,595.58     | 31,595.58     |
| Other equity         | 1,95,988.94   | 195,191.69    |

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has nil capital gearing ratio as at 31 March 2019 and 31 March 2018.

**Note : 37****Dividends**

(₹ in Lakhs)

| Nature  | 31 March 2019    | 31 March 2018    |
|---|------------------|------------------|
| <b>Cash dividend on equity shares declared and paid</b>   |                  |                  |
| Final dividend for 31 March 2018 (₹ 1.50 per share) (previous year 31 March 2017: ₹ 0.50 per share) | 9,478.67         | 3,159.69         |
| Dividend distribution tax on final dividend   | 1,876.43         | 571.99           |
| Interim dividend for 31 March 2019 (₹3.25 per share) (previous year 31 March 2018: ₹2.50 per share) | 20,537.12        | 15,797.95        |
| Dividend distribution tax on Interim dividend   | 4,159.80         | 3,144.83         |
| <b>Total</b>  | <b>36,052.02</b> | <b>22,674.46</b> |

(₹ in Lakhs)

| Proposed dividend on equity shares   | 31 March 2019  | 31 March 2018    |
|--|----------------|------------------|
| Proposed Final dividend for 31 March 2019 (₹ 0.75 per share) – (previous year 31 March 2018: ₹ 1.50 per share)   | 4739.34        | 9,478.67         |
| Dividend distribution tax on Proposed dividend   | 902.24         | 1,876.43         |
| <b>Total</b>   | <b>5641.58</b> | <b>11,355.10</b> |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax) |                |                  |

**Note : 38**
**Related party**

| Particulars   | Principal place of business | Ownership interests                                | Accounted on  |
|---|-----------------------------|--|---|
| Certification Engineers International Limited("CEIL")         | India                       | 100%   | Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements' |
| TEIL Projects Limited("TEIL")                                 | India                       | 50%  |   |
| Jabal Elliot Co. Ltd. ("JABAL") – Dissolved on 14 August 2018 | Saudi Arabia                | 33.33%   |   |
| Ramagundam Fertilizers and Chemicals Limited("RFCL")          | India                       | 26.86%<br>(Previous year: 31 March 2018: 36.3202%) |   |

| Sl No. | Name of the Related Party  | Nature of Relationship   |
|--------|--|--|
| 1.     | Certification Engineers International Limited("CEIL")                | Wholly owned subsidiary  |
| 2.     | TEIL Projects Limited ("TEIL")                                       | Joint venture company  |
| 3.     | Jabal Elliot Company Limited ("JABAL") – Dissolved on 14 August 2018 | Joint venture company  |
| 4.     | Ramagundam Fertilizers And Chemicals Limited ("RFCL")                | Joint venture company  |
| 5.     | Petroleum India International ("PII")*                               | Joint operation  |
| 6.     | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8 *     | Joint operation - Participating Interest 20%   |
| 7.     | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 *    | Joint operation - Participating Interest 20%   |
| 8.     | <b>Directors/key management personnel(KMP) (31 March 2019)</b>       |  |
|        | Mr. Jagdish Chander Nakra  | Chairman & Managing Director and CEO   |
|        | Mr. Sandeep Poundrik   | Director (Government Nominee)  |
|        | Mr. Ashish Chatterjee  | Director (Government Nominee) with effect from 26 July 2018                                      |
|        | Mr. Umesh Chandra Pandey   | Non-Official Independent Director  |
|        | Mr. Vikas Khushalero Deshpande                                       | Non-Official Independent Director  |
|        | Dr. (Prof.) Mukesh Khare   | Non-Official Independent Director  |
|        | Mrs. Arusha Vasudev  | Non-Official Independent Director  |
|        | Ms. Shazia Ilmi Malik  | Non-Official Independent Director  |
|        | Mr. Chaman Kumar   | Non-Official Independent Director  |
|        | Mr. Rajesh Kumar Gogna   | Non-Official Independent Director  |
|        | Mr. Vipin Chander Bhandari   | - Director (Human resource)<br>- CFO upto 13 November 2018                                       |
|        | Mr. Rakesh Kumar Sabharwal   | Director (Commercial)  |
|        | Mr. L. K. Vijn   | Director (Technical) with effect from 2 May 2018   |
|        | Mr. Sunil Bhatia   | - Director (Finance) with effect from 18 October 2018<br>- CFO with effect from 13 November 2018 |
|        | Mr. Sanjeev Kumar Handa  | Director (Projects) with effect from 11 March 2019   |
|        | Mr. S.K. Padhi   | Company Secretary with effect from 15 January 2019   |
|        | Mr. Narendra Kumar   | Company Secretary from 9 August 2018 to 15 January 2019  |
|        | Mr. Rajan Kapur  | Company Secretary upto 26 July 2018  |

| SI No. | Name of the Related Party                                      | Nature of Relationship   |
|--------|--|--|
| 9.     | <b>Directors/key management personnel(KMP) (31 March 2018)</b> |  |
|        | Mr. Jagdish Chander Nakra                                      | - Chairman & Managing Director with effect from 12 February 2018 and Additional Charges - Director (Projects), Director (Technical) and Director (Finance) with effect from 13 February 2018<br>- CEO with effect from 12 March 2018 |
|        | Mr. Sanjay Gupta   | Chairman & Managing Director and Additional Charge- Director (Finance) and CEO upto 31 October 2017  |
|        | Mr. Sandeep Poundrik   | Director (Government Nominee)  |
|        | Mr. Umesh Chandra Pandey                                       | Non-Official Independent Director  |
|        | Mr. Vipin Chander Bhandari                                     | Director (Human resource)<br>CFO with effect from 1 July 2017  |
|        | Mr. Rakesh Kumar Sabharwal                                     | Director (Commercial)  |
|        | Mr. Vikas Khushaloro Deshpande                                 | Non-Official Independent Director  |
|        | Dr. (Prof.) Mukesh Khare                                       | Non-Official Independent Director  |
|        | Mrs. Arusha Vasudev  | Non-Official Independent Director  |
|        | Ms. Shazia Ilmi Malik  | Non-Official Independent Director  |
|        | Mr. Chaman Kumar   | Non-Official Independent Director with effect from 8 September 2017  |
|        | Mr. Rajesh Kumar Gogna   | Non-Official Independent Director with effect from 20 September 2017   |
|        | Ms. Sushma Taishete  | Director (Government Nominee) upto 23 November 2017  |
|        | Mr. Ajay N. Deshpande  | Director (Technical) and Additional Charges- Chairman & Managing Director and Director (Finance) upto 31 January 2018  |
|        | Mr. Ram Singh  | Director (Finance) and CFO upto 30 April 2017  |
|        | Mr. Rajan Kapur  | Company Secretary  |

\* These have been accounted for as joint operation in financial statements of the company.

#### Related party transactions

##### Transactions during the year

(₹ in Lakhs)

| Particulars   | Year Ended    | Wholly Owned Subsidiary | Joint Venture Companies |      |       | Joint Operation |               |              | Total    |
|---|---------------|-------------------------|-------------------------|------|-------|-----------------|---------------|--------------|----------|
|   |               | CEIL                    | RFCL                    | TEIL | JABAL | PII             | Block 2010-11 | Block 2010-8 |          |
| Deputation of employees and reimbursement of expenses (at cost) | 31 March 2019 | -                       | 349.19                  | -    | -     | -               | -             | -            | 349.19   |
|   | 31 March 2018 | -                       | 363.30                  | 0.91 | -     | -               | -             | -            | 364.21   |
| Dividend  | 31 March 2019 | 650.00                  | -                       | -    | -     | -               | -             | -            | 650.00   |
|   | 31 March 2018 | 700.00                  | -                       | -    | -     | -               | -             | -            | 700.00   |
| Rendering of services and other transactions                    | 31 March 2019 | 280.45                  | 2,751.54                | -    | -     | -               | -             | -            | 3,031.99 |
|   | 31 March 2018 | 265.00                  | 6,384.84                | -    | -     | -               | -             | -            | 6,649.84 |
| Services and facilities received                                | 31 March 2019 | 1,901.81                | -                       | -    | -     | -               | -             | -            | 1,901.81 |
|   | 31 March 2018 | 1,130.04                | -                       | -    | -     | -               | -             | -            | 1,130.04 |
| Equity contribution   | 31 March 2019 | -                       | 5,500.00                | -    | -     | -               | -             | -            | 5,500.00 |
|   | 31 March 2018 | -                       | 6,525.00                | -    | -     | -               | -             | -            | 6,525.00 |

(₹ in Lakhs)

| Particulars   | Year Ended    | Wholly Owned Subsidiary | Joint Venture Companies |      |          |        | Joint Operation |              |          | Total |
|---|---------------|-------------------------|-------------------------|------|----------|--------|-----------------|--------------|----------|-------|
|   |               | CEIL                    | RFCL                    | TEIL | JABAL    | PII    | Block 2010-11   | Block 2010-8 |          |       |
| Equity /Capital Divestment  | 31 March 2019 | -                       | -                       | -    | -        | 47.51  | -               | -            | 47.51    |       |
|   | 31 March 2018 | -                       | -                       | -    | -        | -      | -               | -            | -        |       |
| (Reversal of Impairment)/<br>impairment in value of<br>investment       | 31 March 2019 | -                       | -                       | 0.95 | (202.62) | -      |                 | -            | (201.67) |       |
|   | 31 March 2018 | -                       | -                       | 2.23 | -        | -      | -               | -            | 2.23     |       |
| Loss in investment in Joint Venture                                     | 31 March 2019 | -                       | -                       | -    | 202.62   | -      | -               | -            | 202.62   |       |
|   | 31 March 2018 | -                       | -                       | -    | -        | -      | -               | -            | -        |       |
| Survey/ capital<br>expenditure, other costs<br>and dry well written off | 31 March 2019 | -                       | -                       | -    | -        | -      | 1,527.69        | 798.72       | 2,326.41 |       |
|   | 31 March 2018 | -                       | -                       | -    | -        | -      | 1,989.72        | 1,696.96     | 3,686.68 |       |
| Share of Income /<br>(Expenses)   | 31 March 2019 | -                       | -                       | -    | -        | 2.24   | -               | -            | 2.24     |       |
|   | 31 March 2018 | -                       | -                       | -    | -        | (2.00) | -               | -            | (2.00)   |       |

**Balances during the year**

(₹ in Lakhs)

| Particulars  | Year Ended    | Wholly Owned Subsidiary | Joint Venture Companies |       |       | Joint Operation |               |              | Total    |
|--|---------------|-------------------------|-------------------------|-------|-------|-----------------|---------------|--------------|----------|
|  |               | CEIL                    | RFCL                    | TEIL  | JABAL | PII             | Block 2010-11 | Block 2010-8 |          |
| Outstanding receivables/ advances paid/prepaid / deposits and other assets | 31 March 2019 | 34.93                   | 63.98                   | 16.29 | -     | 101.51          | 572.72        | 340.86       | 1,130.29 |
|  | 31 March 2018 | 25.02                   | 73.61                   | 19.56 | -     | 146.56          | 543.69        | 249.36       | 1,057.80 |
| Outstanding payable/ retentions  | 31 March 2019 | 391.49                  | -                       | -     | -     | 0.35            | 2.21          | -            | 394.05   |
|  | 31 March 2018 | 309.22                  | -                       | 2.19  | -     | 0.15            | 218.47        | 134.01       | 664.04   |
| Intangible assets under development & PPE                                  | 31 March 2019 | -                       | -                       | -     | -     | -               | 821.87        | 1,019.13     | 1,841.00 |
|  | 31 March 2018 | -                       | -                       | -     | -     | 0.03            | 1,372.40      | 1,478.70     | 2,851.13 |

**Transactions and balances pertaining to KMP's**

(₹ in Lakhs)

| Particulars                                       | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration/sitting fees                         | 301.03        | 269.16        |
| Rent paid for residential accommodation           | -             | 3.54          |
| Interest income on loans given                    | 0.05          | 0.22          |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding loans, interest and other receivables | 0.10          | 4.41          |

**Funded**

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                   |               |                           |               |   |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Total defined benefit obligation                        | 87.16             | 58.95         | 89.25                     | 55.10         | 35.08                                     | 21.82         |

**Unfunded**

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                               |               |   |               |
|---|-------------------------------|---------------|---|---------------|
|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Total defined benefit obligation                        | 0.11                          | 1.50          | 2.11                                    | 1.30          |

**Note : 39****A. Finance leases – lessee**

The Company has taken certain lands on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands have been classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land.

**B. Operating leases – lessee**

- (a) The Company has taken certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 643.59 Lakhs (previous year 31 March 2018: ₹ 1,055.97 Lakhs) has been charged towards these cancellable operating leases.
- (b) The Company has taken certain assets like car, commercial/residential premises etc. on non-cancellable operating leases. The leases carry renewal option to renew lease on with escalation in rent in range of 5-15%. During the year an amount of ₹ 391.83 Lakhs has been charged (previous year 31 March 2018: ₹ 386.46 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

(₹ in Lakhs)

| Particulars                                       | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Within one year                                   | 279.10        | 329.69        |
| Later than one year but not later than five years | 274.19        | 243.90        |
| Later than five years                             | -             | -             |

- (c) The Company has given certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 2,101.95 Lakhs (previous year 31 March 2018: ₹ 2,102.31 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

**Note : 40****A. Contingent Liabilities:**

- a) Claims against the Company not acknowledged as debt.  
Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 15,174.51 Lakhs (previous year 31 March 2018: ₹ 22,794.93 Lakhs).
- b) Income tax/wealth tax assessments have been completed up to the assessment year 2016-17.  
Income Tax Department is in appeal against tax demand of ₹ 1,031.88 Lakhs (including interest) (previous year 31 March 2018: ₹ 893.71 Lakhs (including interest)) with Income Tax Appellate Tribunal, against the Commissioner of Income Tax (Appeals) Orders in Company's favour for various assessment years detailed below:

| Assessment Year | Amount (₹ in lakhs)<br>31 March 2019 | Amount (₹ in lakhs)<br>31 March 2018 |
|-----------------|--------------------------------------|--------------------------------------|
| 2002-03         | 620.84                               | 596.33                               |
| 2004-05         | 213.00                               | 203.87                               |
| 2011-12         | -                                    | 93.51                                |
| 2012-13         | 78.60                                | -                                    |
| 2014-15         | 119.44                               | -                                    |
| <b>Total</b>    | <b>1,031.88</b>                      | <b>893.71</b>                        |

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.70 Lakhs (including interest) (previous year 31 March 2018 : ₹ 0.66 Lakhs (including interest)) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

The Company has filed an appeal against the order of Additional Commissioner (Appeal), Mathura before sales Tax Tribunal, Agra, which has been subsequently transferred to Sales Tax tribunal, Noida, for an amount of ₹ 64.27 Lakhs (including interest) (previous year 31 March 2018: ₹ 62.18 Lakhs (including interest)) on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs (previous year 31 March 2018: ₹ 5.01 Lakhs).

The Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the VAT Assessment Order of Assistant Commissioner (CT) dated 26 June 2018 levying tax of ₹ 219.88 Lakhs (including interest) (previous year 31 March 2018: Nil) for the period April 2014 to June 2017.

The Company has filed a writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 29 July 2016 levying tax of ₹ 3,589.12 Lakhs (including interest) (previous year 31 March 2018: ₹ 3,351.40 Lakhs (including interest)) for the financial year 2009-10.

The Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 28,572.56 Lakhs (including interest) (previous year 31 March 2018: ₹ 26,149.08 Lakhs (including interest)) for the financial year 2010-11.

The Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 25 March 2019 levying tax of ₹ 584.89 Lakhs (including interest) (previous year 31 March 2018: Nil) for the financial year 2013-14.

The Company has filed writ petition before Hon'ble Karnataka High Court against the Proposition Notice issued by Assistant Commissioner of commercial Taxes dated 21 February 2019 for the financial year 2014-15. The Hon'ble Karnataka High Court vide order dated 25 April 2019 issued directions to commercial tax department not to enforce demand order without leave of the court. However the company received demand order dated 30 March 2019 levying tax of ₹ 718.74 Lakhs (including interest) (previous year 31 March 2018: Nil) on 2 May 2019.

In respect of above contingent liabilities, it is not probable to estimate the timing of cash outflow, if any, pending the resolution of Arbitration/Appellate/Court/assessment proceedings.

#### B. Commitments:

- Property, plant and equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 428.73 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2018: ₹ 1,461.58 Lakhs).
- The Company's estimated share in work programmes committed under production sharing contract and Field development plan in respect of oil & gas exploration blocks as on 31 March 2019 is ₹ 3,942.94 Lakhs (previous year 31 March 2018: ₹ 5,638.08 Lakhs).

#### Note : 41

- Guarantees issued by the banks and outstanding as on 31 March, 2019: ₹ 97,081.66 Lakhs (previous year 31 March 2018: ₹ 88,033.98 Lakhs), against which a provision of ₹ 30,135.35 Lakhs (previous year 31 March 2018: ₹ 25,606.38 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- Letter of credit outstanding as on 31 March, 2019: ₹ 477.90 Lakhs (previous year 31 March 2018: ₹ 1,296.85 Lakhs).
- Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2019: ₹ 19,917.97 Lakhs (previous year 31 March 2018: ₹ 15,009.04 Lakhs).



**Note : 42****Land and buildings**

- i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2018: ₹ 0.07 Lakhs) being amount invested as share money in Cooperative Housing Societies as detailed below:

|  |   |
|--|---|
| Twintowers Premises Cooperative Society Limited, Mumbai          | 10 ordinary shares of ₹ 50 each fully paid. |
| Gardenview Premises Cooperative Society Limited, Mumbai          | 10 ordinary shares of ₹ 50 each fully paid. |
| Heera Panna Towers Cooperative Housing Society Limited, Vadodara | 10 ordinary shares of ₹ 50 each fully paid. |
| Suflam Cooperative Housing Society Limited, Ahmedabad            | 8 ordinary shares of ₹ 250 each fully paid  |
| Darshan Co-operative Society Limited, Vadodara                   | 80 ordinary shares of ₹ 50 each fully paid  |

- ii) For the following Land and Buildings, title deed/property card/mutations etc is yet to be executed in the favour of the company:

(₹ in Lakhs)

| Particulars  | 31 March 2019 |       | 31 March 2018 |       |
|--|---------------|-------|---------------|-------|
|  | Cost          | WDV   | Cost          | WDV   |
| (a) Four Flats at Naranpura, Ahmedabad               | 10.31         | 3.30  | 10.31         | 3.54  |
| (b) Land at Memnagar, Ahmedabad                      | 69.21         | 53.10 | 69.21         | 54.69 |
| (c) Two Flats at Viman Nagar, Pune                   | 8.45          | 2.84  | 8.45          | 3.04  |
| (d) Eighty Four Flats at Gokuldham Goregaon, Mumbai* | 238.19        | 32.38 | 238.19        | 38.09 |
| (e) Six Flats in Andheri East, Mumbai                | 9.93          | 0.16  | 9.93          | 0.40  |
| (f) One Floor at CBD Belapur, Navi Mumbai            | 101.68        | 37.34 | 101.68        | 39.78 |

The fees for property card/mutation etc. for above properties, being not ascertainable has not been provided for.

\* Out of above properties, one of the properties, at S. No. ii (d) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldham, Goregaon (East), Mumbai. Around 4,400 square meter of area only is in the Company's possession. The Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as property, plant and equipment and partially as investment property

**Note : 43**
**Useful life of assets**

i) The useful life and depreciation rates for fixed assets in terms of the Accounting Policy defined are as below :

| Sl. No. | Particulars                     | Rates (%age)  | Useful Life (Years)   | Sl. No. | Particulars  | Rates (%age) | Useful Life (Years) |
|---------|---------------------------------|---|---|---------|--|--------------|---------------------|
| 1.      | <b>Land Freehold</b>            | Nil   | Perpetual   | 4.      | <b>Plant and Machinery</b>                                       |              |                     |
| 2.      | <b>Land Leasehold</b>           | Over a lease period except for perpetual lease Nil percentage | Over a lease period except for perpetual lease Nil percentage |         | Plant and Machinery  | 8.0          | 12                  |
| 3.      | <b>Building</b>                 |   |   |         | Laboratory Equipment   | 9.6          | 10                  |
|         | Office Building                 | 2.4   | 40  |         | Storage Tank   | 6.0          | 16                  |
|         | R&D Centre, Gurgaon             | 4.0   | 24  | 5.      | <b>Furniture and Fixtures, Office and Construction Equipment</b> |              |                     |
|         | Window/Split AC                 | 15.84   | 6   |         | Furniture and Fixtures   | 9.6          | 10                  |
|         | AC Central Plant                | 6.5   | 15  |         | Chairs   | 16.0         | 6                   |
|         | Lifts                           | 6.5   | 15  |         | Office Equipment   | 19.2         | 5                   |
|         | Electric Power Sub Station      | 9.6   | 10  |         | Construction Equipment   | 12.0         | 8                   |
|         | Invertors                       | 19.2  | 5   |         |  |              |                     |
|         | Solar photovoltaic modules      | 9.6   | 10  | 6.      | <b>Computer Software/ Hardware</b>                               |              |                     |
|         | Solar power conditioning system | 9.6   | 10  |         | PC/Laptop/Printer  | 32.43        | 3                   |
|         | Tube well and Pumps             | 19  | 5   |         | Server, LAN and Networking Components                            | 19.45        | 5                   |
|         | Fire Alarm System               | 6.52  | 15  |         | Projector, video   | 19.20        | 5                   |
|         | Fire Fighting System            | 9.5   | 10  |         | Conference Equipments  |              |                     |
|         | Chilling Plant                  | 9.6   | 10  |         | Software*  | 33.33        | 3                   |
|         | Rain Harvesting System          | 19.20   | 5   | 7.      | <b>Vehicles</b>  | 13.75        | 7                   |
|         | Building Management System      | 6.5   | 15  | 8.      | <b>Library Books</b>   | 100          | 1                   |
|         | Hydraulic Access Control System | 6.5   | 15  |         |  |              |                     |
|         | Roads                           | 9.6   | 10  |         |  |              |                     |
|         | External Lighting               | 9.6   | 10  |         |  |              |                     |

\* Software individually costing up to ₹ 5.00 Lakhs is fully amortized during the year of its acquisition.

ii) The Capital work in progress comprises cost of Property Plant and Equipment that are not yet ready for their intended use at the balance sheet date, the details of which are as under :

(₹ in Lakhs)

| Particulars   | 31 March 2019   | 31 March 2018   |
|---|-----------------|-----------------|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date | 3,366.97        | 2,340.79        |
| <b>Total</b>  | <b>3,366.97</b> | <b>2,340.79</b> |

**Note : 44**

The details of revenue are as below:

(₹ in Lakhs)

| Particulars             | 31 March 2019 | 31 March 2018 |
|-------------------------|---------------|---------------|
| Revenue from Operations | 2,44,433.85   | 1,78,758.25   |
| Other Income            | 22,508.09     | 17,947.07     |
| Total Revenue           | 2,66,941.94   | 1,96,705.32   |

**Note : 45****Disaggregate revenue**

The table below presents disaggregated revenues from contracts with customers disaggregated by nature of services and primary geographical region. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

(₹ in Lakhs)

| Particulars                            | 31 March 2019      | 31 March 2018      |
|--|--------------------|--------------------|
| <b>Revenue by nature of services</b>   |                    |                    |
| Consultancy and engineering projects   | 1,34,946.97        | 1,37,929.23        |
| Turnkey projects                       | 1,09,486.88        | 40,829.02          |
| <b>Total</b>                           | <b>2,44,433.85</b> | <b>1,78,758.25</b> |
| <b>Revenues by geographical region</b> |                    |                    |
| India                                  | 2,26,449.10        | 1,56,174.30        |
| Nigeria                                | 11,362.72          | 13,262.59          |
| United Arab Emirates (UAE)             | 1,068.35           | 1,283.97           |
| Algeria                                | 2,320.37           | 3,653.28           |
| Oman                                   | 1,028.43           | 1,783.48           |
| Others                                 | 2,204.88           | 2,600.63           |
| <b>Total</b>                           | <b>2,44,433.85</b> | <b>1,78,758.25</b> |

**Trade receivables and Contract Balances**

The following table provides information about Trade receivable, Contract assets and Contract Liabilities from Contract with Customers:

(₹ in Lakhs)

| Particulars  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Trade Receivables (Note No. 14) – Net of Allowance for expected credit losses                    | 41,414.56     | 54,492.59     |
| Contract Assets ( Unbilled Revenue) (Note No. 9 B) – Net of Allowance for expected credit losses | 42,302.97     | 31,589.06     |
| Contract Liabilities ( Income Received in Advance) (Note No. 21 B)                               | 1,11,832.35   | 88,410.93     |

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Trade receivable and unbilled revenue are presented net of impairment in the Balance Sheet.

Revenues in excess of Invoicing is recorded as unbilled revenue (contract assets) and is classified as a financial asset. Revenue recognition for Lump sum services and Turnkey contracts is based on percentage of completion method based on cost progress. Invoicing to the clients is based on milestones as defined in the contract. Revenue from Cost plus and rate plus jobs are recognized when the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Invoicing in excess of earnings are classified as Income received in advance (contract liabilities) and is classified as other current liabilities.

During the year ended March 31, 2019, ₹ 20,215.90 Lakhs of Contract assets (unbilled revenue) as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2019, the company recognized revenue of ₹55,308.00 Lakhs arising from opening Contract liabilities (Income Received in Advance) as of April 1, 2018.

During the year ended March 31, 2019, the company recognized revenue of ₹ 345.34 Lakhs from obligations satisfied in previous periods.

#### Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Performance obligation estimates are subject to change and are affected by several factors, including termination, changes in the scope of work, adjustment for revenue that has not materialized, and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2019 is ₹ 11,18,864.00 Lakhs. Out of this, the Company expects to recognize revenue of around 26% within the next one year and the remaining thereafter.

The revenue recognised with the contracted price is as follows:

| (₹ in Lakhs)   |                    |
|--|--------------------|
| Particulars  | 31 March 2019      |
| <b>Contracted price</b>                              | 2,50,382.20        |
| Reduction towards variable consideration components* | 5,948.35           |
| <b>Revenue recognised</b>                            | <b>2,44,433.85</b> |

\* The reduction towards variable consideration comprises of price reduction.

#### Types of warranties and related obligations

The company is executing consultancy and engineering services and turnkey contracts. The company is providing provision for estimated liabilities on account of guarantees and warranties etc. in respect of consultancy and engineering services and turnkey contracts executed by the Company. The said obligation covers performance as well as defect liability period defined in the respective contracts.

For turnkey contracts, the estimated liability on account of contractual obligations is provided at 1% of revenue recognized based on risk assessment made by the management. For consultancy and engineering services contracts the estimated liability on account of contractual obligations is provided as per assessment of probable liability made by the management based on liability clauses in respective contracts

### Note : 46

#### Brief description of the Company's joint ventures

##### a) TEIL Projects Limited ('TEIL')

A joint venture with Tata Projects Limited was formed in the financial year 2008-09 for pursuing projects on engineering procurement and construction basis (EPC Projects) in selected sectors such as oil and gas, fertilizers, steel, railways, power and infrastructure.

TEIL has been formed in this regard having its Registered Office at New Delhi has an Authorized capital of ₹ 1,500 Lakhs (Previous year 31 March 2018: ₹ 1,500 lakhs) and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2018: ₹ 1,100 lakhs).

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00 lakhs (previous year: 31 March 2018 ₹ 550.00 lakhs) are held by the Company, being 50% of paid-up capital of TEIL.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

Till 31 March 2018, the Company's share of negative 'other equity' of ₹ 540.05 Lakhs has been accounted for as impairment in value of investment.

During the current financial year 2018-19, based on liquidator statement, TEIL had a net loss of ₹ 1.90 Lakhs. The Company's share of loss of ₹ 0.95 Lakhs has been recorded as impairment in value of investments.

##### b) Jabal Elliot Company Limited ('Jabal')

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure and Engineering Services Limited, Mumbai was formed during the financial year 2011-12 for execution of contracts in Saudi Arabia in the field of oil and gas, non-ferrous metallurgy, infrastructure projects etc.

The joint venture company namely "Jabal Elliot Company Limited" was registered with Dammam Commercial registry, Kingdom of Saudi Arabia. Jabal was formed for pursuing its business interests has an initial capital of SR. 15,000,000, out of which one third i.e. SR. 5,000,000 (Equivalent Indian ₹ 599.00 Lakhs) was contributed by the Company as its share.

Till 31 March, 2017, Jabal had incurred losses to the tune of SR 5,388,789, of which the Company's share of SR 1,669,470 (equivalent Indian ₹ 202.62 Lakhs at historical conversion rate) which has been accounted for as impairment in value of investment in Company's financial statements.

Despite all around efforts, Jabal could not secure any EPC business (except one small order of engineering) due to extremely challenging environment coupled with the preconditions of deployment of large work force in KSA to secure business.

In the absence of any business and to arrest further losses of capital the JV partners decided to dissolve Jabal and accordingly the Board of Directors of the Company in their meeting held on 30 January 2015 passed the resolution to initiate action for dissolution and liquidation of Jabal.

During the current financial year the joint venture company Jabal Elliot Company Limited was formally liquidated and licence was cancelled on 14 August 2018. In view of process of dissolution, the part capital of SR 3,308,713.33 (equivalent ₹ 549.85 Lakhs) had already been repatriated in earlier years.

**c) Ramagundam Fertilizers and Chemicals Limited ('RFCL')**

The Company has, along with National Fertilizers Limited (NFL) and Fertilizer Corporation of India Limited (FCIL) incorporated a joint venture for setting up and operation of a gas based urea and ammonia complex in February 2015 namely Ramagundam Fertilizers and Chemicals Limited ('RFCL') having registered office in Delhi.

The Company has Authorized share capital of ₹ 150,000 Lakhs consisting 15,000 Lakhs equity shares of face value of ₹ 10 each.

The Shareholding of the Company, on commencement of commercial production of the project shall be in the following proportion:

National Fertilizers Limited (NFL): 26%

Engineers India Limited (EIL): 26%

The Fertilizer Corporation of India Limited (FCIL): 11%

State Government of Telangana: 11%

GAIL (India) Limited: 14.30%

HT Ramagundam: 3.90%

Danish Agribusiness Fund: 3.90%

IFU: 3.90%

Shareholding of 11% by FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of usable assets and other items on the land at Ramagundam to the Company.

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the company in regard to facility area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to RFCL.

In terms of Shareholders agreement (SHA), FCIL is to be issued equity shares equal to 11% of equity portion of the capital expenditure of the project at the time of commencement of commercial production of the project. The estimated equity portion towards project cost on the date of execution of lease deed was ₹ 1,31,357.00 Lakhs. Therefore, RFCL's estimated issuance of equity shares of ₹ 14,449.27 Lakhs (11% of ₹ 1,31,357.00 Lakhs) in a phased manner at par value as a consideration towards award of right and concession to RFCL.

RFCL has allotted equity shares 2,32,70,135 share ( ₹ 2,327.01 Lakhs) (Previous year: 9,25,16,291 shares of ₹ 9,251.63 Lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

The paid up capital by Joint Venture Partners as on 31 March 2019 is as under:

(in Lakhs)

| Shareholder                   | 31 March 2019                                 |                       | 31 March 2018                                 |                       |
|-------------------------------|---|-----------------------|---|-----------------------|
|                               | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital |
| EIL                           | 2,736.90                                      | ₹ 27,369.00           | 2,186.90                                      | ₹ 21,869.00           |
| NFL                           | 2,736.90                                      | ₹ 27,369.00           | 2,186.90                                      | ₹ 21,869.00           |
| FCIL                          | 1,157.96                                      | ₹ 11,579.64           | 925.26  | ₹ 9,252.63            |
| State Government of Telangana | 821.16  | ₹ 8,211.58            | 722.10  | ₹ 7,221.00            |
| GAIL (India) Limited          | 1,505.30                                      | ₹ 15,052.95           | -   | -                     |
| Others                        | 1,231.60                                      | ₹ 12,316.05           | -   | -                     |
| <b>Total</b>                  | <b>10,189.82</b>                              | <b>₹ 1,01,898.22</b>  | <b>6,021.16</b>                               | <b>₹ 60,211.63</b>    |

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

| Particulars   | 31 March 2019      | 31 March 2018      |
|---|--------------------|--------------------|
| Cash and cash equivalents   | 14,628.01          | 277.09             |
| Other Current assets  | 10,826.48          | 1,303.92           |
| <b>Total Current assets (A)</b>   | <b>25,454.49</b>   | <b>1,581.01</b>    |
| <b>Non-current assets (B)</b>   | <b>3,88,648.68</b> | <b>191,915.42</b>  |
| Current financial liabilities (excluding trade payables and provisions)     | 4,209.31           | 5,688.56           |
| Trade payables and provisions   | 20,430.49          | 16,515.13          |
| Other Current liabilities   | 327.17             | 476.42             |
| <b>Total Current liabilities (C)</b>  | <b>24,966.97</b>   | <b>22,680.11</b>   |
| Non current financial liabilities (excluding trade payables and provisions) | 2,86,700.20        | 1,10,451.92        |
| Other Non current liabilities   | 2,427.10           | 593.64             |
| <b>Total Non-current liabilities (D)</b>                                    | <b>2,89,127.30</b> | <b>1,11,045.56</b> |
| <b>Net assets (A+B-C-D)</b>   | <b>1,00,008.90</b> | <b>59,770.76</b>   |

Summarised Statement of profit and loss

(₹ in Lakhs)

| Particulars                             | 31 March 2019     | 31 March 2018 |
|---|-------------------|---------------|
| Interest income                         | 230.47            | 152.47        |
| Other income                            | 277.44            | 39.58         |
| <b>Total revenue (A)</b>                | <b>507.91</b>     | <b>192.05</b> |
| Other expense                           | 1,764.07          | 195.61        |
| <b>Total expenses (B)</b>               | <b>1,764.07</b>   | <b>195.61</b> |
| Profit before tax (C = A-B)             | (1,256.16)        | (3.56)        |
| Tax expense (D)                         | -                 | -             |
| <b>Loss for the year (E = C-D)</b>      | <b>(1,256.16)</b> | <b>(3.56)</b> |
| Other comprehensive income (F)          | -                 | -             |
| <b>Total comprehensive income (E-F)</b> | <b>(1,256.16)</b> | <b>(3.56)</b> |

## Note : 47

### Employee benefits

#### Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

(₹ in Lakhs)

| Particulars   | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 4,944.75      | 4,851.56      |
| Employees Defined Contributory Superannuation Scheme            | 5,144.10      | 2,700.21      |

In respect of Provident Fund, the Company has a separate irrevocable PF Trust, managing the Provident Fund accumulation of employees. In this regard, Actuarial valuation as on 31 March, 2019 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to interest rate guarantee by the Company towards Provident Fund. In terms of said valuation the Company has no liability towards interest rate guarantee as on 31 March 2019 and 31 March 2018.



**Defined Benefit Plan**

Company is having the following Defined Benefit Plans:

- Gratuity (Funded)
- Leave encashment (Funded)
- Post-Retirement Medical Benefits (Funded)
- Long Service Awards (Unfunded)
- Other benefits on Retirement (Unfunded)

**Risks associated with plan provisions**

Risks associated with the plan provisions are actuarial risks. These risks are: (i) Investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

|                                    |   |
|------------------------------------|---|
| Investment risk                    | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.   |
| Interest risk (discount rate risk) | A decrease in the bond interest rate (discount rate) will increase the plan liability.  |
| Mortality risk                     | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table.<br>A change in mortality rate will have a bearing on the plan's liability.   |
| Salary risk                        | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.  |
| Medical expense inflation risk     | The present value of the defined benefit plan liability is calculated with the assumption of medical expense inflation increase rate of plan participants in future. Deviation in the rate of increase of medical expense inflation in future for plan participants from the rate of increase in medical expense used to determine the present value of obligation will have a bearing on the plan's liability. |
| Cash allowance variation risk      | The present value of the defined benefit plan liability is calculated with the assumption of cash allowance inflation increase rate of plan participants in future. Deviation in the rate of increase of cash allowance in future for plan participants from the rate of increase in cash allowance used to determine the present value of obligation will have a bearing on the plan's liability.              |

**Disclosures related to funded obligations****a) The amounts recognized in the balance sheet**

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |                 |
|--|-------------------|-----------------|---------------------------|-----------------|---|-----------------|
|  | 31 March 2019     | 31 March 2018   | 31 March 2019             | 31 March 2018   | 31 March 2019                             | 31 March 2018   |
| Present value of obligations as at the end of year       | 20,527.63         | 20,698.36       | 18,710.62                 | 15,710.21       | 20,870.11                                 | 19,642.27       |
| Fair value of plan assets as at the end of the year      | 20,124.00         | 11,887.44       | 14,201.86                 | 13,884.63       | 19,518.21                                 | 17,680.45       |
| Funded status  | (403.63)          | (8,810.92)      | (4,508.76)                | (1,825.58)      | (1,351.90)                                | (1,961.82)      |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>403.63</b>     | <b>8,810.92</b> | <b>4,508.76</b>           | <b>1,825.58</b> | <b>1,351.90</b>                           | <b>1,961.82</b> |

**b) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |               |
|--|-------------------|-----------------|---------------------------|-----------------|---|---------------|
|  | 31 March 2019     | 31 March 2018   | 31 March 2019             | 31 March 2018   | 31 March 2019                             | 31 March 2018 |
| Current service cost                                       | 1,356.31          | 1,377.07        | 3,944.79                  | 2,745.44        | 404.64                                    | 393.93        |
| Past service cost  | -                 | -               | -                         | -               | -   | (318.54)      |
| Interest cost on defined benefit obligation                | 1,593.77          | 1,557.17        | 1,209.69                  | 1,485.35        | 1,512.46                                  | 1,303.78      |
| Interest income on plan assets                             | (915.33)          | (857.70)        | (1,069.12)                | (1,251.29)      | (1,361.40)                                | (936.89)      |
| Re-measurements  | -                 | -               | 423.27                    | (1,154.20)      | -   | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>2,034.75</b>   | <b>2,076.54</b> | <b>4,508.63</b>           | <b>1,825.30</b> | <b>555.70</b>                             | <b>442.28</b> |

**c) Expenses recognized in Other comprehensive income**

(₹ in Lakhs)

|  | Gratuity (funded) |                   | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |                 |
|--|-------------------|-------------------|---------------------------|---------------|---|-----------------|
|  | 31 March 2019     | 31 March 2018     | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018   |
| Return on plan assets                                    | (285.77)          | (26.81)           | -                         | -             | (100.90)                                  | (280.44)        |
| Actuarial (gains)/loss                                   | (237.77)          | (2,135.36)        | -                         | -             | 896.93                                    | 1,799.92        |
| <b>Expenses recognized in other comprehensive income</b> | <b>(523.54)</b>   | <b>(2,162.17)</b> | <b>-</b>                  | <b>-</b>      | <b>796.03</b>                             | <b>1,519.48</b> |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

(₹ in Lakhs)

|   | Gratuity (funded) |                  | Leave encashment (funded) |                  | Post-retirement medical benefits (funded) |                  |
|---|-------------------|------------------|---------------------------|------------------|---|------------------|
|   | 31 March 2019     | 31 March 2018    | 31 March 2019             | 31 March 2018    | 31 March 2019                             | 31 March 2018    |
| Present value of obligations as at beginning of year  | 20,698.36         | 21,042.81        | 15,710.21                 | 20,072.27        | 19,642.27                                 | 17,618.70        |
| Interest cost   | 1,593.77          | 1,557.17         | 1,209.69                  | 1,485.35         | 1,512.46                                  | 1,303.78         |
| Current service cost                                  | 1,356.31          | 1,377.07         | 3,944.79                  | 2,745.44         | 404.64                                    | 393.93           |
| Actuarial (gains)/losses arising from                 |                   |                  |                           |                  |   |                  |
| Changes in demographic assumptions                    | -                 | -                | -                         | -                | -   | -                |
| Changes in financial assumptions                      | 159.85            | (482.93)         | 92.60                     | (231.81)         | 266.13                                    | 331.17           |
| Experience adjustments                                | (397.61)          | (1,652.43)       | 334.65                    | (904.79)         | 630.80                                    | 1,468.75         |
| Past service cost                                     | -                 | -                | -                         | -                | -   | (318.54)         |
| Benefits paid   | (2,883.05)        | (1,143.33)       | (2,581.32)                | (7,456.25)       | (1,586.19)                                | (1,155.52)       |
| <b>Present value of obligations as at end of year</b> | <b>20,527.63</b>  | <b>20,698.36</b> | <b>18,710.62</b>          | <b>15,710.21</b> | <b>20,870.11</b>                          | <b>19,642.27</b> |

## e) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in Lakhs)

|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Fair value of plan assets as on beginning of year   | 11,887.44         | 11,590.58     | 13,884.63                 | 16,909.34     | 17,680.45                                 | 12,660.71     |
| Interest income   | 915.33            | 857.70        | 1,069.12                  | 1,251.29      | 1,361.40                                  | 936.89        |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense | 285.77            | 26.81         | 3.98                      | 17.59         | 100.90                                    | 280.44        |
| Contributions from the employer   | 9,918.51          | 555.68        | 1,825.45                  | 3,162.66      | 1,961.65                                  | 4,957.93      |
| Benefits paid   | (2,883.05)        | (1,143.33)    | (2,581.32)                | (7,456.25)    | (1,586.19)                                | (1,155.52)    |
| Fair value of plan assets at the end of year  | 20,124.00         | 11,887.44     | 14,201.86                 | 13,884.63     | 19,518.21                                 | 17,680.45     |

## f) Actuarial Assumptions

|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Discount rate                           | 7.60%             | 7.70%         | 7.60%                     | 7.70%         | 7.60%                                     | 7.70%         |
| Expected rate of future salary increase | 9.00%             | 9.00%         | 9.00%                     | 9.00%         | -   | -             |
| Increase in compensation levels         | -                 | -             | -                         | -             | 8.50%                                     | 8.50%         |
| Retirement age                          | 60 years          | 60 years      | 60 years                  | 60 years      | -   | -             |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

## g) Maturity profile of defined benefit obligation

(₹ in Lakhs)

|  | Gratuity (funded) |                  | Leave encashment (funded) |                  | Post-retirement medical benefits (funded) |                  |
|--|-------------------|------------------|---------------------------|------------------|---|------------------|
|  | 31 March 2019     | 31 March 2018    | 31 March 2019             | 31 March 2018    | 31 March 2019                             | 31 March 2018    |
| Weighted average of the defined benefit obligation         | 15 years          | 14 years         |                           |                  |   |                  |
| Duration of defined benefit obligation<br>Duration (years) |                   |                  |                           |                  |   |                  |
| 1  | 2,752.18          | 2,890.39         | 2,605.03                  | 2,888.94         | 1,152.47                                  | 976.11           |
| 2  | 2,158.06          | 2,378.44         | 2,082.69                  | 2,316.70         | 1,083.32                                  | 972.78           |
| 3  | 1,459.76          | 1,912.35         | 1,430.89                  | 1,884.76         | 1,028.88                                  | 958.92           |
| 4  | 1,440.23          | 1,273.10         | 1,323.05                  | 1,340.38         | 962.13                                    | 948.49           |
| 5  | 1,316.47          | 1,255.79         | 1,136.97                  | 1,215.29         | 900.15                                    | 906.68           |
| Above 5  | 11,400.93         | 10,988.29        | 10,131.99                 | 6,064.14         | 15,743.16                                 | 14,879.29        |
| <b>Total</b>   | <b>20,527.63</b>  | <b>20,698.36</b> | <b>18,710.62</b>          | <b>15,710.21</b> | <b>20,870.11</b>                          | <b>19,642.27</b> |
| Duration of defined benefit payments<br>Duration (years)   |                   |                  |                           |                  |   |                  |
| 1  | 2,854.84          | 2,999.61         | 2,702.21                  | 2,998.10         | 1,195.46                                  | 1,013.00         |
| 2  | 2,408.70          | 2,658.37         | 2,324.57                  | 2,589.37         | 1,209.14                                  | 1,087.27         |
| 3  | 1,753.13          | 2,302.01         | 1,718.45                  | 2,268.80         | 1,235.65                                  | 1,154.31         |
| 4  | 1,861.13          | 1,650.51         | 1,709.70                  | 1,737.73         | 1,243.30                                  | 1,229.66         |
| 5  | 1,830.48          | 1,753.43         | 1,580.90                  | 1,696.88         | 1,251.61                                  | 1,265.98         |
| Above 5  | 35,412.75         | 35,300.01        | 20,301.68                 | 14,091.57        | 89,215.56                                 | 86,426.98        |
| <b>Total</b>   | <b>46,121.03</b>  | <b>46,663.94</b> | <b>30,337.51</b>          | <b>25,382.45</b> | <b>95,350.72</b>                          | <b>92,177.20</b> |

#### h) Major Categories of Plan Assets (as percentage of total plan assets)

|                         | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|-------------------------|-------------------|---------------|---------------------------|---------------|---|---------------|
|                         | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Fund managed by insurer | 100%              | 100%          | 100%                      | 100%          | 100%                                      | 100%          |

#### i) Sensitivity analysis

(₹ in Lakhs)

| Sensitivity analysis in respect of gratuity |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars                                 | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate        | +/-1%                | +/-1%         | 1,743.40                               | 1,703.27      | 1,494.68                               | 1,458.17      |
| Expected rate of future salary increase     | +/-1%                | +/-1%         | 303.97                                 | 331.64        | 350.77                                 | 381.77        |

(₹ in Lakhs)

| Sensitivity analysis in respect of leave encashment |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                | +/-1%                | +/-1%         | 983.15                                 | 802.76        | 883.76                                 | 722.27        |
| Expected rate of future salary increase             | +/-1%                | +/-1%         | 960.53                                 | 785.07        | 880.65                                 | 720.36        |

(₹ in Lakhs)

| Sensitivity analysis in respect of post-retirement medical benefits |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                                | +/-1%                | +/-1%         | 3,034.18                               | 2,863.96      | 2,412.40                               | 2,279.93      |
| Expected rate of future salary increase                             | +/-1%                | +/-1%         | 2,603.31                               | 2,474.58      | 2,086.81                               | 1,987.16      |

**\*Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (f) above, where assumptions for prior period are given.

## Disclosures related to unfunded obligations

## a) The amounts recognized in the balance sheet

(₹ in Lakhs)

|  | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|---------------|---|---------------|
|  | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Present value of obligations as at the end of year | 97.52                         | 601.67        | 259.04                                  | 268.85        |
| Funded status                                      | (97.52)                       | (601.67)      | (259.04)                                | (268.85)      |
| Net (asset)/liability recognized in balance sheet  | 97.52                         | 601.67        | 259.04                                  | 268.85        |

## b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Current service cost                                | 8.16                          | 38.30         | 13.15                                   | 13.43         |
| Past Service Cost                                   | (495.76)                      | -             | -                                       | -             |
| Interest cost                                       | 46.33                         | 46.35         | 20.70                                   | 20.70         |
| Re-measurements                                     | (51.59)                       | 9.51          | -                                       | -             |
| Expenses recognized in statement of profit and loss | (492.86)                      | 94.16         | 33.85                                   | 34.13         |

## c) Expenses recognized in other comprehensive income

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Return on plan assets                             | -                             | -             | -                                       | -             |
| Actuarial (gains)/losses                          | -                             | -             | (7.82)                                  | (6.17)        |
| Expenses recognized in other comprehensive income | -                             | -             | (7.82)                                  | (6.17)        |

## d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Present value of obligations as at beginning of year        | 601.67                        | 626.31        | 268.85                                  | 279.68        |
| Interest cost   | 46.33                         | 46.35         | 20.70                                   | 20.70         |
| Current service cost  | 8.16                          | 38.30         | 13.15                                   | 13.43         |
| Actuarial (gains)/losses arising from                       |                               |               |   |               |
| Changes in demographic assumptions                          | -                             | -             | -                                       | -             |
| Changes in financial assumptions                            | 0.56                          | (10.29)       | 1.96                                    | (5.88)        |
| Experience adjustments                                      | (52.15)                       | 19.80         | (9.78)                                  | (0.29)        |
| Past service cost, including losses/(gains) on Curtailments | (495.76)                      | -             | -                                       | -             |
| Benefits paid   | (11.29)                       | (118.80)      | (35.84)                                 | (38.79)       |
| Present value of obligations as at end of year              | 97.52                         | 601.67        | 259.04                                  | 268.85        |

**e) Actuarial Assumptions**

|                                 | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---------------------------------|-------------------------------|---------------|---|---------------|
|                                 | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Discount rate                   | 7.60%                         | 7.70%         | 7.60%                                   | 7.70%         |
| Increase in compensation levels | -                             | -             | 5.00%                                   | 5.00%         |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08).

**f) Maturity profile of defined benefit obligation**

(₹ in Lakhs)

|  | Long service award (unfunded) |                | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|----------------|---|---------------|
|  | 31 March 2019                 | 31 March 2018  | 31 March 2019                           | 31 March 2018 |
| Weighted average of the defined benefit obligation |                               |                |   |               |
| Duration of defined benefit obligation             |                               |                |   |               |
| Duration (years)                                   |                               |                |   |               |
| 1  | 7.46                          | 101.01         | 38.34                                   | 41.60         |
| 2  | 7.31                          | 65.64          | 30.14                                   | 33.67         |
| 3  | 8.44                          | 51.46          | 17.15                                   | 27.38         |
| 4  | 14.27                         | 46.75          | 18.54                                   | 15.44         |
| 5  | 13.26                         | 56.58          | 17.36                                   | 16.53         |
| Above 5  | 46.78                         | 280.23         | 137.51                                  | 134.23        |
| <b>Total</b>                                       | <b>97.52</b>                  | <b>601.67</b>  | <b>259.04</b>                           | <b>268.85</b> |
| Duration of defined benefit payments               |                               |                |   |               |
| Duration (years)                                   |                               |                |   |               |
| 1  | 7.58                          | 104.82         | 39.77                                   | 43.18         |
| 2  | 8.04                          | 73.37          | 33.65                                   | 37.63         |
| 3  | 10.03                         | 61.94          | 20.59                                   | 32.95         |
| 4  | 18.28                         | 60.61          | 23.96                                   | 20.01         |
| 5  | 18.35                         | 79.00          | 24.14                                   | 23.08         |
| Above 5  | 104.41                        | 675.26         | 435.16                                  | 427.38        |
| <b>Total</b>                                       | <b>166.69</b>                 | <b>1055.00</b> | <b>577.27</b>                           | <b>584.23</b> |

**g) Sensitivity analysis**

(₹ in Lakhs)

| Sensitivity analysis in respect of long service award |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                  | +/-1%                | +/-1%         | 5.98                                   | 35.77         | 5.39                                   | 31.82         |



(₹ in Lakhs)

| Sensitivity analysis in respect of other benefits of retirement |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                            | +/-1%                | +/-1%         | 21.40                                  | 20.75         | 18.31                                  | 17.79         |
| Expected rate of future salary increase                         | +/-1%                | +/-1%         | 21.75                                  | 21.11         | 18.89                                  | 18.37         |

**\*Changes in Defined benefit obligation due to 1 % Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (e) above, where assumptions for prior period, if applicable, are given.

#### Note : 48

The wage revision in respect of Board level and below Board level executives applicable w.e.f. 01.01.2017 has been implemented in financial year 2017-18. For unionized staff, wage revision liability has been provided for on estimated basis in the books of accounts.

#### Note : 49

The Company has entered into Production Sharing Contracts with Government of India along with other partners for Exploration and Production of Oil and Gas. The Company is a non-operator and is having following participating interest in the ventures. The Company would share Expense/Income/Assets/Liabilities of the ventures on the basis of its percentage in the production sharing contracts. The detail of the Company's interest in blocks is as under:

| Block No.      | Participating Interest |
|----------------|------------------------|
| CB-ONN-2010/11 | 20%                    |
| CB-ONN-2010/08 | 20%                    |

Based on audited financial statements of Block No. CB-ONN-2010/08 and unaudited available information for CB-ONN-2010/11 the revenue expenditure and capital expenditure has been accounted for in financial statements is as follows:-

(₹ in Lakhs)

| Particular          | 31 March 2019 | 31 March 2018 |
|---------------------|---------------|---------------|
| Revenue expenditure | 251.19        | 681.37        |
| Drywell written off | 1,542.66      | 1,961.77      |
| Capital expenditure | 532.56        | 1,043.54      |

In Block No. CB-ONN-2010/08 and CB-ONN-2010/11 one of the consortium members has defaulted in its obligation towards cash calls. In accordance with joint operating agreement the lead operator has raised default cash calls and as such proportionate share amounting to ₹ 865.11 Lakhs (previous year 31 March 2018 : ₹ 791.40 Lakhs) in respect of same has been paid and accounted for as other current asset.

**Note : 50**
**Segment reporting**

In line with Indian Accounting Standard (Ind AS108) "Operating Segments", the Company has (segmented) identified its business activity into two business segment i.e. Consultancy and Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segments. Segment results are given below:

(₹ in Lakhs)

| Particulars                          | 31 March 2019      | 31 March 2018      |
|--------------------------------------|--------------------|--------------------|
| <b>Segment revenue</b>               |                    |                    |
| Consultancy and engineering projects | 1,34,946.97        | 137,929.23         |
| Turnkey projects                     | 1,09,486.88        | 40,829.02          |
| <b>Total</b>                         | <b>2,44,433.85</b> | <b>178,758.25</b>  |
| <b>Segment profit</b>                |                    |                    |
| Consultancy and engineering projects | 38,938.00          | 43,026.97          |
| Turnkey projects                     | 6,278.82           | 7,536.97           |
| <b>Total (a)</b>                     | <b>45,216.82</b>   | <b>50,563.94</b>   |
| Interest                             | 122.89             | 57.21              |
| Other un-allocable expenditure*      | 10,851.40          | 11,643.65          |
| <b>Total (b)</b>                     | <b>10,974.29</b>   | <b>11,700.86</b>   |
| <b>Other income (c)</b>              | <b>22,508.09</b>   | <b>17,947.07</b>   |
| <b>Profit before tax (a-b+c)</b>     | <b>56,750.62</b>   | <b>56,810.15</b>   |
| <b>Income tax expense</b>            | <b>19,743.60</b>   | <b>19,022.91</b>   |
| <b>Profit for the year</b>           | <b>37,007.02</b>   | <b>37,787.24</b>   |
| <b>Capital employed**</b>            | <b>2,27,584.52</b> | <b>2,26,787.27</b> |

\* Includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹ 1,793.85 Lakhs ( previous year : ₹ 2,643.14 Lakhs).

\*\* Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

**Geographical information with respect to segment revenue**

(₹ in Lakhs)

| Country Name               | Consultancy and engineering projects |                    | Turnkey projects   |                  |
|----------------------------|--------------------------------------|--------------------|--------------------|------------------|
|                            | 31 March 2019                        | 31 March 2018      | 31 March 2019      | 31 March 2018    |
| India                      | 1,16,962.22                          | 1,15,345.28        | 1,09,486.88        | 40,829.02        |
| Nigeria                    | 11,362.72                            | 13,262.59          | -                  | -                |
| United Arab Emirates (UAE) | 1,068.35                             | 1,283.97           | -                  | -                |
| Algeria                    | 2,320.37                             | 3,653.28           | -                  | -                |
| Oman                       | 1,028.43                             | 1,783.48           | -                  | -                |
| Others                     | 2,204.88                             | 2,600.63           | -                  | -                |
| <b>Total</b>               | <b>1,34,946.97</b>                   | <b>1,37,929.23</b> | <b>1,09,486.88</b> | <b>40,829.02</b> |

**Segment revenue with major customers**

During the year 31 March 2019, ₹ 52,719.57 Lakhs (previous year 31 March 2018: ₹ 42,387.44 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from three (previous year 31 March 2018: two) customers.

During the year 31 March 2019, ₹ 1,01,233.16 Lakhs (previous year 31 March 2018: ₹ 37,959.27 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from two (previous year 31 March 2018: three) customers.

**Note : 51**

The financial year 2017-18 includes variation orders / settlement of price reduction in Consultancy & Engineering Projects and Turnkey Projects. The cumulative impact for year ended 31 March 2018 was ₹ 10,759.64 Lakhs and ₹ 10,262.92 Lakhs on Turnover and Operating profit respectively.

**Note : 52**

The Company in the month of April 2016 terminated a contract; consequent to receipt of findings of investigating agency that certificate submitted by the contractor for qualifying the contract was bogus. The facts in this regard including lodging of claim, subsequent to termination of contract had been disclosed in the annual account of the previous financial years 2015-16, 2016-17 and 2017-18.

Subsequent to the termination of contract, the company is completing the project at the risk and cost of contractor in terms of provisions of the contract. In the previous year the contractor had gone into arbitration and had submitted arbitration notice and as such Arbitral Tribunal had been constituted. Contractor had filed its statement of claim amounting to ₹ 40,960.75 Lakhs. EIL had also filed its reply along with its counter claim and application to implead the parent company of contractor, decision on which was pending with the Arbitral Tribunal. Meanwhile, during the current year a third party creditor of the contractor has filed an application with NCLT under Insolvency and Bankruptcy Code (IBC) and Insolvency Resolution Professional (IRP) has been appointed and hence arbitration proceedings have been stayed sine die. EIL has filed its claim against the contractor with the IRP. The management does not consider any possible obligation on this account requiring future probable outflow of resources of the company.

**Note : 53****Disclosure relating to AOP**

The Company is having investment in Petroleum India International (PII), an Association of Person (AOP). PII, since financial year 2010-11 has ceased its business activities and is in the process of dissolution.

The process of dissolution is not completed.

Since, the dissolution of PII is not completed, Management Committee of PII in their 57th Meeting held on 18 February 2016 at BPCL, Mumbai decided to return all monies forthwith except for retaining some amount to the members of PII. It was also decided that in case there is subsequent demand received, the members shall return the money in proportion to their share. It was also decided that corpus fund of PII shall be restored to ₹ 5.00 Lakhs per member being original seed capital at the time of formation of PII.

During the year Company has received ₹ 47.51 Lakhs as its share out of total amount of ₹ 500.01 Lakhs distributed to its members. Due to above decision, company has till date received an amount of ₹ 1,397.51 Lakhs (Previous Year 31 March 2018: ₹ 1,350.00 Lakhs) as its share out of total amount of ₹ 14,636.01 Lakhs (Previous Year 31 March 2018: ₹ 14,136.00 Lakhs) distributed to its members.

**Note : 54**

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, contingent liabilities and contingent assets", the requisite disclosures are as under:

The movement in provisions are as under:

(₹ in Lakhs)

| S No. | Particulars                          | Class of provision      |                  |                 |               |
|-------|--------------------------------------|-------------------------|------------------|-----------------|---------------|
|       |                                      | Contractual obligations |                  | Expected losses |               |
|       |                                      | 31 March 2019           | 31 March 2018    | 31 March 2019   | 31 March 2018 |
| 1     | Opening balance                      | 33,460.89               | 27,057.38        | 374.18          | 713.28        |
| 2     | Additional provision during the year | 10,345.03               | 8,773.02         | 769.27          | 257.04        |
| 3     | Provision used during the year       | 9.95                    | -                | 127.36          | 401.39        |
| 4     | Provision reversed during the year   | 4,427.83                | 2,369.51         | -               | 194.75        |
| 5     | <b>Closing balance</b>               | <b>39,368.14</b>        | <b>33,460.89</b> | <b>1,016.09</b> | <b>374.18</b> |

Nature of provision

**a) Contractual Obligations :**

Contractual obligations represent provision for estimated liabilities on account of guarantees and warranties etc. in respect of consultancy and engineering services and turnkey contracts executed by the Company. The said obligation covers performance as well as defect liability period defined in the respective contracts.

For turnkey contracts, the estimated liability on account of contractual obligations is provided at 1% of revenue recognized based on risk assessment made by the management. For consultancy and engineering services contracts the estimated liability on account of contractual obligations is provided as per assessment of probable liability made by the management based on liability clauses in respective contracts.

**b) Expected Losses :**

For each contracts, at reporting date, total contract cost and total contract revenue are estimated. In respect of contracts, where it is probable that total estimated contract cost will exceed the estimated total contract revenue, the expected loss is recognised as an expense in the statement of Profit and Loss.

**c) The disclosure in respect of contingent liabilities is given as per note no. 40.**

**Note : 55**

Details of loans given, investment made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

**a) Loans given- Nil**

**b) Investments done are given in the joint venture note. No. 7.**

**Note : 56**

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the company is given below:

(₹ in Lakhs)

| S.No. | Particulars   | 31 March 2019 | 31 March 2018 |
|-------|---|---------------|---------------|
| i     | Amount due and payable at the year end  |               |               |
|       | - Principal   | 4,406.09      | 959.24        |
|       | - Interest on above Principal   | -             | -             |
| ii    | The amount of interest paid along with the amounts of the payment after the due date    | -             | -             |
| iii   | The amount interest due and payable for principals already paid                         | -             | -             |
| iv    | The amount of interest accrued and remaining unpaid at the year end                     | -             | -             |
| v     | The amount of interest which is due and payable which is carried forward from last year | -             | -             |

**Note : 57**

In terms of DPE Guidelines, on increase of Dearness allowance to the tune of 50%, the gratuity ceiling shall enhance by 25%. Superannuation benefits which includes Gratuity, Post-Superannuation Medical Scheme, Provident Fund and Defined Contribution Superannuation Scheme are to be met from 30% of Basic pay plus Dearness allowance. The company has recognised the proportionate increase in gratuity ceiling corresponding to Dearness allowance as on 31 March 2019 based on actuarial valuation. To the extent of the impact of such an increase of ₹ 681.03 Lakhs, the corresponding Defined Contribution Superannuation Scheme to the employees has been reduced to met the Superannuation benefits within 30% of Basic Pay plus Dearness allowance as per DPE Guidelines.

**Note – 58**

Remuneration to Chairman and Managing Director and full time Directors are as per their appointment letters from the Ministry of Petroleum and Natural Gas, Government of India, New Delhi. They are also allowed to use the staff car for private journeys up to a ceiling of 1000 kms per month.

**Note – 59**

The statement of profit and loss account includes research and development expenditure of ₹ 1,852.84 Lakhs (previous year 31 March 2018: ₹ 1,323.22 Lakhs).

**Note – 60**

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) "Impairment of Assets".

**Note – 61**

The working capital and non-fund based facilities from banks are secured by hypothecation of stocks, book debts and other current assets of the Company, both present and future.

**Note – 62**

For lump-sum services and turnkey contracts, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction schedules for delay as on reporting date are assessed by the management and relied upon by the auditors.

**Note – 63**

The balances of trade receivables, loans and advances, customer's advances, retention money, security deposits receivable/payable and trade payables are subject to confirmation and reconciliation.

**Note – 64**

Government of India, has sold 1,25,738 equity shares of the company to BHARAT 22 ETF. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 52.02 % to 52.00%.

**Note – 65**

During the year, the Company proposed to sale its old obsolete computers ('Assets'). The outstanding balance has been classified as Assets held for sale.

**Note – 66**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to the figures of the current year.

**For Arun K Agarwal and Associates**

Chartered accountants

FRN No. 003917N

**For and on behalf of Engineers India Limited**

Sd/-

Arun Kumar Agarwal

**Partner**

Membership No.082899

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN: AHYPP2198P

Sd/-

R P Batra

**C.G.M. [F&A]**

PAN: AHPPB4262M

Sd/-

Sunil Bhatia

**Director [Finance]**

**& CFO**

DIN: 08259936

Sd/-

J C Nakra

**Chairman & Managing Director & CEO**

DIN: 07676468

**Place:** New Delhi

**Date:** 17 May, 2019





## Comments of the Comptroller and Auditor General of India Under Section 143(6)(B) of the Companies Act, 2013 on the Financial Statements of Engineers India Limited for the year ended 31 March, 2019

The preparation of financial statements of Engineers India Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 17 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Engineers India Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(Prachi Pandey)

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-II  
New Delhi

Place: New Delhi  
Date: 23.07.2019



## Directors' Report

To

The Shareholders,

Certification Engineers International Limited

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report on the performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2019 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

### PERFORMANCE DURING THE FINANCIAL YEAR 2018-19

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

The overall financial performance for the financial year 2018-19 is highlighted below: (₹ in Lakhs)

| RESULTS OF OPERATIONS  | For the year ended 31.3.2019 | For the year ended 31.3.2018 |
|--|------------------------------|------------------------------|
| <b>Income from services rendered</b><br>(including adjustment of work-in-progress) | <b>5291.40</b>               | <b>5029.16</b>               |
| <b>Expenditure</b>   | <b>4380.52</b>               | <b>3642.08</b>               |
| Operating profit   | 910.88                       | 1387.08                      |
| Other Income   | 409.92                       | 409.89                       |
| <b>Profit before Tax</b>   | <b>1320.80</b>               | <b>1796.97</b>               |
| Provision for Taxation (incl. earlier years)                                       |                              |                              |
| Current Tax  | 407.57                       | 592.81                       |
| Deferred Tax   | (-) 22.63                    | (-) 40.89                    |
| <b>Profit after Tax</b>  | <b>935.86</b>                | <b>1245.05</b>               |
| Other Comprehensive Income (Net of Taxes)  | 6.57                         | 6.52                         |
| <b>Total Comprehensive Income</b>  | <b>942.43</b>                | <b>1251.57</b>               |

### DIVIDEND

The Board of Directors of the Company have recommended for the financial year 2018-19, a final dividend of ₹ 350 Lakhs (9,00,000 equity shares of ₹ 100/- per share) in addition to ₹ 300 Lakhs (1,00,000 equity shares of ₹ 100/- per share) interim dividend already paid during the year. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result into total dividend outflow of ₹ 650.00 Lakhs and dividend distribution tax of ₹ 133.61 Lakhs aggregating to total outflow of ₹ 783.61 Lakhs.

### CHANGES IN SHARE CAPITAL

The Memorandum and Articles of Association of the Company were amended with the approval of the Shareholders in January, 2019 in order to enable the Company for issue of Bonus shares.

During the year, the Authorized Share Capital of the Company was increased from ₹ 2 Crores (2,00,000 Equity Shares of ₹ 100/- each) to ₹ 12 Crores (12,00,000 Equity Shares of ₹ 100/- each). Your Company issued bonus shares in the ratio of 8:1 in January, 2019. Consequently, the paid-up share capital increased from ₹ 1 Crore to ₹ 9 Crores (8,00,000 equity shares of ₹ 100/- each).

### OPERATIONAL HIGHLIGHTS

During the year under review, your Company has provided its services on the following major assignments and achieved considerable progress-

#### Offshore Certification

- Oil & Natural Gas Corporation Limited(ONGC)  
Certification & Third party Inspection Services for Sagar Samrat Conversion Project (SSCP), Sagar Pragati Conversion Project(SPCON), Daman Development Project (DDP), Life extension of well platform project (Tender I & II)

#### Infrastructure

Third Party Inspection Services for

- Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC) and Rajkot Municipal Corporation (RMC)- TPI services for Infrastructure works for these corporations.
- Rajkot Urban Development Authority (RUDA)  
– Infrastructure Project of (RUDA)/ RMC.
- Third Party Quality Audits for Cantonment Boards at Pune, Delhi, Amritsar, Ahmedabad, Firozpur, Dehradun, Kasauli, Khadki and Dehu Road.
- Third Party Inspection Services for Sardar Sarovar  
Narmada Nigam Ltd (SSNNL)

#### Pipelines

Gujarat State Petronet Limited (GSPL) – TPI services for various Pipeline Project viz :

- GITL : Barmer- Pali, Palanpur – Pali, Jalandhar – Amritsar Pipelines
- MBBVPL Phase I – RFCL Connectivity
- Vendor Assessment services for Gujarat State Petronet Limited/Gujarat Gas Limited/ GSPL India Gasnet Limited
- GAIL – Third Party Inspection at steel source or mills for GITL
- GSPL – TPI for Gana Compressor Project

#### Refineries & Petrochemicals

- BPCL – TPI and Expediting Services for BPCL – GTU Mumbai Refinery
- BORL – Expediting services
- HPCL - TPI services for O & M Group

- Technimont / KTI – Inspection services for HGU project at HPCL Mumbai
- Heurtey Petrochem – Third Party Inspection services at Ramagundam site
- BPCL – LPG Import terminal Haldia
- IOCL – TPI for Construction / Modernization of Marketing Terminal, Madurai & Tuticorin
- HMEL – Specialized NDT Inspection services at Bhatinda site.
- Deepak Phenolic : Third Party quality Audits
- Opal : Construction Quality Supervision services for its units at Dahej
- VTV : TPI at HPCL site and Dahej works (for Dangote Refinery)

#### Safety Audits

During the year, Emergency Response Disaster Management Plan (ERDMP) Certification Audit done for:

- Adani Gas Limited CGD Network in Ahmedabad and Vadodara. Also, Pipeline Integrity Management System (IMS) Certification Audit done for:
- Natural gas pipeline network of GAIL(India) Limited, HVJ Pipeline, NCR Region, Kochi- Kottanad- Bangalore- Mangalore Phase - I pipeline, Ramgarh Region, Regional Pipeline Network Gujarat region, Maharashtra Region pipeline network
- CGD Network of Indraprastha Gas Limited in NCR region
- Prestart Safety Review of Gana Compressor station GSPL
- Fit For Purpose Certification of Natural Gas Grid Network pipeline of GSPL, Gujarat Approx 1200 KM

#### T4S Audit were undertaken for:

- TNGCL CGD Network in Agartala

#### Miscellaneous TPI services were provided for:

- Special Protection Group (SPG): Third Party Inspection of residential cum trailing complex for SPG at Dwarka, New Delhi
- Jindal Saw: Third Party Inspection of Pipes
- NLC – Third Party Inspection of Conveyor Belts

#### Railways

##### Following major assignments were undertaken during the year:

- Konkan Railway Corporation Limited (KRCL) – Quality Assurance Services for Udhamapura- Shrinagar-Baramulla Rail Link (USBRL) Project
- Dedicated Freight Corridor Corporation (DFCC) – Inspection of steel web girder bridges for western corridor
- Maithon Power Limited – Inspection of steel web girder bridges for projects in Jharkhand

#### Steel

In this segment, services were provided for

- Rashtriya Ispat Nigam Limited (RINL) for TPI and Capacity assessment works.

#### Smart Cities

- Pune Smart City Development Corporation Limited (PSCDCL) – Third Party Quality Audits and Site Quality Control Inspection

#### Technical Services

- Technical Services were also provided to EIL for its various ongoing projects

The following major TPI/ Certification/ Quality Assurance/ ERDMP/ Safety Audit etc. assignments were secured during the year :

- Dedicated Freight Corridor Corporation (DFCC) – Inspection of Steel web Girder Bridges for Western Corridor
- Pune Smart City Development Corporation Limited (PSCDCL) – Third party Quality audits and site quality control inspection
- VMC, SMC & RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- Technimont / KTI – Third Party Inspection services for HGU project at HPCL Mumbai Refinery
- Sardar Sarovar Narmada Nigam Ltd (SSNNL) – Third Party Inspection for underground pipeline
- BPCL – Expediting services for GTU project at Mumbai Refinery
- HPCL - Third Party inspection services for O&M Group of Mumbai Refinery
- OPaL – Construction supervision and quality control for Offsites and utilities
- GSPL / GITL – Third Party Inspection of various pipeline projects
- Fit For Purpose Certification Natural Gas Pipeline Grid Network, Gujarat State Petronet Limited (GSPL), Gujarat Approx 1500 KM
- Pre-Startup Safety Review audit of Gana Compressor Station Gujarat State Petronet Limited (GSPL).
- T4S Audit of Tripura Natural Gas Company Limited (TNGCL) CGD Network-Agartala.
- IMS Audit of Indraprastha Gas Limited (IGL) CGD Network in NCR & NCT
- External Safety Audit Natural Gas Pipeline Network, GSPL
- Fit For Purpose Certification of 22 no. intrafield pipeline of Mangala, Bhagyam, Aishwarya, Raageshwari field, Vedanta Limited -Cairn Oil & Gas
- ERDMP Certification of Torrent Power Limited DGEN Mega Power Plant dedicated gas pipeline from PLL Dahej to DGEN Power plant Dahej SEZ.
- Orders for Third Party Inspection Services through Public Health Engineering Department (PHED), Jammu & Kashmir, Mechanical Engineering Department, Govt of J&K, Srinagar, Irrigation Department, UP, Lucknow

#### SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint ventures or associate Company. Further the names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year are NIL.

#### DIRECTORS

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company:

- Shri O.P.Mishra was appointed as Additional (Non-official Independent) Director w.e.f. 24.07.2018 in terms of Ministry of



Petroleum & Natural Gas, Government of India, letter no.C 31033/2/2018-CA(22758) dated 24.07.2018.

- Shri Umesh Chandra Pandey ceased to be Non-official Independent Director of the Company w.e.f. 20.11.2018 due to completion of tenure of his appointment and in absence of any further orders of the Government.
- Dr. (Prof.) Mukesh Khare ceased to be Non-official Independent Director of the Company w.e.f. 20.11.2018 due to completion of tenure of his appointment and in absence of any further orders of the Government.
- Shri Sunil Bhatia, Director(Finance), EIL was appointed as Additional (Part-time) Director of the Company w.e.f. 17.05.2019 in place of Shri S. K. Handa.

Pursuant to the provisions of Companies Act, 2013, Shri O.P.Mishra, Non-official Independent Director and Shri Sunil Bhatia, Part-time Director who were appointed as Additional Director(s) shall vacate their office at the ensuing Annual General Meeting. Further, the Board recommends their appointment.

In accordance with the provisions of the Companies Act, 2013, Shri R.Mahajan, Part-time Director shall retire by rotation, at the ensuing Annual General Meeting of the Company, and being eligible, has offered himself for reappointment. Brief resume of the Directors seeking appointment/reappointment together with the nature of their expertise in specific functional areas, disclosures of relationships between Directors inter-se, names of companies in which they hold directorships and the memberships/chairmanships of Committees of the Board along with their shareholding in the Company etc. pursuant to the statutory requirements are given in the Annexure to Notice of 24<sup>th</sup> Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Shri Umesh Chandra Pandey, Dr. (Prof.) Mukesh Khare and Shri S. K. Handa during their tenure as Director(s) of the Company.

#### **Key Managerial Personnel**

Ms. Jaya Totlani was appointed as the Company Secretary of the Company w.e.f. 23<sup>rd</sup> May, 2018. Further, Shri G.D.Goswami was appointed as Chief Financial Officer (CFO) of the Company w.e.f.12<sup>th</sup> April, 2019.

#### **Change in Chief Executive Officer**

During the year under review, Shri G.Suresh has assumed the charge of Chief Executive Officer(CEO) of the Company w.e.f. 1<sup>st</sup> February, 2019 consequent to the superannuation of Shri S. D. Kherdekar on 31.01.2019.

The Board placed on record its appreciation for the valuable services rendered by Shri S. D. Kherdekar.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met 4 times during the financial year 2018-19, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013 and DPE Guidelines on Corporate Governance. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

#### **Management Discussion & Analysis Report**

Management Discussion and Analysis Report for the year under review, as stipulated under DPE Guidelines, is annexed to this Report.

#### **RISK MANAGEMENT**

CEIL's Risk management policy with a robust supporting risk management structure and framework facilitates identification and assessment of new risks and review of already identified risks. The process is based on identified risks and risk events or factors which require regular assessment and quick response. Based on the probability and impact of risk, the requisite controls and mitigation action plans have been designed and implemented for risk treatment.

The objective of risk management in the Company is to act as an enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution within budgeted cost, time and quality, resulting in improved turnover and profitability.

Risk compliance verifications are conducted regularly to test the compliance of controls & mitigation action plans and the summary is reported to the Board.

#### **INTERNAL AUDIT**

Internal audit of the Company is done by Internal Audit Department of Engineers India Ltd., the holding Company.

#### **VIGILANCE**

Vigilance activities of the Company are carried out by the Vigilance Department of Engineers India Ltd, the holding Company, with focused objective of ensuring conformity to the Company procedures and Govt. guidelines. System improvements are suggested to management and actions are undertaken for improvement. Vigilance reports are sent to Vigilance Department of EIL.

CEIL observed the Vigilance Awareness Week from 29<sup>th</sup> October, 2018 to 3<sup>rd</sup> November, 2018 as per the directives for spreading vigilance awareness and encouraging "participative vigilance" amongst the employees of the Company.

Various competitions were organized during the vigilance week for the employees.

#### **HUMAN RESOURCE**

As on 31<sup>st</sup> March, 2019, your Company had total manpower of 72. Regular employees were 70 and number of employees on deputation from EIL stood at 2.

#### **TRAINING AND DEVELOPMENT**

Employees were nominated for various training programs in the field like NDT, Offshore, Risk Management, functional & behavioral trainings from time to time. Training program on Strategic Human Resources was organized at IIM Lucknow for Senior level HR personnel. Finance team members participated in Management Development Program (MDP) at Faridabad. The technical session on Oil and Gas stream was also attended by our senior level technical member at NACE conference.

#### **OFFICIAL LANGUAGE**

Like previous years, awareness and increased usage of official language was enthusiastically carried out during the year. Provisions of Section 3(3) of Official Languages Act and Official Language Rules have been complied with. 'Hindi Diwas' was observed on 14.09.2018 and 'Hindi Fortnight' was organized from 14.09.2018 to 28.09.2018 in

association with holding Company EIL. With a view to create greater awareness, consciousness and to encourage employees to enhance use of Hindi in official work, several workshops, inspection and seminars were also organized.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN-EXCHANGE EARNINGS AND OUTGO**

As the Company's operations do not involve any manufacturing or processing activities, the particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not applicable.

The particulars regarding foreign exchange earnings and outgo are as under:

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings: ₹ 31.11 Lakhs

(b) Total Foreign Exchange Outgo : ₹ 61.96 Lakhs

The Company does not own any manufacturing facilities, hence the other particulars required under Section 134 (3) (m) of the Companies Act, 2013 relating to Foreign Exchange Earnings & Outgo are not applicable.

#### **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are annexed to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is also available on the website of the Company i.e. <http://www.ceil.co.in>.

#### **PARTICULARS OF LOANS / GUARANTEES INVESTMENTS**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year 2018-19.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES (RPTs)**

In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the parent Company i.e. Engineers India Limited has formulated a Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions as per which the necessary compliances have been done in this regard.

During the financial year 2018-19, there were no material RPTs. Further, suitable disclosure as per statutory requirements has been given in the Notes to Financial Statements.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return in the prescribed form is annexed to this Report. The same is placed at [www.ceil.co.in](http://www.ceil.co.in).

#### **COST AUDITORS**

The Company does not fall under the Cost Audit Rules and therefore, there is no requirement of Cost Audit for the Company as per the statutory requirements.

#### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Company has formulated a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel in terms of DPE Guidelines on Corporate Governance. The confirmation of

compliance of the same is obtained from all concerned on annual basis. All Directors and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by CEO is given in the Report on Corporate Governance. The Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel is given on the website of the Company at <http://www.ceil.co.in>.

#### **CORPORATE GOVERNANCE**

The Company is committed to good Corporate Governance as per the requirements/Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, Government of India. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic issues, CEIL lays strong emphasis on transparency, accountability and integrity.

Further, Quarterly Compliance Report on Corporate Governance is also submitted to the Ministry of Petroleum and Natural Gas as per the requirements of Guidelines on Corporate Governance issued by DPE. Certificate of the Statutory Auditors regarding compliance of the conditions of the Corporate Governance as stipulated in DPE Guidelines on Corporate Governance along with the Management's Reply on the comments of the Auditors is enclosed.

The Report on Corporate Governance as stipulated under the DPE Guidelines is also annexed.

#### **TRAINING OF BOARD MEMBERS**

The Company has a well defined Training Policy for Board Members. Detailed presentations are made by senior executives/professionals /consultants on business related issues and the Directors have attended seminars/conferences/programs from time to time.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submit its responsibility Statement:

- a) In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors had 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 at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of the applicable laws and that such system were adequate and operating effectively.





## **RIGHT TO INFORMATION ACT, 2005**

In order to promote transparency and accountability, appropriate action is taken to reply to queries from any source whenever received, on time. In compliance to the provisions of the Right to Information Act, 2005, Central Public Information Officer (CPIO) and ACPIOs have been appointed and utmost care is being taken for timely compliance and dissemination of information. As on 31.3.2019, no application is pending under RTI Act, 2005.

## **BANKERS**

The Bankers of the Company are Bank of India, Corporation Bank, State Bank of India, Indusind Bank Ltd., and Axis Bank.

## **PARTICULARS OF EMPLOYEES**

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government Companies are exempted from inclusion of the statement of particulars of employees. The information has, therefore, not been included as part of the Directors' Report. However, the same is open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

## **Quality Management System**

Quality is inbuilt into the processes, deliverables and services of CEIL. The Quality Management System of the Company confirms to the requirements of ISO 9001:2015 standard. Periodic external audit is conducted by Certifying Body and present certificate of approval is valid up to 03.09.2019. Important ingredients of our quality initiatives are effective & Internal Quality Audit process, planned customer perception surveys, analysis of feedbacks/Suggestion from stakeholders and its reviews & directions from the Management Review Meeting (MRM) and System Committee Meeting (SCM). Regular monitoring is done to analyze the data & feedback from stakeholders to continually improve the Quality Management System.

## **INSPECTION BODY ACCREDITATION- TYPE "A"**

CEIL is accredited as a Type "A" (Third Party Inspection Agency) Inspection body as per the requirements of ISO 17020:2012 by NABCB. It is an international ISO standard for conformity assessment of inspection bodies. The scope sector for accreditation includes Fabricated metal products (IAF scope 17b), Machine and Equipment (IAF scope 18), Electrical Equipment (IAF Scope 19a), Gas Supply (IAF Scope 26), Engineering Services (IAF scope 34, ERDMP Certification).

Quality Management System and ISO 17020 accreditation of CEIL provides the competitive edge in securing and executing the projects with focus on full customer satisfaction.

## **APPROVALS**

**CEIL has secured Petroleum and Natural Gas Regulatory Board (PNGRB) approvals for following categories:**

### **A. Emergency Response & Disaster Management Plan (ERDMP):**

CEIL continues as an approved Third Party Inspection body under PNGRB for review and verification of Emergency Response &

Disaster Management Plan (ERDMP). During the year, CEIL carried out ERDMP Audits ranging from Cross Country Natural Gas and crude Pipelines to Petrochemical Complex, LPG Recovery Units and Compressor Stations.

### **B. Technical Standards and Specifications including Safety Standards (T4S):**

CEIL continues to be an approved Third party Inspection body under PNGRB for carrying out Technical Standards and Specifications including Safety Standards (T4S) Audits for Natural Gas Pipelines (NGPL) and City Gas Distribution (CGD) networks, Petroleum and Petroleum product pipelines

### **C. Integrity Management System for Natural Gas Pipelines and CGD Networks (IMS):**

CEIL continues to be an approved Third party Inspection body under PNGRB for carrying out Pipeline Integrity Management System Audits for Natural Gas Pipelines and CGD Networks.

### **Petroleum & Explosives Safety Organization (PESO):**

CEIL continues its approval from PESO as a recognized inspection authority as well as competent authority for inspections under SMPV(U) Rules 1981.

## **STATUTORY AUDITORS**

M/s VK Verma & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for the Financial Year 2018-19 by the Office of the Comptroller & Auditor General of India.

## **COMPOSITION OF AUDIT COMMITTEE**

The recommendations made by the Audit Committee during the financial year 2018-19 were accepted by the Board. The other details of Audit Committee like composition, terms of reference, meetings held are provided in the Corporate Governance Report.

## **REMUNERATION COMMITTEE**

The Company has a Remuneration Committee and detailed disclosure in this regard has been given in the Corporate Governance Report which is annexed to this Report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has formed the Whistle Blower Policy/Vigil Mechanism and no personnel have been denied access to the Audit Committee. The Whistle Blower policy is uploaded and access available to all at the website of the Company i.e. [www.ceil.co.in](http://www.ceil.co.in).

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

## **SIGNIFICANT AND MATERIAL ORDERS**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **DISCLOSURE ON THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

During the financial year 2018-19, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



**OTHER DISCLOSURES**

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2018-19 :-

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Details regarding receipt of remuneration or commission by the Managing Director or the Whole - time Director from any of its subsidiaries.
5. Buy Back of shares.

Further, the Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**ACKNOWLEDGEMENTS**

The Board of Directors express their sincere thanks to the esteemed clients of CEIL for their continued patronage and express deep

appreciation for the assistance provided by the various Ministries of the Government of India.

Your directors are also grateful to the bankers, statutory auditors, Comptroller and Auditor General of India for their continued patronage and confidence in the Company.

The Board of Directors express their sincere gratitude to EIL, the holding Company for their all round support and look forward to their continued support and guidance.

The Board of Directors also wish to place on record their appreciation for the excellent contribution made by all the employees towards the successful operations of the Company.

For & on behalf of the Board of Directors

**(J.C. Nakra)**

Chairman

DIN: 07676468

Place: New Delhi

Date: 23<sup>rd</sup> July, 2019



## Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the Company for the year 2018-19 and the future outlook.

### BUSINESS OVERVIEW

During the financial year 2018 -19, your Company was able to secure business worth ₹ 47.88 Crores.

The order book as on 31.03.2019 was ₹ 31.25 Crores.

During the year, Company has secured major orders from Konkan Railway (KRCL), Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC), Opal, Dedicated Freight Corridor Corporation (DFCC), GAIL, GSPL, GITL, Pune Smart City Development Corporation Limited (PSCDCL), Technimont / KTI, Sardar Sarovar Narmada Nigam Ltd (SSNNL) and from other esteemed clients like BPCL, HPCL, Cantonment Boards etc. There has also been a growth in order book for ERDMP and safety audits besides Third Party Inspection Services for J&K Govt, UP irrigation and regular clients. Technical services to parent Company EIL for their ongoing projects continued.

### BUSINESS ENVIRONMENT AND FUTURE OUTLOOK

With a growing response to diversification in sectors like Railways, Infrastructure, Smart Cities coupled with upcoming Oil and Gas sector projects in Onshore as well as Offshore, the unexecuted portion of order book comprises of orders from ONGC, Vadodara Mahanagar Seva Sadan, Surat Municipal Corporation, GSPL, GIGL, GITL, KRCL, Technimont, Pune Smart City Development Corporation, SSNNL, Vizag Steel Plant, BPCL, AFCONS, IOCL, GSPL, SPG, RUDA, EIL etc. Your Company expects to secure further assignments during the year from current and new clients which will translate into good order book position and healthy turnover growth. Technical services to parent Company EIL will also continue.

Your Company is aligning its growth strategy with GOI initiatives and is continuously exploring the possibility of scaling its domestic business and securing certification and TPI jobs in high growth sectors like Pipelines, Railways, Affordable Housing, Infrastructure, Nuclear, Fertilizers, Power etc.

### FINANCIAL PERFORMANCE

During the financial year, the income from services rendered by the Company has increased to ₹ 52.91 Crores from ₹ 50.29 Crores in the previous year, which is 5.2% more than the previous year.

Profit before tax has decreased from ₹ 17.97 Crores in the previous year to ₹ 13.21 Crores in the current year, which is 26.4% less than the previous year. Similarly, Profit after tax has decreased from ₹ 12.45 Crores in the previous year to ₹ 9.36 Crores in the current year which is 24.8% less than the previous year. The above said decrease is primarily on account of change in revenue mix in a highly competitive business scenario.

### RISK & CONCERNS

The Company has a robust Enterprise Risk Management System (ERM)

in place which includes risk identification, assessment and risk mitigation. Risks pertaining to business, stakeholder, strategy, financial, execution and other related risks are systematically identified using a Risk Matrix. The ERM process is maintained and executed by the Risk Functional Committee, whose outcome is monitored at the apex with findings of the Risk Functional Committee being presented to CEIL Board biannually by CEO/CFO. The Management periodically reviews the status of identified risks and probable new risks and uses Enterprise Risk Management as an effective tool to foresee and take prompt actions for optimizing its business model.

### INTERNAL CONTROL SYSTEMS

Your Company has in place adequate systems of internal control. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. Your Company continued its efforts to align all its process and control with best practices and is also controlling its operating process through well-defined international standard certification of ISO 9001:2015 and ISO 17020 accreditation.

Some significant features of the internal control systems are preparation and monitoring of annual budgets, internal audit and its review, clear delegation of authority and responsibility, corporate policy on accounting and periodic management meeting to review operation and plans in business areas.

### Memorandum of Understanding (MoU) with Engineers India Limited

Your Company has signed MOU with EIL for the financial year 2019-20 on 12.06.2019.

### SIGNIFICANT INITIATIVES

In order to meet the challenges of continuing changes in business environment and growing competition, corporate focus has been on various initiatives on increasing engagement in Company's core strength areas, gaining entry into areas that are expected to show significant growth in the near future like Railways, Defence, Infrastructure, Nuclear, Fertilizer etc. Number of initiatives have also been taken for improvement in systems and processes, HR and for training & recruitment.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION FRONT

Strength of regular employees, including employees on deputation from EIL, was 72 during the year. 30 Man days training was imparted to employees during the year through 10 nos. training programs.

Your Company intends to pursue domain specific training related to electrical equipment, NACE, CSWIP 3.1 and CSWIP 3.2, Inspection of weld joints by Phased Array Ultrasonic Testing (PAUT) and other managerial training programs for the employees in future too, to retain the knowledge edge in its area of business.

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights.

#### **MARKETING**

The Company is successfully expanding its client's base with addition of new clients in existing and diversified business areas. Company's commitment to quality and timely execution of certification and third party inspection activities, coupled with proper marketing initiatives has helped the Company to achieve significant order book. Executive Staff in the Marketing Department has been increased. Surveyors are motivated to discuss with the clients and suppliers during the inspection visit and inform the potential leads to marketing department.

#### **OPERATIONAL IMPROVEMENT**

Major Operational Improvements like improving manpower productivity, optimization of cost, realization of outstanding etc. are ensured through strict monitoring of operations in the Company and increase in use of Software Packages and automated systems.

#### **COST CONTROL & MONITORING**

Effective cost reduction measures for control of travel cost, manpower cost etc. are taken up at all stages of operations. Deputation of surveyors based on project requirements from nearby locations results in less travel cost.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company's CSR initiatives aim at assisting socially and economically weaker segments of society, as well as defining the Company as a socially responsible business entity to employees, clients and other stakeholders. The Company remains committed towards its social obligations and targets on capacity building, empowerment of communities, inclusive socio-economic growth,

environment protection, development of backward regions and upliftment of marginalized & underprivileged section of society.

As part of CSR activities, during the financial year 2018–19, CSR activity was done at Viddya Utkarsh Mandal, CBD Belapur by providing water purifiers and water coolers, for their school in order to have hygienic and purified drinking water for their school children coming from local poor families.

#### **ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENT, FOREIGN EXCHANGE CONSERVATION**

Environmental protection is an integral part of the Company's business processes. The Company is adopting a long term approach to business, built upon a solid commitment of sustainable growth through active participation in responsible environment practices.

#### **MANAGEMENT INFORMATION SYSTEM (MIS)**

MIS in the Company is constantly being fine tuned to cater to ever growing information needs for effective and quick decision making as well as for statutory requirements. This provides vital data inputs to management, highlighting operating variables, achievement vis-à-vis budgets and other decision support data.

#### **DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL**

Reflecting commitment towards increasing transparency in all spheres, Senior Management Personnel confirmed that, none of them has material financial and commercial transactions with the Company, where they have personal interest that may have a potential conflict with the interest of the Company.

#### **CAUTIONARY STATEMENT**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may get affected by actual results, resulting in future performance and outlook different from what the Management envisages.

## Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018-19

- 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.

To assist socially and economically disadvantaged segments of society to overcome hardship and impoverishment. To enhance increased commitment at all levels in the organization towards reinforcing its image as a social and environmental conscience Company. The Company has undertaken CSR Projects/ Programs in line with Schedule VII of the Companies Act 2013, which are under the following thrust areas:

- i) Poverty and hunger eradication
- ii) Education
- iii) Health Care
- iv) Drinking Water/Sanitation facility
- v) Gender equality and women empowerment
- vi) Environment Protection

The web link for CSR project or programme and policy is given at <http://www.ceil.co.in>.

- 2) Composition of CSR and SD Committee

The details regarding composition of CSR and SD Committee are given in the Corporate Governance Report annexed to the Directors' Report.

- 3) Average Net Profit of the Company for the last three financial years was ₹15.93 Crores

- 4) Prescribed CSR Expenditure (2% of the amount as in item 3 above) is ₹31.87 Lakhs

- 5) Details of amount spent towards CSR during the financial year 2018-19

- a) Total amount to be spent for the financial year 2018-19 was ₹31.87 Lakhs
- b) Amount unspent, if any – ₹ 30.04 Lakhs
- c) Manner in which the amounts spent towards CSR during the financial year 2018-19.

| Sr. No | CSR project or activity identified  | Sector in which the Project is covered         | Project or Programs [1] Local area or other[2] Specify the State and district where projects or programs was undertaken | Amount outlay [budget] project or programs wise | Amount spent on the projects or programs Sub -heads: [1] Direct Expenditure on projects or programs. [2] Overheads: | Cumulative expenditure upto to the reporting period | Amount spent : Direct or through implementing agency |
|--------|---|--|---|---|---|---|--|
| 1      | To support/sponsor Vidya Utkarsh Mandal(VUM) by providing water purifiers and water coolers for their Marathi medium school to have hygienic and drinking water facility for school children belonging to local poor class society. | Education/ Drinking Water/ Sanitation facility | Local Area  | ₹ 2,46,500/-                                    | Direct on project   | ₹ 1,83,500/- [Amount spent this FY]                 | Through VUM etc                                      |

6. In case the Company has failed to spend the two percent 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 –

CEIL provided the CSR budget of ₹ 31.87 Lakhs in 2018-19. CEIL has carried forward ₹ 34.19 Lakhs unspent budget from financial year 2017-18. Against the aforementioned amount, CEIL spent ₹ 1,83,500/- towards the Education/Drinking Water/Sanitation facility.

The broad reason for not spending the current CSR budget is as under:

DPE vide OM dated 10<sup>th</sup> December, 2018 prescribed the guidelines for CSR Expenditure of CPSEs, for giving new direction on spending of CSR fund. Due to the said guidelines, CEIL started to make efforts on theme based CSR project, keeping in view our thrust areas i.e. our commitment for operating Company's core business in a socially responsible way by taking into consideration the wider interests of the community and the environment, with a vision of promoting sustainable development. However, suitable CSR programme could not be identified/finalized for implementation. For the FY 2018-19, the CSR funds that were unspent in the financial year 2018-19, despite being allocated, for the reasons mentioned above are being carried forward to the next year and will be rightfully spent/reallocated as the case may be.

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 confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

G. Suresh,  
Chief Executive Officer

O. P. Mishra,  
Chairman, CSR Committee

## Form No. MGT-9

### Extract of Annual Return as on the Financial Year ended on 31st March, 2019

[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 : U74899DL1994GOI062371
- ii) Registration Date : 26.10.1994
- iii) Name of the Company : Certification Engineers International Limited
- iv) Category / Sub-Category of the Company : Public Limited Company (Limited by Shares)- Govt. of India Undertaking.
- v) Address of the Registered office and contact details : Engineers India Bhawan,  
1, Bhikaiji Cama Place, New Delhi-110066  
Tel: 011-26762121, Fax: 011-26164868, 26186245  
Email: ceil.del@eil.co.in,  
Website: www.ceil.co.in
- vi) Whether shares listed on recognized Stock Exchange(s) : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : N. A.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| Sl. No. | Name and Description of main products / services                 | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Certification/Re-certification & Third Party Inspection Services | Not Applicable                   | 100%                               |

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

| Sl. No. | NAME AND ADDRESS OF THE COMPANY  | CIN/GLN               | HOLDING/ SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|---------|--|-----------------------|---------------------------------|------------------|--------------------|
| 1       | Engineers India Limited<br>Engineers India Bhawan,<br>1, Bhikaiji Cama Place,<br>New Delhi-110066. | L74899DL1965GOI004352 | Holding Company                 | 100              | 2(46)              |

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

The shareholding pattern of the Company as on 31.03.2019 is as follows:

| Sl. No. | Name of Shareholder   | Number of Equity Shares of ₹ 100 each | % of issued Capital |
|---------|---|---------------------------------------|---------------------|
| 1.      | Shri Jagdish Chander Nakra, Part-time Chairman (C&MD, Engineers India Ltd, Holding Company) | 45*                                   | 0.005%              |
| 2.      | Shri V.C.Bhandari, Director (HR), Engineers India Ltd.                                      | 45*                                   | 0.005%              |
| 3.      | Shri Rakesh Kumar Sabharwal, Director (Commercial), Engineers India Ltd.                    | 45*                                   | 0.005%              |



|    |  |        |         |
|----|--|--------|---------|
| 4. | Shri S.K.Handa, Part-time Director<br>Director (Projects), Engineers India Ltd.        | 45*    | 0.005%  |
| 5. | Shri Amitabh Budhiraja, Part-time Director<br>Executive Director, Engineers India Ltd. | 72*    | 0.008%  |
| 6. | Shri R.Mahajan, Part-time Director<br>ED (Projects), Engineers India Ltd.              | 45*    | 0.005%  |
| 7. | Shri S.D.Kherdekar   | 40*    | 0.004%  |
| 8. | Shri G.Suresh, CEO, CEIL   | 5      | 0.0005% |
| 9. | Engineers India Ltd., Holding Company  | 899658 | 99.962% |

\* These shares are held by these officials on behalf of Engineers India Limited and the beneficiary interest lies with Engineers India Limited in respect of these shares.

#### V. INDEBTEDNESS :

The Company is a debt-free Company.

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

##### A. Remuneration to Managing Director, Whole-time Director (WTD) and/or Manager: NIL

##### B. Remuneration to other directors:

| Name of Directors         | Particulars of remuneration-Sitting Fees |
|---------------------------|--|
| Dr. (Prof.) Mukesh Khare  | ₹ 105000                                 |
| Shri Umesh Chandra Pandey | ₹ 105000                                 |
| Shri O.P.Mishra           | ₹ 105000                                 |

##### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :-

The Company does not have Managing Director/Manager/Whole time Director. Further, Chief Executive Officer of the Company is on deputation from EIL (Holding Company), the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of manhour cost as per agreement with the Company which are accounted for as professional charges, under the head "Manpower Services."

The Company has appointed Company Secretary of the Company w.e.f.23.05.2018. The details of remuneration are as follows:

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel (Company Secretary) |
|---------|--|--|
| 1       | Gross Salary   |  |
|         | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | ₹ 8,88,595                                   |
|         | b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961                      | -  |
|         | c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961                 | -  |
| 2       | Stock Option   |  |
| 3       | Sweat Equity   |  |
| 4       | Commission   |  |
|         | - as % of profft   |  |
|         | - others   |  |
| 5       | Others   |  |
|         | <b>Total</b>   | <b>₹ 8,88,595</b>                            |

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019

## Report on Corporate Governance

### 1. Company's Philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to endure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Good governance practices stem from the dynamic culture and positive mindset of the organization. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our Corporate Structure, business, operations and disclosures practices have been strictly aligned to our Corporate Governance Philosophy.

### 2. Board of Directors

#### a) Composition of the Board of Directors

Certification Engineers International Limited (CEIL) is a public sector undertaking. The Articles of Association of the Company stipulates that the number of Directors shall not be less than three and more than nine.

As on March 31, 2019, CEIL is having 5 Directors on its Board comprising of 4(four) Part-time Directors including Chairman and 1(one) Non-official Part-time Independent Directors nominated by Ministry of Petroleum & Natural Gas, Government of India.

#### b) Number of Board Meetings

The Board of Directors met 4 times during the financial year 2018-19. The details of the Board Meetings are as under:

| S.No | Date of Meeting  | Place     | Board Strength | No. of Directors Present |
|------|------------------|-----------|----------------|--------------------------|
| 1    | May 23, 2018     | New Delhi | 6              | 5                        |
| 2    | August 10, 2018  | New Delhi | 7              | 7                        |
| 3    | October 30, 2018 | New Delhi | 7              | 7                        |
| 4    | January 25, 2019 | New Delhi | 5              | 5                        |

#### c) Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships/Committee Memberships/Chairmanships.

Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the financial year 2018-2019 and number of other Directorships/Committee Memberships/Chairmanships of each director is given below:

| Name of the Director                                     | Attendance Particulars |                             | Number of other Directorships/Committee Membership/Chairmanship## |                             |                               |
|--|------------------------|-----------------------------|---|-----------------------------|-------------------------------|
|  | Board Meetings         | Last AGM held on 28.08.2018 | Other Directorships   | Other Committee Memberships | Other Committee Chairmanships |
| <b>A) Part time Directors –From Holding Company, EIL</b> |                        |                             |   |                             |                               |
| <b>i) Present Directors</b>                              |                        |                             |   |                             |                               |
| Shri Jagdish Chander Nakra, Chairman                     | 4                      | YES                         | 2   | -                           | -                             |
| Shri S.K. Handa  | 4                      | NO                          | 1   | 1                           | -                             |
| Shri R. Mahajan  | 4                      | YES                         | 0   | -                           | -                             |
| Shri Amitabh Budhiraja*                                  | 3                      | YES                         | 0   | -                           | -                             |

|   |   |     |   |   |   |
|---|---|-----|---|---|---|
| <b>II) Past Directors</b>                             |   |     |   |   |   |
| Shri L.K.Vijh**                                       | 0 | NO  | – | – | – |
| <b>B) Non-Official Part-time Independent Director</b> |   |     |   |   |   |
| <b>I ) Present Directors</b>                          |   |     |   |   |   |
| Shri O.P.Mishra***                                    | 3 | NO  | 1 | – | – |
| <b>II) Past Directors</b>                             |   |     |   |   |   |
| Dr. (Prof.) Mukesh Khare****                          | 3 | YES | – | 1 | – |
| Shri Umesh Chandra Pandey*****                        | 3 | YES | – | – | 1 |

**Remarks:**

- \* Shri Amitabh Budhiraja was appointed as Director w.e.f.04.06.2018.
- \*\* Shri L.K.Vijh ceased to be Director w.e.f. 04.06.2018.
- \*\*\* Shri O.P.Mishra was appointed as Non-official independent Director w.e.f. 24.07.2018.
- \*\*\*\* Dr. (Prof.) Mukesh Khare ceased to be Director w.e.f. 20.11.2018.
- \*\*\*\*\* Shri Umesh Chandra Pandey ceased to be Director w.e.f. 20.11.2018.
- ## None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which he is a Director. Membership/Chairmanship in committee is reckoned pertaining to Audit Committee and Stakeholders Relationship Committee.

**Notes:**

- (I) None of the Independent Directors are holding directorships in more than seven listed companies.
- (ii) The Company has not issued any convertible instruments.

**d) Board Procedure**

The meeting of the Board of Directors are generally held at the Company's Registered Office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials and sponsored by CEO of the Company and approved by the Chairman. The Agenda Notes along with necessary papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarifications as and when required. Action Taken Reports are put up to the Board periodically.

**e) Code of Business Conduct and Ethics for Board Members and Senior Management**

The Board of Directors has laid down the Code of Business Conduct and Ethics for all Board Members and Senior Management of the Company. The same has also been posted on the Website of the Company at <http://ceil.co.in/Cg/CEIL-CodeOfConduct.pdf>

**Declaration as required under DPE Guidelines on Corporate Governance for CPSEs**

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended on March 31, 2019.

Place: New Delhi  
Date : 31.03.2019

(G.Suresh)  
Chief Executive Officer

**f) Separate Meetings of Independent Directors**

A separate Meeting of the Independent Directors was held on 30.10.2018 as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs and in compliance to the other statutory provisions in this regard. All the Independent Directors attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

#### g) Compliance Reports

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

#### h) Re-appointment of Directors

The brief resume of the Director seeking appointment/re-appointment together with the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships/chairmanships of Committees of the Board along with their shareholding in the Company etc. pursuant to the statutory requirements is annexed to the notice calling the Annual General Meeting.

#### 3. Audit Committee

As on March 31, 2019, the Audit Committee comprises of Shri O. P. Mishra, Non-official Independent Director as Chairman, Shri S.K.Handa and Shri R.Mahajan as members. The Audit Committee was reconstituted during the year due to the following:

- Shri Umesh Chandra Pandey ceased to be Chairman and member w.e.f. 20.11.2018
- Dr. (Prof.) Mukesh Khare ceased to be member w.e.f. 20.11.2018
- Shri O.P.Mishra was inducted as member w.e.f. 10.08.2018 and nominated as Chairman w.e.f. 19.01.2019
- Shri R.Mahajan was inducted as member w.e.f. 19.01.2019

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Government for CPSEs. The details of meetings held during the financial year 2018-19 and the attendance of the Members is given below:

| S.No. | Date of Meeting | Name  | Chairman/Member                        | Attendance                               |
|-------|-----------------|---|--|--|
| 1     | 23.05.2018      | Shri Umesh Chandra Pandey<br>Dr. (Prof.) Mukesh Khare<br>Shri S.K.Handa                     | Chairman<br>Member<br>Member           | Present<br>Present<br>Present            |
| 2     | 10.08.2018      | Shri Umesh Chandra Pandey<br>Dr. (Prof.) Mukesh Khare<br>Shri S.K. Handa                    | Chairman<br>Member<br>Member           | Present<br>Present<br>Present            |
| 3     | 30.10.2018      | Shri Umesh Chandra Pandey<br>Dr. (Prof.) Mukesh Khare<br>Shri O.P.Mishra<br>Shri S.K. Handa | Chairman<br>Member<br>Member<br>Member | Present<br>Present<br>Present<br>Present |
| 4     | 25.01.2019      | Shri O.P.Mishra<br>Shri S.K. Handa<br>Shri R.Mahajan  | Chairman<br>Member<br>Member           | Present<br>Present<br>Present            |

#### 4. Subsidiary Companies

The Company is not having any subsidiary Company.

#### 5. Remuneration Committee/Remuneration of Directors

The Company has formed a Remuneration Committee as per DPE OM dated 26th November, 2008 regarding pay revision of CPSE executives. As on March 31, 2019, the Remuneration Committee comprises of Shri O.P.Mishra, Nonofficial Independent Director as Chairman, Shri R.Mahajan and Shri Amitabh Budhiraja as Members. The Remuneration Committee was reconstituted during the year due to the following:

- Dr. (Prof.) Mukesh Khare ceased to be Chairman and member w.e.f. 20.11.2018.
- Shri Umesh Chandra Pandey ceased to be member w.e.f. 20.11.2018.
- Shri Amitabh Budhiraja was nominated as member w.e.f. 10.08.2018.
- Shri O.P.Mishra was inducted as Chairman and Member w.e.f. 19.01.2019.

The details of meeting held during the financial year 2018-19 and the attendance of the Members is given below:

| S. No. | Date of Meeting | Name  | Chairman/Member              | Attendance                    |
|--------|-----------------|---|------------------------------|-------------------------------|
| 1      | 25.01.2019      | Shri O.P.Mishra<br>Shri R.Mahajan<br>Shri Amitabh Budhiraja | Chairman<br>Member<br>Member | Present<br>Present<br>Present |

The scope of the Remuneration Committee includes finalizing the salary structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and Non-Unionised Supervisors within the prescribed limits. Remuneration Committee may also be called upon to decide issues like ESOP schemes, Performance Incentive Schemes, Superannuation Benefits and any other Fringe Benefits which may be considered appropriate. The Remuneration Committee shall also assist the Board in ensuring that appropriate and effective remuneration packages and policies are implemented in CEIL for all employees including Directors and Chairman. The Committee's role also extends to the review of Non-Executive Director's fees. There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The part-time official Directors other than Non-official Independent Directors nominated on the Board do not draw any remuneration from the Company for their role as Director. The sitting fees fixed for Non-official Part-time Independent Directors of the Company is ₹ 15,000/- per meeting of the Board or its Committee thereof attended by them. The details of payments towards sitting fees to Non-official Independent Directors during the Financial Year 2018-19 are given below:-

| Name of Non-official Part-time Independent Director | Sitting Fees* |                   | Total  |
|---|---------------|-------------------|--------|
|   | Board Meeting | Committee Meeting |        |
| Shri Umesh Chandra Pandey                           | 45000         | 60000             | 105000 |
| Dr. (Prof.) Mukesh Khare                            | 45000         | 60000             | 105000 |
| Shri O.P.Mishra                                     | 45000         | 60000             | 105000 |

\* Gross Fees excluding Tax Deducted at Source as per applicable Tax Laws and Rules.

#### 6. CSR and SD Committee of the Board

The CSR and SD Committee of the Board has been constituted to deliberate and decide on the matters as per defined scope of the Committee. As on March 31, 2019, the CSR and SD Committee comprises of Shri O.P.Mishra, Non-official Independent Director as Chairman, Shri S.K.Handa and Shri R.Mahajan as Members. The CSR and SD Committee of the Board was reconstituted during the year due to the following:

- Shri Umesh Chandra Pandey ceased to be Chairman and member w.e.f. 20.11.2018.
- Dr. (Prof.) Mukesh Khare ceased to be member w.e.f. 20.11.2018.
- Shri O.P.Mishra was inducted as Chairman and Member w.e.f. 19.01.2019.

The details of meetings held during the financial year 2018-19 and the attendance of the Members is given below:

| Sl. No. | Date of Meeting | Name                      | Chairman/Member | Attendance |
|---------|-----------------|---------------------------|-----------------|------------|
| 1       | 10.08.2018      | Shri Umesh Chandra Pandey | Chairman        | Present    |
|         |                 | Dr. (Prof.) Mukesh Khare  | Member          | Present    |
|         |                 | Shri S.K. Handa           | Member          | Present    |
|         |                 | Shri R. Mahajan           | Member          | Present    |
| 2       | 15.02.2019      | Shri O.P.Mishra           | Chairman        | Present    |
|         |                 | Shri S.K.Handa            | Member          | Present    |
|         |                 | Shri R.Mahajan            | Member          | Present    |

#### 7. Accounting Treatment

The Financial Statements have been prepared as per generally accepted accounting principles and in accordance with the prescribed Accounting Standards.

#### 8. CEO/CFO Certification

The CEO and CFO have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of DPE Guidelines on Corporate Governance for CPSEs and the same is annexed to this Report.

#### 9. Risk Management

The Company has well defined Risk Management policy. The objective of risk management in the Company is to act as enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost and time resulting in improved turnover and profitability. The management is committed to further strengthen its risk management capabilities in order to protect and enhance shareholder value by improving its business performance. Continuous efforts in creating new opportunities, improving competencies/knowledge in various areas leading to improved performance and leveraging existing knowledge resources, in line with the risk appetite of the Company, has enabled the Company to protect the shareholders' interests.

The Board of Directors in their 112<sup>th</sup> Meeting held on 25.01.2019 decided to discontinue the Risk Management Committee of the Board, which was formed by the Board of Directors in their 103<sup>rd</sup> Meeting held on 08.08.2017. Further, the risk aspects in the form of agenda note should be brought to the Board on six monthly basis along with the Agenda on Financial Results.

## 10. General Body Meetings

### i) Annual General Meeting (AGM)

The Annual General Meetings of the Company are held at New Delhi where the Registered Office of the Company is situated. The details of such meetings held during the last three years are as under:

| AGM              | Year    | Venue  | Date       | Time      |
|------------------|---------|--|------------|-----------|
| 21 <sup>st</sup> | 2015-16 | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. | 22.08.2016 | 3.00 p.m. |
| 22 <sup>nd</sup> | 2016-17 | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. | 28.08.2017 | 3.00 p.m. |
| 23 <sup>rd</sup> | 2017-18 | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. | 28.08.2018 | 3.00 p.m. |

### ii) Details of Special resolutions passed at last three AGMs

| AGM              | Details of Special Resolutions Passed |
|------------------|---------------------------------------|
| 21 <sup>st</sup> | Nil                                   |
| 22 <sup>nd</sup> | Nil                                   |
| 23 <sup>rd</sup> | Nil                                   |

No special resolutions were put through postal ballot during the last year. No special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

### iii) Extra-ordinary General Meeting (EGM)

During the year 2018-19, an Extra-ordinary General Meeting of the Members was held on 25.01.2019 regarding the following matters:

- Increase in Authorized Share Capital of the Company and amendment in Capital Clause in the Memorandum of Association of the Company.
- Amendment in Article 6 of Articles of Association of the Company.
- Issue of bonus shares by way of Capitalization of reserves of the Company.

## 11. Disclosures

- Details of transactions between the Company and its holding Company, associates, key managerial personnel during the financial year 2018-19 are given in Note 35 of the Notes to Accounts for the year ended 31<sup>st</sup> March, 2019. These transactions do not have any potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any statutory authority in any matters related to any Guidelines issued by Government during the last three years.
- The Company has in place a Vigil Mechanism/Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of the same have also been posted on the website of the Company.
- The Company has complied with all mandatory requirements of DPE Guidelines on Corporate Governance for CPSEs except the Composition of Board of Directors with respect to Full time functional Directors and Number of independent Directors (from 20.11.2018 to 31.03.2019).
- During the last three years, one Presidential Directive has been received by the Company in FY 2018-19:- Presidential Directive on Pay Revision of Board and below Board level Executives and non-unionised supervisors in CPSEs w.e.f. 01.01.2017 dated 08.10.2018.
- No Expenditures were debited in the Books of Accounts during the Financial Year 2018-19 which are not for the purposes of the business.
- No expenses had been incurred which are personnel in nature and incurred for the Board of Directors and the top Management.
- The administrative and office expenses are 20.83% of the total expenses in the Financial Year 2018-19 as against 20.85% during the Financial Year 2017-18.
- None of the Directors of the Company are inter-se related as on 31<sup>st</sup> March, 2019.
- None of the Non-official Part-time Independent Directors hold any equity shares of the Company as on 31<sup>st</sup> March, 2019.

## 12. Means of Communication

The quarterly/yearly Financial results are displayed on the website viz. [www.ceil.co.in](http://www.ceil.co.in) of the Company. The website of the Company also



displays the official news releases. Annual Report is also available on the website in a user friendly manner and is circulated to the members and other entitled.

### 13. Audit Qualifications

The Company has ensured to remain in the regime of unqualified financial statements.

### 14. Training of Board Members

The Company has a well defined Training Policy for Board Members which is given on the website of the Company at <http://www.ceil.co.in/Company.html>. Detailed presentations are made by senior executives / professionals/ consultants on business related issues and the Directors have attended seminars / conferences / programmes from time to time.

### 15. Vigil Mechanism/Whistle blower Policy

The Board of Directors of CEIL in their 112<sup>th</sup> Meeting held on 25<sup>th</sup> January, 2019 approved the Vigil Mechanism Policy/Whistle Blower Policy. The same is placed on the website of the Company i.e. [www.ceil.co.in](http://www.ceil.co.in).

### 16. General Information

#### I) Annual General Meeting

|            |  |
|------------|--|
| Day & Date | Thursday, 29 <sup>th</sup> August, 2019        |
| Time       | 04:00 pm                                       |
| Venue      | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. |

#### (ii) Financial Year

1<sup>st</sup> Day of April to 31<sup>st</sup> Day of March every year.

#### (iii) Dividend

The Board of Directors of the Company have recommended payment of Final Dividend of ₹ 350 Lakhs (9,00,000 equity shares @ ₹100/- each) for the Financial Year ended 31<sup>st</sup> March, 2019 subject to approval of Shareholders in the ensuing Annual General Meeting. This was in addition to the Interim Dividend of ₹ 300 Lakhs (1,00,000 equity shares @ ₹100/- each) paid in January, 2019.

#### (iv) Registered office of the Company

##### Certification Engineers International Limited

E.I. Bhawan, 1,  
Bhikaiji Cama Place,  
New Delhi-110066.  
CIN: U74899DL1994GOI062371  
Tel. no. 011-26762121, Fax: 011-26164868, 011-26192693  
Website: <http://www.ceil.co.in>

#### (v) Auditors

M/s V K Verma & Co.  
Chartered Accounts  
C-37, Connaught Place,  
New Delhi-110001.

Date: July 23, 2019

Place: New Delhi

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, G. Suresh, Chief Executive Officer and G.D. Goswami, Chief Financial Officer of Certification Engineers International Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial results for the quarter and year ended 31<sup>st</sup> March, 2019.
2. Based on our knowledge and information, these Financial Results do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, these Financial Results together present a true and fair view of the Company's operations and are in compliance with the existing Accounting Standards and/or applicable Laws and Regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year, are fraudulent, illegal or violative of the Company's Code of Conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of such controls.
6. We have disclosed, wherever applicable, to the Company's Auditors and Audit Committee :
  - a) Any deficiencies in the design or operation of internal control for financial reporting including any corrective action with regard to deficiencies;
  - b) Significant changes in internal control over financial reporting during the quarter and year;
  - c) Significant changes in accounting policies during the quarter & year and the impact thereof, if any, have been disclosed in Notes to the Financial Results;
  - d) Instances of significant fraud, of which we are aware, that involves management or other employees who have significant role in the Company's internal control system over financial reporting.

G. Suresh  
Chief Executive Officer

GD Goswami  
Chief Financial Officer

Place: New Delhi

Date: May 10, 2019

## Independent Auditor's Report on Compliance with Corporate Governance Requirements under Guidelines Issued by Ministry of Heavy Industries and Public Enterprises

To,

The Members of

### **Certification Engineers International Limited**

1. This certificate is issued in accordance with the terms of our engagement letter with the Company.
2. This report contains details of compliance of conditions of corporate governance by Certification Engineers International Ltd. ('the Company') for the year ended 31<sup>st</sup> March, 2019 as stipulated in guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

### **Management's Responsibility for Compliance with the conditions of Corporate Governance**

3. The compliance with the terms and conditions for Corporate Governance contained in the aforesaid guidelines of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### **Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance mentioned in the aforesaid guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the aforesaid guidelines issued by the Ministry of Heavy Industries and Public Enterprises, it is our responsibility to provide a reasonable assurance as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid guidelines for the year ended 31<sup>st</sup> March, 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, subject to the clause (a) to (b) mentioned below, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India:
  - a) Composition of Board w.r.t number of Full-time Functional directors does not exist.
  - b) Company does not have two Independent Directors as required by the Companies Act, 2013 in its Board since 20<sup>th</sup> November, 2018 and also as per sec. 177 of the Companies Act, 2013 there should be minimum two Independent Directors in the Audit Committee.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other person to whom this certificate is shown or into whose hands, it may come without our prior consent in writing.

**FOR V. K VERMA & CO.**  
Chartered Accountants  
Firms Reg. No. 000386N

**CA VIVEK KUMAR**  
Partner  
Membership No.: 503826

Place: New Delhi  
Dated: 10.05.2019



## Management's Reply to Auditor's Report on Corporate Governance (2018-19)

| AUDITOR'S COMMENT   | MANAGEMENT'S REPLY  |
|---|---|
| Composition of Board w.r.t. number of Full-time Functional Directors does not exist.  | Being a wholly owned subsidiary of Engineers India Limited (EIL) and given the nature and scale of operations and in line with Articles of Association of the Company, requirement of full time Functional Director was not envisaged at the time of formation of the Company and the present scenario is status quo. |
| Company does not have two Independent Directors as required by the Companies Act, 2013 in its Board since 20 <sup>th</sup> November, 2018 and also as per section 177 of the Companies Act, 2013, there should be minimum two Independent Directors in the Audit Committee. | CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.   |

## Independent Auditor's Report

TO

THE MEMBERS OF

**CERTIFICATION ENGINEERS INTERNATIONAL LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone accompanying financial statements of **Certification Engineers International Limited** which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss(Including other comprehensive income), the Cash Flow Statement for the year, the statement of Changes in Equity for the year ended on 31<sup>st</sup> March,2019 and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements, give the information required by the Companies Act,2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, and profit(including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report .We are Independent of the Company in accordance with the Code Of Ethics issued by the Institute of Chartered accountants of India (ICAI) together with the ethical requirement that are relevant to our audit of the Financial statements under the provisions of the Companies Act , 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Management's Responsibility for the Standalone Financial Statements**

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

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements ,whether due to fraud or error, design and perform audit procedures responsive to those risks , and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of Internal Financial Controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### 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 in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(5) of the Act, we have considered the directions and sub-directions issued by the Comptroller and Auditor General of India. We give our report in the attached Annexure "A-1".
3. As required by section 143(3) of the Act, based on our audit 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.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board Of Directors, none of the Directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure- B".
  - g) With respect to other matters to be included in Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors) 2014, as amended in our opinion and to best of our information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 36.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

**CA VIVEK KUMAR**  
Partner  
Membership No.503826

Place: New Delhi  
Dated: 10.05.2019

## Annexure- A to the Auditor's Report

- i. The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:
- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company's fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us on the basis of our examination of the records of the Company, the lease deed in respect of leasehold building is held in the name of the Company.
- ii. (a) The Company being a service Company does not have inventory of raw material or finished goods, the work in progress is on account of "continuing service projects" for which bills have not been raised. Inventory consists of stock of office stationary. Physical verification of inventory of stationary has been conducted at reasonable intervals by the management.
- (b) Procedures for physical verification of inventory(of stationary) followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business. There are no inadequacies in such procedures that should be reported.
- (c) Company is maintaining proper records of inventory stationary & stores. No material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Companies Act 2013, with respect to the loans & investments made.
- v. The Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
- vi. According to information and explanation given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered 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, the Company is generally regular in deposition of undisputed statutory dues including provident fund, Goods and Services Tax(GST), sales tax, Value added tax, duty of customs, service tax, cess and other material statutory dues except for some delays in deposition of profession tax and Provident fund. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, goods and services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the examination of records of the Company, there are no dues of provident fund, ESI, sales tax, duty of customs, excise, value added tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute except for service tax and income tax.

The details for the same are hereunder:

| Name of the statute                   | Nature of dues                              | Amount (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending       |
|---------------------------------------|---|---------------------|------------------------------------|--------------------------------------|
| Service Tax, as per Finance Act, 1994 | Show Cause Notice cum Demand of service Tax | 1015.12*            | April 2004 to March 2013           | CESTAT                               |
| Income Tax Act, 1961                  | Penalty Order                               | 1.22                | April 2010 to March 2011           | Commissioner of Income Tax (Appeals) |

\*Inclusive of interest and penalty.



- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
- ix. The Company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year. 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. According to the information and explanations given to us and based on our examination of the records of the Company, the Company paid/ provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

**CA VIVEK KUMAR**  
Partner  
Membership No.503826

Place: New Delhi  
Dated: 10.05.2019

## Supplementary - Directions to the Statutory Auditors

| Sr. No. | Directions   | Reply  |
|---------|--|--|
| 1       | Whether the Company has system in place to process all the accounting transactions through IT System. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | Yes, processing of all the accounting transactions of CEIL are being done through IT System. All the transactions are stored on parent Company's server to keep the data safe and secure. As no accounting transaction is outside IT System, there is no financial implication in that regard. |
| 2       | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company's inability to repay the loan. If yes, the financial impact may be stated.  | The Company (CEIL) has not taken any loan from any lender. Therefore, there is no case of restructuring of any existing loan or cases of waiver /write-off of debts/loans/interest etc. made by a lender to the Company during the year 2018-19.   |
| 3       | Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilised as per its term and conditions. List the cases of deviation.  | Not applicable to the Company (CEIL) as no funds received/receivable by it for specific schemes from Central/State agencies.   |

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

**CA VIVEK KUMAR**  
Partner  
Membership No. 503826

Place: New Delhi  
Dated: 10.05.2019

## ANNEXURE - B 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 Certification Engineers International Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Control

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 Control 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.

### Auditor's 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 Control 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 authorisation 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, 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 31 March 2019, 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.

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

Place: New Delhi  
Dated: 10.05.2019

**CA VIVEK KUMAR**  
Partner  
Membership No. 503826





## Compliance Certificate

We have conducted the audit of accounts of M/s Certification Engineers International Ltd, for the year ended 31<sup>st</sup> March 2019 in accordance with the directions/ sub directions issued by the comptroller and auditor general of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub- directions issued to us.

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

Place: New Delhi  
Dated: 10.05.2019

**CA VIVEK KUMAR**  
Partner  
Membership No. 503826

## Balance Sheet

As At 31 March 2019

(₹ In Lakhs)

| PARTICULARS   | Note No. | AS AT<br>31 March<br>2019 | AS AT<br>31 March<br>2018 |
|---|----------|---------------------------|---------------------------|
| <b>ASSETS</b>   |          |                           |                           |
| <b>Non-Current Assets</b>   |          |                           |                           |
| Property, Plant and Equipment                                     | 4        | 224.69                    | 215.89                    |
| Other Intangible Assets   | 5        | 1.34                      | 0.94                      |
| Financial Assets  |          |                           |                           |
| Loans   | 6A       | 6.82                      | 10.01                     |
| Other Financial Assets  | 7A       | 0.39                      | 60.11                     |
| Deferred Tax Assets (Net)   | 8        | 218.52                    | 198.60                    |
| Non-Current Tax Assets (Net)                                      | 9        | 307.49                    | 218.55                    |
| Other Non-Current Assets  | 10A      | 0.08                      | 0.41                      |
| <b>Total Non-Current Assets</b>                                   |          | <b>759.33</b>             | <b>704.51</b>             |
| <b>Current Assets</b>   |          |                           |                           |
| Inventories   | 11       | 4.17                      | 2.53                      |
| Financial Assets  |          |                           |                           |
| Investments   | 12       | 284.38                    | -                         |
| Loans   | 6B       | 396.20                    | 267.99                    |
| Trade Receivables   | 13       | 1,469.86                  | 1,802.12                  |
| Cash and Cash Equivalents   | 14       | 67.75                     | 575.06                    |
| Other Bank Balances   | 15       | 5,380.84                  | 5,075.81                  |
| Other Financial Assets  | 7B       | 448.09                    | 397.23                    |
| Other Current Assets  | 10B      | 65.10                     | 82.42                     |
| <b>Total Current Assets</b>                                       |          | <b>8,116.39</b>           | <b>8,203.16</b>           |
| <b>Total Assets</b>   |          | <b>8,875.72</b>           | <b>8,907.67</b>           |
| <b>EQUITY AND LIABILITIES</b>                                     |          |                           |                           |
| <b>Equity</b>   |          |                           |                           |
| Equity Share Capital  | 16       | 900.00                    | 100.00                    |
| Other Equity  | 17       | 6,773.93                  | 7,415.11                  |
| <b>Total Equity</b>   |          | <b>7,673.93</b>           | <b>7,515.11</b>           |
| <b>Non-Current Liabilities</b>                                    |          |                           |                           |
| Financial Liabilities   |          |                           |                           |
| Other Financial Liabilities                                       | 18A      | 3.19                      | 0.88                      |
| Other Non-Current Liabilities                                     | 19A      | 0.05                      | 0.03                      |
| Long-Term Provisions  | 20A      | 452.16                    | 488.11                    |
| <b>Total Non-Current Liabilities</b>                              |          | <b>455.40</b>             | <b>489.02</b>             |
| <b>Current Liabilities</b>  |          |                           |                           |
| Financial Liabilities   |          |                           |                           |
| Trade Payables  | 21       |                           |                           |
| Total outstanding dues of Micro Enterprises and small enterprises |          | 20.21                     | 61.32                     |

|  |     |                 |                 |
|--|-----|-----------------|-----------------|
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |     | 110.81          | 185.00          |
| Other Financial Liabilities  | 18B | 100.97          | 317.81          |
| Other Current Liabilities  | 19B | 475.56          | 191.30          |
| Short-Term Provisions  | 20B | 38.84           | 34.23           |
| Current Tax Liabilities (Net)  | 22  | -               | 113.88          |
| <b>Total Current Liabilities</b>   |     | <b>746.39</b>   | <b>903.54</b>   |
| <b>Total Equity and Liabilities</b>  |     | <b>8,875.72</b> | <b>8,907.67</b> |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements 1 to 48  
This is the balance sheet referred to in our report of even date

**For V. K. VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

**For and on behalf of Certification Engineers International Limited**

**Vivek Kumar**  
Partner  
Membership No. 503826  
FRN No. 000386N

|                       |                         |                         |                       |
|-----------------------|-------------------------|-------------------------|-----------------------|
| <b>( J. TOTLANI )</b> | <b>( G D GOSWAMI )</b>  | <b>( G.SURESH )</b>     | <b>( J.C. NAKRA )</b> |
| Company Secretary     | Chief Financial Officer | Chief Executive Officer | Chairman              |
| PAN : BGIPK9258H      | PAN : ACHPG1489J        | PAN : AGLPS8759H        | DIN : 07676468        |

**Place :** New Delhi  
**Date :** May 10, 2019

## Statement of Profit and Loss

For The Year Ended 31 March 2019

| PARTICULARS   | Note No. | (₹ In Lakhs)    |                 |
|---|----------|-----------------|-----------------|
|   |          | 31 March 2019   | 31 March 2018   |
| <b>REVENUE</b>  |          |                 |                 |
| Income From Services  | 23       | 5,291.40        | 5,029.16        |
| Other Income  | 24       | 409.92          | 409.89          |
| <b>Total Revenue</b>  |          | <b>5,701.32</b> | <b>5,439.05</b> |
| <b>EXPENSES</b>   |          |                 |                 |
| Manpower Services   | 25       | 869.51          | 1,044.80        |
| Employee Benefits Expenses  | 26       | 2,537.73        | 1,493.30        |
| Finance Costs   | 27       | 0.32            | 1.26            |
| Depreciation and Amortisation Expenses  | 28       | 13.42           | 16.81           |
| Other Expenses  |          |                 |                 |
| Facilities  | 29A      | 153.82          | 148.10          |
| Corporate Costs   | 29B      | 77.46           | 53.07           |
| Other Costs   | 29C      | 728.26          | 884.74          |
| <b>Total Expenses</b>   |          | <b>4,380.52</b> | <b>3,642.08</b> |
| <b>Profit Before Tax</b>  |          | <b>1,320.80</b> | <b>1,796.97</b> |
| Tax Expense   |          |                 |                 |
| Current Tax (Including Earlier Years)   | 30       | 407.57          | 592.81          |
| Deferred Tax  |          | (22.63)         | (40.89)         |
| <b>Profit For The Year</b>  |          | <b>935.86</b>   | <b>1,245.05</b> |
| <b>Other Comprehensive Income</b>   |          |                 |                 |
| Items that will not be reclassified to profit and loss                        |          |                 |                 |
| Re-measurement gains (losses)   |          |                 |                 |
| on defined benefit plans  |          | 9.27            | 9.20            |
| Income tax relating to items that will not be reclassified to profit and loss |          | (2.70)          | (2.68)          |
| <b>Total Comprehensive Income For The Year</b>                                |          | <b>942.43</b>   | <b>1,251.57</b> |
| <b>Earnings Per Equity Share (Face Value ₹ 100 Per Share)</b>                 | 31       |                 |                 |
| Basic (₹)   |          | 103.98          | 138.34          |
| Diluted (₹)   |          | 103.98          | 138.34          |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 48

This is the statement of profit and loss referred to in our report of even date.

**For V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

**For and on behalf of Certification Engineers International Limited**

**Vivek Kumar**  
Partner  
Membership No. 503826

**( J. TOTLANI )**  
Company Secretary  
PAN : BGIPK9258H

**( G D GOSWAMI )**  
Chief Financial Officer  
PAN : ACHPG1489J

**( G.SURESH )**  
Chief Executive Officer  
PAN : AGLPS8759H

**( J.C. NAKRA )**  
Chairman  
DIN : 07676468

**Place : New Delhi**  
**Date : May 10, 2019**

## Statement of Changes In Equity as at 31 March 2019

### A Equity Share Capital\*

(₹ In Lakhs)

| Particulars          | Opening Balance As At 1 April 2017 | Issue Of Equity Share Capital During The Year | Redemption Of Equity Share Capital During The Year | Balance As At 31 March 2018 | Changes in Equity Share Capital During The Year (Issue of Bonus Shares) | Redemption Of Equity Share Capital During The Year |        |
|----------------------|------------------------------------|---|--|-----------------------------|---|--|--------|
| Equity Share Capital | 100.00                             | -   | -  | 100.00                      | 800.00  | -  | 900.00 |

### B Other Equity\*

(₹ In Lakhs)

| Description                                | Reserves And Surplus |                   |                      | Other Comprehensive Income                            | Total           |
|--|----------------------|-------------------|----------------------|---|-----------------|
|  | General Reserve      | Retained Earnings | CSR Activity Reserve | Remeasurement Of Defined Benefit Plans (Net of Taxes) |                 |
| <b>Balance as at 31 March 2017</b>         | <b>5,816.33</b>      | <b>1,147.56</b>   | <b>36.34</b>         | <b>5.81</b>   | <b>7,006.04</b> |
| Profit for the year                        | -                    | 1,245.05          | -                    | -   | 1,245.05        |
| Other comprehensive income                 | -                    | -                 | -                    | 6.52  | 6.52            |
| Dividend (including tax impact)            | -                    | (842.50)          | -                    | -   | (842.50)        |
| Transfer from statement of profit and loss | -                    | -                 | -                    | -   | -               |
| Transfer from retained earnings            | 726.31               | (755.13)          | 28.82                | -   | -               |
| Transfer to retained earnings              | -                    | 30.97             | (30.97)              | -   | -               |
| <b>Balance as at 31 March 2018</b>         | <b>6,542.64</b>      | <b>825.95</b>     | <b>34.19</b>         | <b>12.33</b>  | <b>7,415.11</b> |
| Profit for the year                        | -                    | 935.86            | -                    | -   | 935.86          |
| Other comprehensive income                 | -                    | -                 | -                    | 6.57  | 6.57            |
| Dividend (including tax impact)            | -                    | (783.61)          | -                    | -   | (783.61)        |
| Transfer from statement of profit and loss | -                    | -                 | -                    | -   | -               |
| Bonus issue of shares                      | (800.00)             | -                 | -                    | -   | (800.00)        |
| Transfer from retained earnings            | 404.01               | (435.88)          | 31.87                | -   | -               |
| Transfer to retained earnings              | -                    | 1.84              | (1.84)               | -   | -               |
| <b>Balance as at 31 March 2019</b>         | <b>6,146.65</b>      | <b>544.16</b>     | <b>64.22</b>         | <b>18.90</b>  | <b>6,773.93</b> |

\*Refer note 16 for details

\*Refer note 17 for details

**For V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

**For and on behalf of Certification Engineers International Limited**

**Vivek Kumar**  
Partner  
Membership No. 503826

|  |   |  |   |
|--|---|--|---|
| <b>( J. TOTLANI )</b><br>Company Secretary<br>PAN : BGIPK9258H | <b>( G D GOSWAMI )</b><br>Chief Financial Officer<br>PAN : ACHPG1489J | <b>( G.SURESH )</b><br>Chief Executive Officer<br>PAN : AGLPS8759H | <b>( J.C. NAKRA )</b><br>Chairman<br>DIN : 07676468 |
|--|---|--|---|

**Place : New Delhi**  
**Date : May 10, 2019**

## Cash Flow Statement

For The Year Ended 31 March 2019

(₹ In Lakhs)

| PARTICULARS  | 31 March 2019   | 31 March 2018   |
|--|-----------------|-----------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                 |                 |
| Profit Before Tax  | 1,320.80        | 1,796.97        |
| Adjustments for:   |                 |                 |
| Depreciation and Amortisation Expenses                                       | 13.42           | 16.81           |
| Provision For Employee Benefits  | (22.07)         | 87.82           |
| Provision For Doubtful Receivables   | 120.04          | 138.78          |
| Interest Income and Amortised Income On Security Deposit                     | (396.77)        | (391.39)        |
| Interest Expense   | 0.32            | 1.26            |
| Dividend Income  | (9.85)          | (18.08)         |
| Capital (Gain) / Loss On Sale Of Mutual Funds                                | (0.01)          | 0.09            |
| <b>Operating Profit Before Working Capital Changes</b>                       | <b>1,025.88</b> | <b>1,632.26</b> |
| <b>Movement In Working Capital</b>   |                 |                 |
| Decrease/(Increase) In Trade Receivables                                     | 212.22          | (216.95)        |
| Decrease/(Increase) In Inventories   | (1.64)          | 0.95            |
| Decrease/(Increase) In Other Current and Non-Current Assets                  | 17.65           | (10.56)         |
| Increase In Loans  | (125.02)        | (1.27)          |
| Decrease/(Increase) In Other Current Financial Assets                        | (50.86)         | (56.66)         |
| (Decrease)/Increase In Other Current and Non-Current Liabilities             | 284.28          | (8.77)          |
| (Decrease)/Increase In Other Current Financial and Non-Financial Liabilities | (329.83)        | 265.65          |
| <b>Cash Flow From Operating Activities Post Working Capital Changes</b>      | <b>1,032.68</b> | <b>1,604.65</b> |
| Income Tax Paid (Net)  | (610.39)        | (481.07)        |
| <b>Net Cash Flow From Operating Activities (A)</b>                           | <b>422.29</b>   | <b>1,123.58</b> |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |                 |                 |
| Purchase Of Property, Plants, Equipments and Intangible Assets (Net)         | (22.62)         | (11.71)         |
| Movement In Current Investments (Net)  | (284.37)        | 256.95          |
| Investment In Bank Deposits (Net)  | (245.31)        | (499.27)        |
| Interest Received  | 396.77          | 391.39          |
| Dividend Received  | 9.85            | 18.08           |
| <b>Net Cash Flows Used In Investing Activities (B)</b>                       | <b>(145.68)</b> | <b>155.44</b>   |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |                 |                 |
| Dividend Paid (Including Tax)  | (783.61)        | (842.50)        |
| Interest Paid  | (0.32)          | (1.26)          |
| <b>Net Cash Used In Financing Activities (C)</b>                             | <b>(783.93)</b> | <b>(843.76)</b> |





For The Year Ended 31 March 2019

(₹ In Lakhs)

| PARTICULARS   | 31 March 2019   | 31 March 2018 |
|---|-----------------|---------------|
| <b>Increase In Cash And Cash Equivalents (A+B+C)</b>    | <b>(507.31)</b> | <b>435.26</b> |
| Cash And Cash Equivalents At The Beginning Of The Year  | 575.06          | 139.80        |
| <b>Cash And Cash Equivalents At The End Of The Year</b> | <b>67.75</b>    | <b>575.06</b> |

This is the cash flow statement as referred to in our report of even date.

**For V.K.VERMA & CO**  
Chartered Accountants  
Firm Regn. No. 000386N

**For and on behalf of Certification Engineers International Limited**

**Vivek Kumar**  
Partner  
Membership No. 503826

**( J. TOTLANI )**  
Company Secretary  
PAN : BGIPK9258H

**(G D GOSWAMI)**  
Chief Financial Officer  
PAN : ACHPG1489J

**(G.SURESH)**  
Chief Executive Officer  
PAN : AGLPS8759H

**(J.C. NAKRA)**  
Chairman  
DIN : 07676468

**Place : New Delhi**  
**Date : May 10, 2019**

## Significant Accounting Policies and Notes to Accounts for the year ended 31 March 2019

### 1. NATURE OF PRINCIPAL ACTIVITIES

Certification Engineers International Limited and (referred to as “CEIL” or “the Company”) is a Government of India Enterprise a wholly owned subsidiary Company of Engineers India Limited. The Company undertakes certification, re certification, third party inspection, safety audits for offshore and onshore oil and gas facilities and other quality sensitive sectors of the industry. The Company is domiciled in India has its registered office situated at E.I. Bhawan 1, Bhikaji Cama Place, New Delhi-110066.

### 2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). The Group has uniformly applied the accounting policies during the period presented.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 10<sup>th</sup> May, 2019.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. ACCOUNTING CONCEPTS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

#### B. REVENUE RECOGNITION

##### REVENUE RECOGNITION

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method and accordingly comparatives for the previous periods is not retrospectively adjusted. The effect of adoption of Ind AS 115 Revenue from contract with customers on the accounts of the Company for the year ended 31 March 2019 is insignificant.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. The services performed by the Company fall into the criteria of the transfer of control over a period of time and as such Company satisfy the performance obligation and revenue over a period of time.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Arrangements with customers are either on a cost plus/ rate basis jobs, lump sum contracts and percentage fee contracts.

Revenue from services is accounted as follows:

- In the case of cost plus/rate basis jobs, on the basis of amount billable under the contracts
- In the case of lump-sum contracts, as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.
- In case of contracts providing for a percentage fees on equipment/material value/project cost, on the basis of physical progress as certified up to the closing date of accounting year

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

#### **WORK-IN-PROGRESS**

##### **a) Cost of jobs are carried forward as Work-in-Progress for which:**

- i. The terms of remuneration receivable by the Company have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit/(loss) on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
- ii. The terms have been agreed to at lump sum basis but the physical progress is less than 25% of the job.

##### **b) Work-in-Progress is valued at direct cost**

#### **C. INTANGIBLE ASSETS**

##### **Recognition**

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

##### **Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition.

#### **D. PROPERTY, PLANT AND EQUIPMENT**

##### **Recognition**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged.

Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

##### **Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

Premium paid on leasehold property where lease agreements have been executed for specified period are written off over the period of lease proportionately.

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

## E. FOREIGN CURRENCY

Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency of the Company. Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month.

### Conversion

Foreign currency monetary items are re translated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## F. IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit & Loss Account in the year of reversal.

## G. FINANCIAL INSTRUMENTS

Financial assets Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

### Subsequent measurement

**i. Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**ii. Mutual funds** – All mutual funds in scope of 'IndAS 109 Financial Instruments' ('Ind AS 109') are measured at fair value through profit and loss (FVTPL).

### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

## Financial liabilities

### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. This category generally applies to long-term payables and deposits.

### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## H. IMPAIRMENT OF FINANCIAL ASSETS

In accordance with IndAS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### *Trade receivables*

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

## I. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The provision for estimated liabilities on account of guarantees and warranties etc. in respect of lumpsum services and turnkey contracts awarded to the Company are being made on the basis of management's assessment of risk and consequential probable liabilities on each such jobs.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

#### **J. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value.

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **K. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

#### **L. CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestricted use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company considers unrestricted time deposits with banks having an original maturity of three months or less as cash equivalent.

#### **M. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS**

##### **Defined benefit plans**

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

##### **Other long-term benefits**

The liabilities for leave (earned and sick) are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method).



**Short-term employee benefits**

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

**Defined contribution plans**

Contributions with respect to provident fund & National Pension System (NPS), defined contribution plans, are deposited to Regional Provident Fund Commissioner & Stock Holding Corporation India Ltd (POP). The Company's contributions to these plans are recognised as expense in Statement of Profit and Loss.

**Other benefits**

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

**N. RECENT ACCOUNTING PRONOUNCEMENT**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

**Ind AS 116- Leases:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases effective from April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Ind AS 12 - Income Taxes- Appendix C, Uncertainty over Income Taxes Treatment:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 12, Appendix C, Uncertainty over Income Taxes Treatment. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 12 - Income Taxes- Amendment to Ind AS 12:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued amendments in Ind AS 12, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**O. 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. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.



**P. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Revenue** – For Lumpsum Contracts the Company recognises revenue using the percentage completion method. Use of the percentage completion method requires the Company to estimate the cost incurred relative to total expected cost to the satisfaction of performance obligation. This requires estimates to be made of the outcomes of long-term contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured. Cost and time incurred have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation.

**Recognition of deferred tax assets**– The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)**– Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

## Notes To The Financial Statements

For The Year Ended 31 March 2019

### Note - 4

#### Property, Plant And Equipment

| Particulars                        | Vehicles    | Office Equipments | Leasehold Property* | Air Conditioner | Computer Hardware | Furniture And Fixtures | Library Books | Total         |
|------------------------------------|-------------|-------------------|---------------------|-----------------|-------------------|------------------------|---------------|---------------|
| <b>Balance as at 31 March 2017</b> | <b>3.24</b> | <b>5.60</b>       | <b>202.08</b>       | <b>6.98</b>     | <b>17.24</b>      | <b>22.96</b>           | <b>0.19</b>   | <b>258.29</b> |
| Additions                          | -           | 0.07              | -                   | -               | 10.41             | -                      | 0.10          | 10.58         |
| Disposals/assets written off       | -           | -                 | -                   | -               | -                 | (0.14)                 | -             | (0.14)        |
| <b>Balance as at 31 March 2018</b> | <b>3.24</b> | <b>5.67</b>       | <b>202.08</b>       | <b>6.98</b>     | <b>27.65</b>      | <b>22.82</b>           | <b>0.29</b>   | <b>268.73</b> |
| Additions                          | -           | 1.83              |                     |                 | 18.09             | 1.62                   | 0.15          | 21.69         |
| Disposals/assets written off       | -           |                   |                     |                 | (1.40)            |                        |               | (1.40)        |
| <b>Balance as at 31 March 2019</b> | <b>3.24</b> | <b>7.50</b>       | <b>202.08</b>       | <b>6.98</b>     | <b>44.34</b>      | <b>24.44</b>           | <b>0.44</b>   | <b>289.02</b> |
| Accumulated Depreciation           |             |                   |                     |                 |                   |                        |               |               |
| <b>Balance as at 31 March 2017</b> | <b>1.30</b> | <b>3.57</b>       | <b>7.76</b>         | <b>4.03</b>     | <b>8.73</b>       | <b>10.92</b>           | <b>0.19</b>   | <b>36.50</b>  |
| Charge For The Year                | 0.65        | 0.50              | 3.87                | 1.73            | 4.70              | 4.92                   | 0.10          | 16.47         |
| Adjustments For Disposals          | -           | -                 | -                   | -               | -                 | (0.13)                 | -             | (0.13)        |
| <b>Balance as at 31 March 2018</b> | <b>1.95</b> | <b>4.07</b>       | <b>11.63</b>        | <b>5.76</b>     | <b>13.43</b>      | <b>15.71</b>           | <b>0.29</b>   | <b>52.84</b>  |
| Charge For The Year                | 0.65        | 0.67              | 3.87                | 0.02            | 6.79              | 0.72                   | 0.15          | 12.87         |
| Adjustments For Disposals          | -           | -                 | -                   | -               | (1.38)            |                        | -             | (1.38)        |
| <b>Balance as at 31 March 2019</b> | <b>2.60</b> | <b>4.74</b>       | <b>15.50</b>        | <b>5.78</b>     | <b>18.84</b>      | <b>16.43</b>           | <b>0.44</b>   | <b>64.33</b>  |
| Net Book Value as at 31 March 2018 | 1.29        | 1.60              | 190.45              | 1.22            | 14.22             | 7.11                   | -             | 215.89        |
| Net Book Value as at 31 March 2019 | 0.64        | 2.76              | 186.58              | 1.20            | 25.50             | 8.01                   | -             | 224.69        |

\*Acquired from CIDCO Limited on 60 years lease basis

#### (I) Contractual obligations :

Refer to note 36(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note - 5**  
**Intangible Assets**

(₹ In Lakhs)

| <b>Gross Carrying Amount</b>              | <b>Computer Software</b> | <b>Total</b> |
|---|--------------------------|--------------|
| Balance as at 31 March 2017               | 1.99                     | 1.99         |
| Additions                                 | 1.14                     | 1.14         |
| Disposals/Assets Written Off              | -                        | -            |
| <b>Balance as at 31 March 2018</b>        | <b>3.13</b>              | <b>3.13</b>  |
| Additions                                 | 0.95                     | 0.95         |
| Disposals/Assets Written Off              | -                        | -            |
| <b>Balance as at 31 March 2019</b>        | <b>4.08</b>              | <b>4.08</b>  |
| <b>Accumulated Amortisation</b>           |                          |              |
| <b>Balance as at 31 March 2017</b>        | <b>1.85</b>              | <b>1.85</b>  |
| Amortisation Charge For The Year          | 0.34                     | 0.34         |
| Adjustments For Disposals                 | -                        | -            |
| <b>Balance as at 31 March 2018</b>        | <b>2.19</b>              | <b>2.19</b>  |
| Amortisation Charge For The Year          | 0.55                     | 0.55         |
| Adjustments For Disposals                 | -                        | -            |
| <b>Balance as at 31 March 2019</b>        | <b>2.74</b>              | <b>2.74</b>  |
| <b>Net Book Value as at 31 March 2018</b> | <b>0.94</b>              | <b>0.94</b>  |
| <b>Net Book Value as at 31 March 2019</b> | <b>1.34</b>              | <b>1.34</b>  |

*(This space has been intentionally left blank)*

(₹ In Lakhs)

|  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
|--|---------------|---------------|

**Note - 6****A Loans - Non-Current****Unsecured, Considered Good Unless Otherwise Stated**

Security Deposit

6.82 10.01

**6.82 10.01****B Loans - Current****Unsecured, Considered Good Unless Otherwise Stated**

Loans To Employees

53.88 12.46

Security Deposit

342.32 255.53

**396.20 267.99****Note - 7****A Other Financial Assets - Non-Current**

Term Deposits With Maturity Exceeding One Year\*

0.39 60.11

**0.39 60.11**

\*Includes bank deposits held under lien against bank guarantees of ₹ 0.39 Lakhs (previous year 31 March 2018: ₹ 53.90 lakhs) The above also includes interest accrued on bank deposits of ₹ 0.02 Lakhs (previous year 31 March 2018 ₹ 6.20 lakhs)

**B Other Financial Assets - Current**

Unbilled Income

446.63 392.93

Work In Progress\*

1.46 4.30

**448.09 397.23**

\*As taken, valued and certified by Management

**Note - 8****Assets (Net)****Deferred Tax Assets Arising On:**

Employee Benefits:

Provision for leave encashment

143.74 113.81

Provision for long service awards

5.50 5.23

Provision for gratuity

- 33.06

Provision for employee related expenses allowed on payment basis

0.17 3.89

Provision for doubtful receivables

103.71 68.76

Others:

- -

Amortised cost financial instruments

0.43 0.33

**Deferred Tax Liabilities Arising On:**

Depreciation

(28.77) (26.48)

Provision for gratuity

(6.26) -

**218.52 198.60**

**Movement In Deferred Tax Assets And Liabilities**

| Particulars        | 1 April 2017 | Recognised In Other Comprehensive Income | Recognised In Statement Of Profit And Loss | 31 March 2018 | Recognised In Other Comprehensive Income | Recognised In Statement Of Profit And Loss | 31 March 2019 |
|--------------------|--------------|--|--|---------------|--|--|---------------|
| <b>Assets</b>      |              |  |  |               |  |  |               |
| Employee Benefits  | 156.97       | (2.68)                                   | 1.70                                       | 155.99        | (2.70)                                   | (3.88)                                     | 149.41        |
| Trade Receivables  | 33.65        | -  | 35.11                                      | 68.76         | -  | 34.95                                      | 103.71        |
| Others             | 0.88         | -  | (0.55)                                     | 0.33          | -  | 0.10                                       | 0.43          |
| <b>Liabilities</b> |              |  |  |               |  |  |               |
| Depreciation       | (31.11)      | -  | 4.63                                       | (26.48)       | -  | (2.29)                                     | (28.77)       |
| Employee Benefits  | -            | -  | -  | -             | -  | (6.26)                                     | (6.26)        |
|                    | 160.39       | (2.68)                                   | 40.89                                      | 198.60        | (2.70)                                   | 22.63                                      | 218.52        |

**Note - 9**
**Non-Current Tax Assets (Net)**

Advance Income Tax (net of provision for taxation amounting to ₹ 2110.63 (previous year 31 March 2018: ₹ 1703.06 lakhs )

Advance Fringe Benefit Tax

|               |               |
|---------------|---------------|
| 295.66        | 206.72        |
| 11.83         | 11.83         |
| <b>307.49</b> | <b>218.55</b> |

**Note - 10**
**A Other Non-Current Assets**

Prepaid Expenses

|             |             |
|-------------|-------------|
| 0.08        | 0.41        |
| <b>0.08</b> | <b>0.41</b> |

**B Other Current Assets**

Balance With Government Authorities

Prepaid Expense

|              |              |
|--------------|--------------|
| 54.53        | 76.75        |
| 10.57        | 5.67         |
| <b>65.10</b> | <b>82.42</b> |

**Note - 11**
**Inventories (Lower Of Cost Or Net Realizable Value)**

Stores, Spares And Chemicals In Hand

|             |             |
|-------------|-------------|
| 4.17        | 2.53        |
| <b>4.17</b> | <b>2.53</b> |

**Note - 12**
**Investments**

UTI Treasury Advantage Fund (face value ₹ 1000 per unit)\*

|               |          |
|---------------|----------|
| 284.38        | -        |
| <b>284.38</b> | <b>-</b> |

\* At 31 March 2019 28370.891 units(previous year : 31 March 2018: Zero units)



| Particulars  | 31 March 2019   | 31 March 2018   |
|--|-----------------|-----------------|
| <b>Note - 13</b>   |                 |                 |
| <b>Trade Receivables (Unsecured)</b>   |                 |                 |
| Trade Receivable   | 1,469.86        | 1,802.12        |
| Considered Good  | 356.15          | 236.11          |
| Considered Doubtful  | 1,826.01        | 2,038.23        |
| Less: Provision For Doubtful Receivables   | (356.15)        | (236.11)        |
|  | <b>1,469.86</b> | <b>1,802.12</b> |
| <b>Note - 14</b>   |                 |                 |
| <b>Cash And Cash Equivalents</b>   |                 |                 |
| Balances With Banks In Current Account   | 67.74           | 242.05          |
| Bank Deposits having maturity of less than three months  | -               | 333.00          |
| Cash On Hand   | 0.01            | 0.01            |
|  | <b>67.75</b>    | <b>575.06</b>   |
| <b>Note - 15</b>   |                 |                 |
| <b>Other Bank Balances</b>   |                 |                 |
| Balances with banks in deposits account having maturity of more than three months but are due for maturity within twelve months* | 5,380.84        | 5,075.81        |
|  | <b>5,380.84</b> | <b>5,075.81</b> |

\*Includes ₹ 95.61 Lakhs (previous year 31 March 2018: ₹ 120.82 Lakhs) held under lien against bank guarantees.

\*Includes interest accrued on bank deposits ₹ 270.76 lakhs (previous year 31 March 2018 : ₹ 240.09 lakhs)

|   |                 |               |
|---|-----------------|---------------|
| <b>Note - 16</b>                                  |                 |               |
| <b>Share Capital</b>                              | <b>Amount</b>   | <b>Amount</b> |
| Authorised Share Capital                          |                 |               |
| 1,200,000 (previous year 31 March 2018 : 200,000) | 1,200.00        | 200.00        |
| equity shares of par value of ₹ 100 each          | <b>1,200.00</b> | <b>200.00</b> |
| <b>Issued Share Capital</b>                       |                 |               |
| 900,000 (previous year 31 March 2018 : 100,000)   | 900.00          | 100.00        |
| equity shares of par value of ₹ 100 each          | <b>900.00</b>   | <b>100.00</b> |
| <b>Subscribed And Paid Up*</b>                    |                 |               |
| 900,000 (previous year 31 March 2018 : 100,000)   | 900.00          | 100.00        |
| equity shares of par value of ₹ 100 each          | <b>900.00</b>   | <b>100.00</b> |

\*All shares are held by Holding Company- Engineers India Ltd. and its Nominees

|  |                |                |
|--|----------------|----------------|
| <b>a) Reconciliation of shares outstanding at the beginning and at the end of the year</b> |                |                |
| <b>Equity Shares</b>   | <b>Number</b>  | <b>Number</b>  |
| Shares Outstanding At The Beginning Of The Year  | 100,000        | 100,000        |
| Add : Bonus Shares Issued During The Year  | 800,000        | -              |
| <b>Shares Outstanding At The End Of The Year</b>   | <b>900,000</b> | <b>100,000</b> |
| <b>b) Details Of Shareholders Holding More Than 5% Equity Shares In The Company</b>        |                |                |
| <b>Name Of Shareholders</b>  | <b>Number</b>  | <b>Number</b>  |
| Engineers India Limited  | 900,000        | 100,000        |
| Shareholding (%)   | 100%           | 100%           |

(₹ In Lakhs)

|  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
|--|---------------|---------------|

**Note - 17**
**Reserves And Surplus**
**Nature And Purpose Of Other Reserves**
**CSR Activity Reserve**

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

**General Reserve**

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

**Other Comprehensive Income**

Other comprehensive income represents balance arising on account of re-measurement of defined benefit plans.

**Note - 18**
**Other Financial Liabilities - Non-Current**

|  |               |               |
|--|---------------|---------------|
| <b>A</b> Security Deposits And Retentions      | 3.19          | 0.88          |
|  | <b>3.19</b>   | <b>0.88</b>   |
| <b>B Other Financial Liabilities - Current</b> |               |               |
| Security Deposits And Retentions               | 37.22         | 51.87         |
| Accrued Employee Benefits                      | 63.75         | 265.94        |
|  | <b>100.97</b> | <b>317.81</b> |

**Note - 19**
**A Other Non-Current Liabilities**

|                 |             |             |
|-----------------|-------------|-------------|
| Deferred Income | 0.05        | 0.03        |
|                 | <b>0.05</b> | <b>0.03</b> |

**B Other Current Liabilities**

|  |               |               |
|--|---------------|---------------|
| Advances Received From Clients                             | 8.35          | 14.51         |
| Deferred Income  | 0.33          | 0.20          |
| Unearned Income Billed To Clients                          | 202.54        | 16.52         |
| Service Tax/GST Payable                                    | 70.20         | 81.98         |
| Withholding For Income Taxes                               | 123.17        | 18.37         |
| Withholding For Employees Including Employers Contribution | 20.85         | 22.87         |
| Other Liabilities  | 50.12         | 36.85         |
|  | <b>475.56</b> | <b>191.30</b> |

**Note - 20**
**A Long-Term Provisions**

|   |        |        |
|---|--------|--------|
| Employees' Post Retirement/Long-Term Benefits | 452.16 | 488.11 |
|---|--------|--------|

**B Short-Term Provisions**

|   |              |              |
|---|--------------|--------------|
| Employees' Post Retirement/Long-Term Benefits | 38.84        | 34.23        |
|   | <b>38.84</b> | <b>34.23</b> |

**Note - 21**
**Trade Payables**

|   |       |       |
|---|-------|-------|
| Total outstanding dues of Micro Enterprises and Small Enterprises | 20.21 | 61.32 |
|---|-------|-------|

Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises

|               |               |
|---------------|---------------|
| 110.81        | 185.00        |
| <b>131.02</b> | <b>246.32</b> |

**Note - 22****Current Tax Liabilities (Net)**

Provision for taxation (net of advance tax amounting to ₹ NIL (previous year 31 March 2018 : ₹ 478.12 lakhs)

|   |               |
|---|---------------|
| - | 113.88        |
| - | <b>113.88</b> |

**Note - 23****Revenue From Operations**

Income From Services

| 31 March 2019   | 31 March 2018   |
|-----------------|-----------------|
| 5,294.24        | 5,025.56        |
| <b>5,294.24</b> | <b>5,025.56</b> |

**Increase/(Decrease) In Work-In-Progress**

Closing Work-In-Progress

Less : Opening Work-In-Progress

|                 |                 |
|-----------------|-----------------|
| 1.46            | 4.30            |
| 4.30            | 0.70            |
| <b>(2.84)</b>   | <b>3.60</b>     |
| <b>5,291.40</b> | <b>5,029.16</b> |

**Note - 24****Other Income**

Interest Income

Bank Deposits

Income-Tax Refunds

Others - Misc

Amortization of Deferred Income

Capital Gain On Sale Of Mutual Fund Units

Dividend From Current Investments

Foreign Exchange Difference (Net)

Bad Debts Recovery

Income From Sale of Assets

|               |               |
|---------------|---------------|
| 390.94        | 353.79        |
| -             | 23.18         |
| 0.04          | 0.02          |
| 5.79          | 14.40         |
| 0.01          | -             |
| 9.85          | 18.08         |
| 1.10          | 0.38          |
| 1.75          | -             |
| 0.44          | 0.04          |
| <b>409.92</b> | <b>409.89</b> |

**Note - 25****Manpower Services**

Manpower Services

|               |                 |
|---------------|-----------------|
| 869.51        | 1,044.80        |
| <b>869.51</b> | <b>1,044.80</b> |

**Note - 26****Employee Benefits Expenses**

Salaries And Allowances

Contribution towards employees pension and provident fund and administration charges thereon

Contribution towards National Pension System (NPS) and administration charges thereon

Staff Welfare

Contribution to Gratuity Fund (Net of contribution received from others)

|                 |                 |
|-----------------|-----------------|
| 2,080.37        | 1,361.70        |
| 119.04          | 93.91           |
| 306.94          | -               |
| 7.86            | 6.95            |
| 23.52           | 30.74           |
| <b>2,537.73</b> | <b>1,493.30</b> |

**Note - 27****Finance Cost**

Unwinding of Discount on Security Deposits

|             |             |
|-------------|-------------|
| 0.32        | 1.26        |
| <b>0.32</b> | <b>1.26</b> |

**Note - 28****Depreciation And Amortisation Expenses**

Depreciation On Property, Plant And Equipment

Amortisation Of Intangible Assets

|              |              |
|--------------|--------------|
| 12.87        | 16.47        |
| 0.55         | 0.34         |
| <b>13.42</b> | <b>16.81</b> |

| Particulars  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| <b>Note - 29</b>   |               |               |
| <b>Other Expenses</b>  |               |               |
| <b>A Facilities Cost</b>   |               |               |
| Rent - Residential Accommodation<br>(Net of Recovery of ₹4.66 lakhs<br>(previous year: ₹5.14 lakhs)) | 40.48         | 44.86         |
| Rental Expense   | 6.95          | 14.28         |
| Rent - Office  | 44.07         | 27.38         |
| Electricity And Water  | 20.13         | 18.79         |
| Repairs To Building  | 3.80          | 8.22          |
| Other Repairs And Maintenance  | 31.93         | 26.18         |
| Hire Charges - Office Equipment  | 3.11          | 3.06          |
| Insurance  | 3.35          | 5.33          |
|  | <b>153.82</b> | <b>148.10</b> |
| <b>B Corporate Cost</b>  |               |               |
| Bank Charges   | 0.42          | 1.13          |
| Sitting Fees To Independent Directors  | 3.15          | 4.10          |
| Publicity  | 5.59          | 16.69         |
| Entertainment  | 15.95         | 12.93         |
| Remuneration To Auditors:  |               |               |
| For Audit  | 3.00          | 2.50          |
| For Tax Audit  | 0.60          | 0.50          |
| Certification  | 0.23          | 0.40          |
| Out of Pocket  | 4.02          | 1.69          |
| Filing Fee   | 7.71          | 0.06          |
| Legal And Professional Charges   | 4.49          | 2.25          |
| Licences And Taxes   | 32.30         | 10.82         |
|  | <b>77.46</b>  | <b>53.07</b>  |
| <b>C Other Cost</b>  |               |               |
| Travel And Conveyance  | 573.20        | 642.26        |
| Printing, Stationery And General Office Supplies   | 7.16          | 9.28          |
| Newspapers And Periodicals   | 0.16          | 0.10          |
| Postage And Telecommunications   | 16.96         | 19.15         |
| Capital Loss on sale of MF Units   | -             | 0.09          |
| Courier, Transportation And Handling   | 2.73          | 2.51          |
| Provision For Doubtful Receivables   | 120.04        | 138.78        |
| Amounts Written Off  | -             | 29.46         |
| Corporate Social Responsibility Expenditure  | 1.84          | 30.97         |
| Miscellaneous Expenses   | 3.55          | 7.51          |
| Training Expenses  | 2.62          | 4.63          |
|  | <b>728.26</b> | <b>884.74</b> |

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year ended 2018-19 - ₹ 31.87 lakhs  
(previous year: ₹ 28.82 lakhs)

(b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

| Particulars                           |               | In cash | Yet to be paid in cash | Total |
|---------------------------------------|---------------|---------|------------------------|-------|
| Construction/acquisition of any asset | 31 March 2019 | -       | -                      | -     |
|                                       | 31 March 2018 | -       | -                      | -     |
| On purposes other than (i) above      | 31 March 2019 | 1.84    | -                      | 1.84  |
|                                       | 31 March 2018 | 30.97   | -                      | 30.97 |

**Note - 30****Income Tax**

Tax Expense Comprises Of:

Current Income Tax (Including Earlier Years Impact)

407.57

592.81

Deferred Tax

(22.63)

(40.89)

**Income Tax Expense Reported In The Statement Of Profit Or Loss****384.94****551.92**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 29.12% and the reported tax expense in profit or loss are as follows:

**Statement Of Profit And Loss**

Accounting Profit Before Tax

1,320.80

1,796.97

**Accounting Profit Before Income Tax****1,320.80****1,796.97**

At India's Statutory Income Tax Rate of 29.120 %

384.62

518.25

(31 March 2018: 28.840%)

**Adjustments In Respect Of Current Income Tax**

Tax Impact Of Exempted Income

(2.87)

(5.21)

Tax Impact Of Expenses Which Will Never Be Allowed

1.10

9.82

Earlier Years Tax Impact

-

0.81

Others

2.09

28.25

**384.94****551.92****Note - 31****Earnings Per Share (EPS)**

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The shareholders of the Company in their Extra Ordinary General Meeting held on 25<sup>th</sup> January 2019 approved the issue of bonus shares in the ratio of 8:1, i.e. Eight new equity share of ₹ 100 each for one existing fully paid up equity share of ₹ 100 each held. The issue and allotment of 8,00,000 bonus shares was made by Company on 25 January 2019. Post allotment of bonus shares, Company's share capital consist of 9,00,000 equity shares of ₹ 100 each amounting to ₹ 900 lakhs. Accordingly, as per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 31 March 2019 and 31 March 2018 has been computed on the basis of new numbers shares post bonus issue i.e. 9,00,000 equity shares of ₹ 100 each

|  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Profit Attributable To Equity Shareholders | 935.86        | 1,245.05      |
| Weighted Average Number Of Equity Shares   | 900,000       | 900,000       |
| <b>Nominal Value Per Share (₹)</b>         | <b>100.00</b> | <b>100.00</b> |
| <b>Earnings Per Equity Share</b>           |               |               |
| Basic                                      | 103.98        | 138.34        |
| Diluted                                    | 103.98        | 138.34        |

**Note - 32****(I) Financial asset - fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability.

**(ii) Financial assets measured at fair value – recurring fair value measurements**

(₹ In Lakhs)

| 31 March 2019                 | Level 1       | Level 2  | Level 3  | Total         |
|-------------------------------|---------------|----------|----------|---------------|
| <b>Financial assets</b>       |               |          |          |               |
| Mutual funds                  | 284.38        | -        | -        | 284.38        |
| <b>Total financial assets</b> | <b>284.38</b> | <b>-</b> | <b>-</b> | <b>284.38</b> |

**Financial assets measured at fair value – recurring fair value measurements**

(₹ In Lakhs)

| 31 March 2018                 | Level 1  | Level 2  | Level 3  | Total    |
|-------------------------------|----------|----------|----------|----------|
| <b>Financial assets</b>       |          |          |          |          |
| Mutual funds                  | -        | -        | -        | -        |
| <b>Total financial assets</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

**Note - 33****Financial instruments****I) Financial instruments by category**

(₹ In Lakhs)

| Particulars                        | 31 March 2019 |                 | 31 March 2018 |                 |
|------------------------------------|---------------|-----------------|---------------|-----------------|
|                                    | FVTPL         | Amortised       | FVTPL         | Amortised       |
| <b>Financial assets</b>            |               |                 |               |                 |
| Investments - mutual funds         | 284.38        | -               | -             | -               |
| Trade receivables                  | -             | 1,469.86        | -             | 1,802.12        |
| Loans                              | -             | 53.88           | -             | 12.46           |
| Other financial assets             | -             | 448.09          | -             | 397.23          |
| Cash and cash equivalents          | -             | 67.75           | -             | 575.06          |
| Other bank balances                | -             | 5,381.23        | -             | 5,135.92        |
| Security deposits                  | -             | 349.14          | -             | 265.54          |
| <b>Total financial assets</b>      | <b>284.38</b> | <b>7,769.95</b> | <b>-</b>      | <b>8,188.33</b> |
| <b>Financial liabilities</b>       |               |                 |               |                 |
| Trade payables                     | -             | 131.02          | -             | 246.32          |
| Security deposits and retentions   | -             | 40.41           | -             | 52.75           |
| Other financial liabilities        | -             | 63.75           | -             | 265.94          |
| <b>Total financial liabilities</b> | <b>-</b>      | <b>235.18</b>   | <b>-</b>      | <b>565.01</b>   |



**(ii) Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

**(iii) Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management****i) Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following: -

| Asset Group          | Basis Of Categorisation   | Provision for Expected Credit Loss                               |
|----------------------|---|--|
| Low credit risk      | Cash and cash equivalents, other bank balances and other financial assets | 12 month expected credit loss and Life time expected credit loss |
| Moderate credit risk | Trade receivables   | Life time expected credit loss                                   |
| High credit risk     | Trade receivables   | Life time expected credit loss or fully provided for             |

In respect of trade receivables, the Company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written



(₹ In Lakhs)

|                         | Particulars  | 31 March 2019 | 31 March 2018 |
|-------------------------|--|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans and other financial assets | 7,698.18      | 7,952.22      |
| B: Moderate credit risk | Trade receivable   | 177.78        | 143.36        |
| C: High credit risk     | Trade receivables  | 178.37        | 92.75         |

*ii) Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is as follows -

(₹ In Lakhs)

| Particulars    | 31 March 2019   | 31 March 2018   |
|----------------|-----------------|-----------------|
| Hydrocarbon    | 706.21          | 616.84          |
| Infrastructure | 841.43          | 849.43          |
| Railways       | 257.88          | 272.06          |
| Others         | 20.49           | 299.90          |
| <b>Total</b>   | <b>1,826.01</b> | <b>2,038.23</b> |

**b)Credit risk exposure****(i)Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**31 March 2019**

(₹ In Lakhs)

|                           | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--|------------------------|---|
| Cash and cash equivalents | 67.75                                      | -                      | 67.75                                       |
| Other bank balances       | 5,381.23                                   | -                      | 5,381.23                                    |
| Loans                     | 53.88                                      | -                      | 53.88                                       |
| Other financial assets    | 1,081.61                                   | -                      | 1,081.61                                    |

**31 March 2018**

(₹ In Lakhs)

|                           | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--|------------------------|---|
| Cash and cash equivalents | 575.06                                     | -                      | 575.06                                      |
| Other bank balances       | 5,135.92                                   | -                      | 5,135.92                                    |
| Loans                     | 12.46                                      | -                      | 12.46                                       |
| Other financial assets    | 662.77                                     | -                      | 662.77                                      |

**(ii) Expected credit loss for trade receivables under simplified approach****31 March 2019****(₹ In Lakhs)**

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 851.84      | 228.58        | 112.52         | 67.63          | 104.13         | 46.87          |
| Expected credit loss (provision)    | 27.69       | 6.64          | 13.24          | 5.35           | 16.83          | 30.10          |
| Carrying amount (net of impairment) | 824.15      | 221.94        | 99.28          | 62.28          | 87.30          | 16.77          |

| Particulars                         | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 4.50           | 36.13          | 195.44          | 178.37     |
| Expected credit loss (provision)    | 1.46           | 2.18           | 74.29           | 178.37     |
| Carrying amount (net of impairment) | 3.04           | 33.95          | 121.15          | -          |

**31 March 2018****(₹ In Lakhs)**

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 1,185.57    | 171.52        | 131.53         | 115.06         | 59.45          | 72.41          |
| Expected credit loss (provision)    | 23.34       | 7.88          | 1.72           | 9.34           | 11.11          | 30.92          |
| Carrying amount (net of impairment) | 1,162.23    | 163.64        | 129.81         | 105.72         | 48.34          | 41.49          |

| Particulars                         | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 39.89          | 78.65          | 91.40           | 92.75      |
| Expected credit loss (provision)    | 21.64          | 0.94           | 36.47           | 92.75      |
| Carrying amount (net of impairment) | 18.25          | 77.71          | 54.93           | -          |

**Reconciliation of loss provision – lifetime expected credit losses****(₹ In Lakhs)**

| Reconciliation of loss allowance                    | Trade receivables |
|---|-------------------|
| <b>Loss allowance on 31 March 2017</b>              | <b>97.33</b>      |
| Impairment loss recognised/reversed during the year | 138.78            |
| <b>Loss allowance on 31 March 2018</b>              | <b>236.11</b>     |
| Impairment loss recognised/reversed during the year | 120.04            |
| <b>Loss allowance on 31 March 2019</b>              | <b>356.15</b>     |

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ In Lakhs)

| 31 March 2019                    | Less than 1 year | 1 - 2 years | 2 - 3 years | Total         |
|----------------------------------|------------------|-------------|-------------|---------------|
| <b>Non-derivatives</b>           |                  |             |             |               |
| Trade payable                    | 131.02           | -           | -           | 131.02        |
| Security deposits and retentions | 37.22            | 3.19        | -           | 40.41         |
| Other financial liabilities      | 63.75            | -           | -           | 63.75         |
| <b>Total</b>                     | <b>231.99</b>    | <b>3.19</b> | <b>-</b>    | <b>235.18</b> |

(₹ In Lakhs)

| 31 March 2018                    | Less than 1 year | 1 - 2 years | 2 - 3 years | Total         |
|----------------------------------|------------------|-------------|-------------|---------------|
| <b>Non-derivatives</b>           |                  |             |             |               |
| Trade payable                    | 246.32           | -           | -           | 246.32        |
| Security deposits and retentions | 51.87            | 0.88        | -           | 52.75         |
| Other financial liabilities      | 265.94           | -           | -           | 265.94        |
| <b>Total</b>                     | <b>564.13</b>    | <b>0.88</b> | <b>-</b>    | <b>565.01</b> |

**(C) Market risk**
**(i) Foreign exchange risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

**Foreign currency risk exposure:**

(₹ In Lakhs)

| Particulars       | 31 March 2019 |      |      | 31 March 2018 |      |      |
|-------------------|---------------|------|------|---------------|------|------|
|                   | USD           | EURO | GBP  | USD           | EURO | GBP  |
| Trade receivables | 0.96          | 0.38 | 1.63 | 0.38          | 0.00 | 0.02 |

**Sensitivity**

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars             | 31 March 2019 |      |        | 31 March 2018 |      |     |
|-------------------------|---------------|------|--------|---------------|------|-----|
|                         | USD           | EURO | GBP    | USD           | EURO | GBP |
| Currency increase by 1% | 0.01          | -    | 0.02   | -             | -    | -   |
| Currency decrease by 1% | (0.01)        | -    | (0.02) | -             | -    | -   |

**(ii) Price risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

**Sensitivity analysis**

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

| Particulars                    | 31 March 2019 | 31 March 2018 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | 8.53          | -             |
| Price decrease by (3 %)- FVTPL | (8.53)        | -             |

**Note – 34****Capital Management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Company are summarised as follows

|                                 | 31 March 2019 | (₹ In Lakhs)<br>31 March 2018 |
|---------------------------------|---------------|-------------------------------|
| Equity share capital            | 900.00        | 100.00                        |
| Other equity                    | 6773.93       | 7415.11                       |
| <b>Net debt to equity ratio</b> |               |                               |

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has nil capital gearing ratio as at 31 March 2019 and 31 March 2018.

**Note – 35**  
**Related Party**

(a) The names of related parties as identified in accordance with provisions of the Indian Accounting Standard – 24 “Related Party Disclosure”:-

| Serial Number | Name of the Related Party                                 |   | Nature of Relationship   |
|---------------|---|---|--|
| 1             | Engineers India Limited ('EIL')                           |   | Holding Company  |
|               | <b>Directors/Key Management Personnel (31 March 2019)</b> |   |  |
|               | Mr. J.C. Nakra  | Chairman  | Chairman and Managing Director in Engineers India Limited          |
|               | Mr. Om Prakash Mishra                                     | Non-official Independent Director (From 24.07.2018) | -  |
| 2             | Dr. (Prof.) Mukesh Khare                                  | Director (Upto 19.11.2018)                          | Non-official Independent Director in Engineers India Limited       |
|               | Mr. Umesh Chandra Pandey                                  | Director (Upto 19.11.2018)                          | Non-official Independent Director in Engineers India Limited       |
|               | Mr. S K Handa   | Director  | Director (Projects) in Engineers India Limited w.e.f. 11.03.2019.  |
|               | Mr. L K Vijh  | Director (Upto 03.06.2018)                          | Director (Technical) in Engineers India Limited w.e.f. 02.05.2018. |
|               | Mr. R Mahajan   | Director  | Executive Director in Engineers India Limited                      |
|               | Mr. Amitabh Budhiraja                                     | Director (From 04.06.2018)                          | Executive Director in Engineers India Limited                      |
|               | Mr. S D Kherdekar   | Chief Executive Officer (Upto 31.01.2019)           | Executive Director in Engineers India Limited                      |
|               | Mr. G Suresh  | Chief Executive Officer (From 01.02.2019)           | Senior GM in Engineers India Limited                               |
|               | Ms. Jaya Totlani  | Company Secretary (From 23.5.2018)                  | -  |

| 3 | Directors/Key Management Personnel<br>(31 March 2018) |  |   |
|---|---|--|---|
|   | Mr. J.C. Nakra  | Chairman( From 12th February'2018)                       | Chairman and Managing Director in Engineers India Limited   |
|   | Mr. A.N.Deshpande                                     | Chairman ( From 01st November'2017 to 31st January'2018) | Director ( Technical) and Addl. Charge of Chairman and Managing Director in Engineers India Limited |
|   | Mr. Sanjay Gupta                                      | Chairman( Upto 31st October' 2017)                       | Chairman and Managing Director in Engineers India Limited   |
|   | Dr. (Prof.) Mukesh Khare                              | Director   | Director (Government Nominee) in Engineers India Limited  |
|   | Mr. Umesh Chandra Pandey                              | Director   | Director (Government Nominee) in Engineers India Limited  |
|   | Mr. S K Handa   | Director   | Executive Director in Engineers India Limited   |
|   | Mr. L K Vijn  | Director   | Executive Director in Engineers India Limited   |
|   | Mr. R Mahajan   | Director   | Executive Director in Engineers India Limited   |
|   | Mr. R K Garg  | Director ( Upto 30th June'2017)                          | Executive Director in Engineers India Limited   |
|   | Mr. S D Kherdekar                                     | Chief Executive Officer                                  | Executive Director in Engineers India Limited   |

(b) Related Party Transactions

During the year ended 31 March 2019, the Company had following transactions and outstanding balances with related parties:

| (₹ In Lakhs)                                       |                 |               |         |                      |
|--|-----------------|---------------|---------|----------------------|
| Particulars  | Relationship    | Year          | Amount  | (Payable)/Receivable |
| Professional and technical services and facilities | Holding Company | 31 March 2019 | 280.45  | (34.93)              |
|  |                 | 31 March 2018 | 265.00  | (24.91)              |
| Execution of contract for Services                 | Holding Company | 31 March 2019 | 1901.81 | 391.49*              |
|  |                 | 31 March 2018 | 1130.04 | 309.90*              |
| Dividend (interim and final)                       | Holding Company | 31 March 2019 | 650.00  | -                    |
|  |                 | 31 March 2018 | 700.00  | -                    |



\*includes security deposit of ₹ 26.68 Lakhs and ₹ 26.68 Lakhs as 31.03.2019 and 31.03.2018 respectively.

(c) Director's remuneration:

Sitting fees paid to part time Directors for 31 March 2019 is ₹ 3.15 Lakhs (Previous year 31 March 2018: ₹ 4.10 Lakhs).

(d) Chief Executive Officer of the Company is on deputation from EIL and the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of man-hour cost as per agreement with the Company which are accounted for as professional charges, under the head "Manpower Services".

(e) Transactions and balances pertaining to Company Secretary (KMP)

(₹ in Lakhs)

| Particulars                                       | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration                                      | 8.89          | NIL           |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding loans, interest and other receivables | NIL           | NIL           |

**Defined Benefit obligation for Company Secretary (Key Management Personnel) :-**

(₹ in Lakhs)

| Particulars                      | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|----------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                  | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
|                                  |                   |               |                             |               |                                |               |
| Total Defined Benefit Obligation | 0.39              | --            | 0.67                        | --            | 0.09                           | --            |
|                                  |                   |               |                             |               |                                |               |

**Note – 36**

**Contingent Liabilities and Commitments**

**i) Contingent Liabilities:**

- Income Tax assessments have been completed up to the assessment year 2016-2017. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2018-19 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 42.63 Lakhs (Previous Year ₹ 42.63 Lakhs) for the assessment year 2011-12.

- c) The Company has filed an application to keep the recovery proceedings for a penalty order of ₹ 1.22 Lakhs (Previous Year ₹ 1.22 Lakhs) dated 30 March 2017 pertaining to the assessment year 2011-12 in abeyance, since an appeal filed by Company is pending before ITAT against the order of CIT (Appeals) dated 04.06.2018
- d) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 3.05 Lakhs (Previous Year ₹ 3.05 Lakhs) for the assessment year 2012-13.
- e) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 84.52 Lakhs (Previous Year ₹ 84.52 Lakhs) for the assessment year 2013-14.
- f) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹48.60 Lakhs (Previous Year ₹48.60 Lakhs) in intimation u/s 143(1) for the assessment year 2014-15.
- g) The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 63.24 Lakhs (inclusive of interest) (Previous Year ₹ 66.29 Lakhs (inclusive of interest)) in intimation u/s 143(1) for the assessment year 2016-17.
- h) The Company has filed an appeal against a demand of service tax of ₹ 1015.12 Lakhs (inclusive of interest and penalty) (Previous Year ₹ 976.73 Lakhs (inclusive of interest and penalty)) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai.

## ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹ Nil Lakhs (Previous Year - ₹1.92 Lakhs Inclusive of applicable Taxes).

## Note – 37 Employee Benefits

The disclosures required under Indian Accounting Standard (Ind AS 19) 'Employee Benefits' are given below:

### Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

( ₹ in Lakhs)

| Particulars   | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 119.04        | 93.91         |
| Contributory National Pension System (NPS)                      | 306.94        | -             |

### Defined Benefit Plan

Company is having the following Defined Benefit Plans:

- Gratuity (funded)
- Leave encashment (unfunded)
- Long service awards (unfunded)

In this regard, actuarial valuation as on 31 March, 2019 was carried out by actuary in respect of all three plans, and the details are as under:

### Risks associated with plan provisions

|                      |   |
|----------------------|---|
| <b>Inherent risk</b> | The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks |
|----------------------|---|

### Disclosures related to funded obligations

| a) The amounts recognized in the balance sheet (₹ In Lakhs) |                   |               |                             |               |                                |               |
|---|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|   | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Present value of obligations as at the end of year          | 331.02            | 296.35        | 493.62                      | 390.83        | 18.90                          | 17.97         |
| Fair value of plan assets as at the end of the year         | 353.61            | 182.81        | --                          | --            | --                             | --            |
| Amount Not Recognised due to asset limit                    | 1.08              | --            | --                          | --            | --                             | --            |
| Funded status   | 21.51             | (113.54)      | (493.62)                    | (390.83)      | (18.90)                        | (17.97)       |
| <b>Net (asset)/liability recognized in balance sheet</b>    | <b>(21.51)</b>    | <b>113.54</b> | <b>493.62</b>               | <b>390.83</b> | <b>18.90</b>                   | <b>17.97</b>  |

| b) Expenses recognized in statement of profit and loss (₹ In Lakhs) |                   |               |                             |               |                                |               |
|---|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|   | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Current service cost  | 15.05             | 23.70         | 76.96                       | 85.21         | 3.23                           | 2.53          |

|  |              |              |               |               |             |             |
|--|--------------|--------------|---------------|---------------|-------------|-------------|
| Past service cost  | --           | --           | --            | (22.65)       | --          | --          |
| Interest on net benefit asset/liability                    | 8.47         | 7.04         | 29.27         | 23.33         | 1.28        | 1.21        |
| Re-measurements gains/losses                               | --           | --           | 141.02        | 53.85         | 0.52        | (0.42)      |
| <b>Expenses recognized in statement of profit and loss</b> | <b>23.52</b> | <b>30.74</b> | <b>247.25</b> | <b>139.75</b> | <b>5.03</b> | <b>3.32</b> |

| c) Expenses recognized in Other comprehensive income (₹ In Lakhs) |                   |               |                             |               |                                |               |
|---|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|   | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Actuarial (gains)/loss  | --                | --            | --                          | --            | --                             | --            |
| Change in financial assumption                                    | --                | (13.15)       | --                          | --            | --                             | --            |
| Change in demographic assumption                                  | (1.08)            | (0.70)        | --                          | --            | --                             | --            |
| Experience adjustments  | 1.30              | 5.37          | --                          | --            | --                             | --            |
| Actual return on plan assets                                      | (10.57)           | (0.72)        | --                          | --            | --                             | --            |
| Adjustments to recognise the effect of asset ceiling              | 1.08              | --            | --                          | --            | --                             | --            |
| <b>Expenses recognized in other comprehensive income</b>          | <b>(9.27)</b>     | <b>(9.20)</b> | <b>--</b>                   | <b>--</b>     | <b>--</b>                      | <b>--</b>     |

| d) Reconciliation of opening and closing balances of defined benefit obligation (₹ In Lakhs) |                   |               |                             |               |                                |               |
|--|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|  | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|  | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Present value of obligations as at beginning of year   | 296.35            | 270.09        | 390.83                      | 325.98        | 17.97                          | 18.94         |
| Interest cost  | 22.88             | 19.84         | 29.27                       | 23.33         | 1.28                           | 1.21          |
| Current service cost   | 15.05             | 23.70         | 76.96                       | 85.21         | 3.23                           | 2.53          |
| Past service cost  | --                | --            | --                          | (22.65)       | --                             | --            |

|   |               |               |               |               |              |              |
|---|---------------|---------------|---------------|---------------|--------------|--------------|
| Actuarial (gain)/loss on obligations                  | 0.22          | (8.48)        | 141.02        | 53.85         | 0.52         | (0.42)       |
| Benefit paid  | (3.48)        | (8.81)        | (144.46)      | (74.89)       | (4.10)       | (4.30)       |
| <b>Present value of obligations as at end of year</b> | <b>331.02</b> | <b>296.35</b> | <b>493.62</b> | <b>390.83</b> | <b>18.90</b> | <b>17.97</b> |

| e) Reconciliation of opening and closing balances of fair value of plan assets (₹ In Lakhs) |                   |               |                             |               |                                |               |
|---|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|   | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Fair value of plan assets as on beginning of year   | 182.81            | 171.30        | --                          | --            | --                             | --            |
| Interest on plan assets   | 14.41             | 12.81         | --                          | --            | --                             | --            |
| Re-measurements due to actual return on plan assets less interest on plan assets            | 10.57             | 0.72          | --                          | --            | --                             | --            |
| Contributions   | 149.29            | 6.79          | --                          | --            | --                             | --            |
| Benefits paid   | (3.48)            | (8.81)        | --                          | --            | --                             | --            |
| Fair value of plan assets at the end of year  | 353.61            | 182.81        | --                          | --            | --                             | --            |

| f) Actuarial Assumptions (₹ In Lakhs)   |                   |               |                             |               |                                |               |
|---|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|   | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Discount rate                           | 7.80%             | 7.80%         | 7.80%                       | 7.80%         | 7.80%                          | 7.80%         |
| Expected rate of future salary increase | 9.00%             | 9.00%         | 9.00%                       | 9.00%         | 9.00%                          | 9.00%         |
| Retirement age                          | 60 years          | 60 years      | 60 years                    | 60 years      | 60 years                       | 60 years      |

4) Mortality rates inclusive of provision for disability -100% of IALM (2012 –14)

5) Rates of leaving service at specimen ages are as shown below:-

| Age (Years) | Rates (p.a.) |
|-------------|--------------|
| 21 – 30     | 0%           |
| 31 – 40     | 0.78%        |
| 41 – 50     | 1.3%         |
| 51 – 59     | 0%           |

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

| g) Maturity profile of defined benefit obligation  |                   |               |  |               |  |               | (₹ In Lakhs)                   |               |
|--|-------------------|---------------|--|---------------|--|---------------|--------------------------------|---------------|
|  | Gratuity (Funded) |               | Leave Encashment (Earned Leave) (Unfunded) |               | Leave Encashment (Half Pay Leave) (Unfunded) |               | Long Service Awards (Unfunded) |               |
|  | 31 March 2019     | 31 March 2018 | 31 March 2019                              | 31 March 2018 | 31 March 2019                                | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Weighted average of the defined benefit obligation | 14.17 Years       | 14.38 Years   | 9.53 Years                                 | 9.51 Years    | 7.61 years                                   | 7.82 years    | 5.89 Years                     | 5.46 Years    |
| Duration of defined benefit obligation             |                   |               |  |               |  |               |                                |               |
| Duration (years)                                   |                   |               |  |               |  |               |                                |               |
| 1  | 4.48              | 6.06          | 26.14                                      | 22.06         | 11.98  | 9.17          | 0.73                           | 3.00          |
| 2  | 24.34             | 6.35          | 38.02                                      | 22.00         | 12.25  | 9.31          | 2.82                           | 0.66          |
| 3  | 5.10              | 25.94         | 26.12                                      | 34.87         | 11.73  | 9.46          | 0.84                           | 2.35          |
| 4  | 5.08              | 6.64          | 26.47                                      | 21.30         | 12.00  | 8.97          | 5.03                           | 0.75          |
| 5  | 5.35              | 6.38          | 26.96                                      | 21.20         | 12.27  | 9.12          | 2.42                           | 4.40          |
| 6  | 5.98              | 6.08          | 27.68                                      | 21.16         | 12.57  | 9.30          | 0.61                           | 2.04          |
| 7  | 6.33              | 6.39          | 28.31                                      | 21.52         | 12.86  | 9.48          | 2.16                           | 0.55          |
| 8  | 7.00              | 6.57          | 29.05                                      | 21.84         | 13.16  | 9.68          | 0.72                           | 1.79          |
| 9  | 26.21             | 6.89          | 30.48                                      | 22.21         | 13.47  | 9.88          | 4.14                           | 0.64          |
| Above 10   | 1101.22           | 1023.18       | 669.20                                     | 534.60        | 138.27                                       | 114.35        | 11.64                          | 13.20         |

**h) Major Categories of Plan Assets (as percentage of total plan assets)**

|                         | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|-------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                         | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Fund managed by insurer | 100%              | 100%          | --                          | --            | --                             | --            |

**i) Sensitivity Analysis Gratuity (Funded)**

(₹ In Lakhs)

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -6.78%        | -6.87%        | 1.74%                  | 2.53%         |
| Impact of decrease in 50 bps on defined benefit obligation | 7.42%         | 7.54%         | -2.20%                 | -3.20%        |

**Leave Encashment (Earned Leave) (Unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -4.59%        | -4.58%        | 4.87%                  | 4.86%         |
| Impact of decrease in 50 bps on defined benefit obligation | 4.95%         | 4.94%         | -4.57%                 | -4.56%        |

**Leave Encashment (Half Pay Leave) (Unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -3.69%        | -3.79%        | 3.86%                  | 3.97%         |
| Impact of decrease in 50 bps on defined benefit obligation | 3.93%         | 4.04%         | -3.67%                 | -3.77%        |

**Long Service Awards (Unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -2.65%        | -2.56%        | -2.51%                 | -2.81%        |
| Impact of decrease in 50 bps on defined benefit obligation | 2.78%         | 2.68%         | 2.60%                  | 2.57%         |



**Note – 38**  
**Proposed Dividend**

(₹ In Lakhs)

| Proposed dividend on equity shares   | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Proposed Final dividend for 31 March 2019 (₹ 38.89 per share)-Post Bonus issue @ 8:1 (previous year 31 March 2018: ₹ 350 per share)                                | 350           | 350           |
| Dividend distribution tax on Proposed dividend   | 71.94         | 71.94         |
| <b>Total</b>   | <b>421.94</b> | <b>421.94</b> |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax) |               |               |

**Note – 39**

CSR activity reserve amounting to ₹ 64.22 Lakhs for 31 March 2019 (Previous year 31 March 2018: ₹34.19 Lakhs) represents unspent amount out of amounts set aside for meeting social obligations as per Department of Public Enterprise guidelines and the Companies Act 2013 for Corporate Social Responsibility

**Note – 40**

There is no impairment of cash generating assets during the year in terms of Ind AS 36 “Impairment of Assets”.

**Note – 41**

Liability in respect of ‘Performance Related Pay’, amounting to ₹ 30.06 Lakhs (previous year 31 March 2018: ₹71.32 Lakhs) for the employees for the year ended on 31 March 2019 has been estimated and provided based on scheme formulated in accordance with DPE guidelines, based upon certain ranking parameters.

**Note – 42**

Guarantees issued by banks and outstanding as on 31 March 2019 ₹ 455.28 Lakhs , inclusive of Expired BG of ₹ 23.43 Lakhs, (previous years 31 March 2018 ₹ 477.09 Lakhs, inclusive of Expired BG of ₹ 30.23 Lakhs ).

**Note – 43**

The Company has a Memorandum of Understanding with Engineers India Limited (The Holding Company) for utilizing their facilities like providing manpower, office space and other facilities etc. The MOU provides level based fixed man hour/ man-day rates for EIL employees on cost plus overhead basis and fixed annual cost towards space, infrastructure and facilities etc.

The Company also has entered into Memorandum of Understandings with Engineers India Limited for providing Technical services to EIL at actual cost plus margin.

**Note – 44**

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the Group is given below:

| S. No. | Particulars   | 31 March 2019 | 31 March 2018 |
|--------|---|---------------|---------------|
| i      | Amount due and payable at the year end  |               |               |
|        | - Principal   | 20.21         | 61.32         |
|        | - Interest on above Principal   | -             | -             |
| ii     | The amount of interest paid along with the amounts of the payment after the due date-   | -             | -             |
| iii    | The amount of interest due and payable for principals already paid                      | -             | -             |
| iv     | The amount of interest accrued and remaining unpaid at the year end                     | -             | -             |
| v      | The amount of interest which is due and payable which is carried forward from last year | -             | -             |

**Note – 45**

The Company operates in the nature of service towards Certification and Third Party Inspection jobs, which comes under single segment. Hence segment reporting requirements under Ind AS-108 “Operating Segments” is not applicable.

**Note – 46**

The details of revenue are as below:

(₹ In Lakhs)

| Particulars             | 31 March 2019  | 31 March 2018  |
|-------------------------|----------------|----------------|
| Revenue from Operations | 5291.40        | 5029.16        |
| Other Income            | 409.92         | 409.89         |
| <b>Total Revenue</b>    | <b>5701.32</b> | <b>5439.05</b> |

**Note – 47**
**Trade receivables and Contract Balances**

The following table provides information about Trade receivable, Contract assets and Contract Liabilities from Contract with Customers:

(₹ In Lakhs)

| Particulars   | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Trade Receivables (Note No. 13) – Net of Allowance for expected credit losses | 1469.86       | 1802.12       |
| Contract Assets ( Unbilled Revenue) (Note No. 7 B)                            | 446.63        | 392.93        |
| Contract Liabilities ( Income Received in Advance) (Note No. 19 B)            | 202.54        | 16.52         |

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Trade receivable and unbilled revenue are presented net of impairment in the Balance Sheet.

Revenues in excess of Invoicing is recorded as unbilled revenue (contract assets) and is classified as a financial asset. Revenue recognition for Lump sum contracts is based on percentage of completion method based on cost progress. Invoicing to the clients is based on milestones as defined in the contract. Revenue from Cost plus and rate plus jobs are recognized when the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Invoicing in excess of earnings are classified as Income received in advance (contract liabilities) and is classified as other current liabilities.

During the year ended March 31, 2019, ₹ 392.93 Lakhs of unbilled revenue as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2019, the Company recognized revenue of ₹ 16.52 Lakhs arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, the Company recognised revenue of ₹ 4.30 Lakhs from obligations satisfied in previous periods.

#### **Remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Performance obligation estimates are subject to change and are affected by several factors, including termination, changes in the scope of work, adjustment for revenue that has not materialized, and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2019 is ₹ 3124.56 Lakhs. Out of this, the Company expects to recognize revenue of around 35% within the next one year and the remaining thereafter.

**Note —48**

Previous year's figures have been regrouped /reclassified to make them comparable to the figures of the current year.

**For V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

**For and on behalf of Certification Engineers International Limited**

**Vivek Kumar**  
Partner  
Membership No. 503826

|                     |                         |                         |                    |
|---------------------|-------------------------|-------------------------|--------------------|
| <b>(J. TOTLANI)</b> | <b>(G.D.GOSWAMI)</b>    | <b>(G. SURESH)</b>      | <b>(J.C.NAKRA)</b> |
| Company Secretary   | Chief Financial Officer | Chief Executive Officer | Chairman           |
| PAN : BGIPK9258H    | PAN : ACHPG1489J        | PAN : AGLPS8759H        | DIN : 07676468     |

**Place :** New Delhi  
**Date :** May 10, 2019

## **Comments of The Comptroller and Auditor General of India Under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of Certification Engineers International Limited for the year ended 31 March, 2019.**

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2019 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 10 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Certification Engineers International Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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 auditor's report under section 143 (6) (b) of the Act.

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



**(Nandana Munshi)  
Director General of Commercial Audit  
& ex-officio Member, Audit Board - II,  
New Delhi**

**Place: New Delhi  
Date: 20.06.2019**

## Independent Auditor's Report

**TO  
THE MEMBERS OF  
ENGINEERS INDIA LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **ENGINEERS INDIA LIMITED** ("the Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entities, which comprise the consolidated Balance Sheet as at 31 March 2019, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31 March 2019, consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

**1. Estimation in relation to Percentage Completion Method**

The Holding Company recognizes revenue using the percentage of completion method. This method involves management estimates w.r.t cost and outcomes of long-term construction and service contracts. Revenue recognition in this regard is complex because it is based on the management estimates, assessments and judgements of:

- estimated contract revenue and estimated costs;
- the assessment of stage of completion of respective jobs;
- total efforts incurred till date and balance efforts required to complete the remaining contract performance obligations;
- changes in work scope;
- the probability of customer approval of variations and claims; and
- probability of levy for liquidated damages, warranty/guarantee and price reduction for delay or waiver/ reduction of such levies.

Audit procedures were carried out for verifying the revenue recognized from such contracts, and for that purpose, we:

- selected a sample of contracts and evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations;
- assessed management's estimates of total contract revenue and contract costs and recalculated the stage of completion based on actual costs incurred till date for a sample of contracts;
- selected a sample of contracts and performed a review of efforts incurred with estimated efforts to identify significant variations, if any and verify whether those variations have been considered while estimating the remaining efforts required to complete the respective contract;
- reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones and change if any, required in estimated efforts to complete the remaining performance obligations;
- performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

This has been considered as a key audit matter because of the involvement of management's judgement and estimates in recognizing revenue from such contracts and potential variations that may have consequential impact on the profitability.

## 2. Arbitration Proceedings in case of M/s Fernas Construction India Private Limited

In April, 2016, the Holding Company terminated an existing contract with M/s Fernas Construction India Private Limited ("contractor") consequent to the findings of an investigating agency that certificates submitted for qualifying the contract was bogus. Subsequent to termination of the contract, the holding company is completing the project at the risk and cost of contractor in terms of provisions of the contract. The matter has been referred to the Arbitral Tribunal wherein the contractor has filed its claim amounting to ₹ 40,960.75 Lakhs against the holding company. The holding company has filed its reply along with its counter claim and application to implead the parent company of the contractor, decisions on which is pending with the Arbitral Tribunal.

During the current financial year, a third party creditor of the contractor has filed an application against the contractor with National Company Law Appellate Tribunal (NCLAT) under Insolvency and Bankruptcy Code, 2016 (IBC). Interim Resolution Professional (IRP) has been appointed and hence arbitration proceedings have been stayed sine die. The holding company has filed its claim before the IRP. Refer Note 52 of the consolidated financial statements.

This has been considered as a key audit matter given uncertain outcome of legal/arbitral proceedings and the involvement of management judgement and estimates in relation to the same and any variation may have consequential impact on the profitability.

The status of such job has been reviewed on regular basis. Also outcome of the legal proceedings was reviewed time to time. Based on the management's assessment, the Management of holding company has not considered any possible obligation on this account requiring future probable outflow of resources of the holding company and accordingly no provision has been made nor disclosed as Contingent Liability in the consolidated financial statements.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The holding company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Business Responsibility Report, Corporate Governance, Ten years' Performance at a Glance and Chairman's Statement included in the annual report of the holding company, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On reading the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for assessing the ability of the Group and its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and its jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its jointly controlled entities has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

#### **Other Matters**

We did not audit the financial statements/financial information of subsidiary company, whose financial statements reflect total assets of ₹ 8116.39 lakhs as of 31 March 2019, total revenues of ₹ 5701.32 lakhs and net cash outflows of ₹ 507.31 lakhs for the year ended on that date, as considered in the consolidated financial statements. Also we did not audit the financial statements of 1 jointly controlled entity in which Group's share of net loss is ₹ 337.40 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary company and jointly controlled entity and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary company and jointly controlled entity, is based solely on the reports of the other auditors.

Further 1 jointly controlled entity M/s TEIL Projects Limited is under liquidation. We did not audit the financial information of the said jointly controlled entity in which Group's share of net loss is ₹ 0.95 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements. The liquidator's statement as certified by the Liquidator have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of jointly controlled entity and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited information provided by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors, liquidator's statement and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), consolidated statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- (e) As per notification number G.S.R. 463(E) dated 05 June 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable on Government Companies.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls refer to our separate report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report, as per notification number G.S.R. 463(E) dated 5 June 2015 issued by Ministry of Corporate Affairs, section 197(16) of the Act regarding the Managerial remuneration is not applicable on Government Companies.
- (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 Auditor's Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities – Refer Note 40 to the consolidated financial statements.
  - ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note 54 to the consolidated financial statements.
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and jointly controlled entities incorporated in India.

**For Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

Place: New Delhi  
Date: 17 May 2019

Sd/-  
**Arun Kumar Agarwal**  
(Partner)  
M. No. 082899

## Annexure - A to the Independent Auditors' Report

Referred to Paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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

In conjunction with our audit of the consolidated financial statements as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **ENGINEERS INDIA LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its jointly controlled entities, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors/Management of the Holding Company, its subsidiary company and jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 respective 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group and its jointly controlled entities, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Group and its jointly controlled entities.

#### **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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Group and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the respective companies 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.

**For Arun K Agarwal & Associates**  
Chartered Accountants  
(Firm's Registration No. 003917N)

Sd/-  
**Arun Kumar Agarwal**  
(Partner)  
M. No. 082899

Place: New Delhi  
Date: 17 May 2019

# Consolidated Balance Sheet

AS AT 31 MARCH, 2019

(₹ in Lakhs)

|  | Note | 31 March 2019      | 31 March 2018      |
|--|------|--------------------|--------------------|
| <b>Assets</b>  |      |                    |                    |
| <b>Non-current assets</b>  |      |                    |                    |
| Property, plant and equipment  | 4    | 21,812.93          | 22,259.68          |
| Capital work-in-progress   | 4    | 3,366.97           | 2,340.79           |
| Investment property  | 5    | 2,739.77           | 2,882.21           |
| Other intangibles assets   | 6A   | 234.09             | 588.58             |
| Intangible assets under development  | 6 B  | 1,833.94           | 2,844.04           |
| Investments accounted using equity method  | 7A   | 26,871.39          | 21,718.83          |
| <b>Financial assets</b>  |      |                    |                    |
| Loans  | 8A   | 3,995.21           | 3,388.55           |
| Other financial assets   | 9A   | 38.55              | 145.71             |
| Deferred tax assets (net)  | 10   | 29,910.05          | 30,488.24          |
| Non-current tax assets (net)   | 11   | 2,013.24           | 319.94             |
| Other non-current assets   | 12A  | 1,058.09           | 973.02             |
| <b>Total non-current assets</b>  |      | <b>93,874.23</b>   | <b>87,949.59</b>   |
| <b>Current assets</b>  |      |                    |                    |
| Inventories  | 13   | 693.82             | 112.72             |
| <b>Financial assets</b>  |      |                    |                    |
| Investments  | 7B   | 4,890.82           | 2,501.60           |
| Trade receivables  | 14   | 42,687.05          | 56,191.27          |
| Cash and cash equivalents  | 15   | 21,364.15          | 3,031.43           |
| Other bank balances  | 16   | 2,50,190.00        | 2,50,682.57        |
| Loans  | 8B   | 1,681.89           | 1,275.17           |
| Other financial assets   | 9B   | 44,690.84          | 35,825.44          |
| Other current assets   | 12B  | 16,263.09          | 13,823.71          |
| <b>Total current assets</b>  |      | <b>3,82,461.66</b> | <b>3,63,443.91</b> |
| <b>Total assets</b>  |      | <b>4,76,335.89</b> | <b>4,51,393.50</b> |
| <b>Equity and liabilities</b>  |      |                    |                    |
| <b>Equity</b>  |      |                    |                    |
| Equity share capital   | 17   | 31,595.58          | 31,595.58          |
| Other equity   | 18   | 2,03,136.25        | 2,02,526.67        |
| <b>Equity attributable to the owners of the parent company</b>                         |      | <b>2,34,731.83</b> | <b>2,34,122.25</b> |
| Non-controlling interests  |      | -                  | -                  |
| <b>Total equity</b>  |      | <b>2,34,731.83</b> | <b>2,34,122.25</b> |
| <b>Liabilities</b>   |      |                    |                    |
| <b>Non-current liabilities</b>   |      |                    |                    |
| <b>Financial liabilities</b>   |      |                    |                    |
| Other financial liabilities  | 19A  | 392.63             | 651.26             |
| Provisions   | 20A  | 762.93             | 1,216.02           |
| Other non-current liabilities  | 21A  | 151.02             | 861.02             |
| <b>Total non-current liabilities</b>   |      | <b>1,306.58</b>    | <b>2,728.30</b>    |
| <b>Current liabilities</b>   |      |                    |                    |
| <b>Financial liabilities</b>   |      |                    |                    |
| Trade payables   | 22   |                    |                    |
| Total outstanding dues of Micro Enterprises and Small Enterprises                      |      | 4,426.30           | 1,020.56           |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |      | 20,026.36          | 20,687.85          |
| Other financial liabilities  | 19B  | 35,619.33          | 41,938.04          |
| Other current liabilities  | 21B  | 1,32,446.38        | 1,02,957.41        |
| Provisions   | 20B  | 47,649.64          | 46,700.78          |
| Current tax liabilities (net)  | 23   | 129.47             | 1,238.31           |
| <b>Total current liabilities</b>   |      | <b>2,40,297.48</b> | <b>2,14,542.95</b> |
| <b>Total equity and liabilities</b>  |      | <b>4,76,335.89</b> | <b>4,51,393.50</b> |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the consolidated balance sheet referred to in our report of even date.

1 to 68

**For Arun K Agarwal and Associates**

Chartered Accountants

FRN No. 003917N

Sd/-

Arun Kumar Agarwal

Partner

Membership No. 082899

Sd/-

Suvendu Kumar Padhi

Company Secretary

PAN : AHYPP2198P

Sd/-

R P Batra

C.G.M. [F&amp;A]

PAN : AHPPB4262M

Sd/-

Sunil Bhatia

Director [Finance] &amp; CFO

DIN : 08259936

Sd/-

J C Nakra

Chairman &amp; Managing

Director &amp; CEO

DIN : 07676468

Place : New Delhi

Date : 17 May 2019

## Consolidated statement of profit and loss

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

|   | Note | 31 March 2019      | 31 March 2018      |
|---|------|--------------------|--------------------|
| <b>Revenue</b>  |      |                    |                    |
| Revenue from operations   | 24   | 2,47,579.84        | 1,82,431.33        |
| Other income  | 25   | 22,231.16          | 17,617.91          |
| <b>Total revenue</b>  |      | <b>2,69,811.00</b> | <b>2,00,049.24</b> |
| <b>Expenses</b>   |      |                    |                    |
| Technical assistance/sub-contracts  | 26   | 44,042.38          | 21,058.79          |
| Construction materials and equipments   | 27   | 61,156.57          | 9,979.83           |
| Employee benefits expenses  | 28   | 78,098.85          | 77,103.51          |
| Finance costs   | 29   | 123.21             | 58.47              |
| Depreciation and amortisation expense   | 30   | 2,249.37           | 2,399.50           |
| Other expenses  | 31   | 26,718.25          | 31,539.79          |
| <b>Total expenses</b>   |      | <b>2,12,388.63</b> | <b>1,42,139.89</b> |
| <b>Profit before tax</b>  |      | <b>57,422.37</b>   | <b>57,909.35</b>   |
| <b>Less: Tax expense</b>  | 32   |                    |                    |
| Current tax   |      | 19,877.76          | 22,261.47          |
| Earlier years tax adjustments (net)   |      | (597.63)           | 533.67             |
| Deferred tax  |      | 848.41             | (3,220.31)         |
| <b>Profit after tax</b>   |      | <b>37,293.83</b>   | <b>38,334.52</b>   |
| Less: share of (loss) in joint venture entities                               |      | (338.35)           | (3.52)             |
| <b>Profit for the year</b>  |      | <b>36,955.48</b>   | <b>38,331.00</b>   |
| <b>Other comprehensive income</b>   |      |                    |                    |
| Items that will not be reclassified to profit and loss                        |      |                    |                    |
| Re-measurement gains (losses) on defined benefit plans                        |      | (255.40)           | 658.07             |
| Income tax relating to items that will not be reclassified to profit and loss |      | 89.78              | (206.78)           |
| Items that will be reclassified to profit and loss                            |      |                    |                    |
| Exchange differences on translation of foreign operations                     |      | 22.19              | 22.65              |
| Income tax relating to items that will be reclassified to profit and loss     |      | (7.75)             | (7.81)             |
| <b>Total comprehensive income for the year</b>                                |      | <b>36,804.30</b>   | <b>38,797.13</b>   |
| <b>Profit for the year attributable to</b>                                    |      |                    |                    |
| Owners of the Parent Company  |      | 36,955.48          | 38,331.00          |
| Non-controlling interests   |      | -                  | -                  |
|   |      | <b>36,955.48</b>   | <b>38,331.00</b>   |
| <b>Other comprehensive income attributable to</b>                             |      |                    |                    |
| Owners of the Parent Company  |      | (151.18)           | 466.13             |
| Non-controlling interests   |      | -                  | -                  |
|   |      | <b>(151.18)</b>    | <b>466.13</b>      |
| <b>Total comprehensive Income for the year attributable to</b>                |      |                    |                    |
| Owners of the Parent Company  |      | 36,804.30          | 38,797.13          |
| Non-controlling interest  |      | -                  | -                  |
|   |      | <b>36,804.30</b>   | <b>38,797.13</b>   |
| <b>Earnings per equity share (Face value ₹ 5 per share)</b>                   | 33   |                    |                    |
| Basic (₹)   |      | 5.85               | 5.92               |
| Diluted (₹)   |      | 5.85               | 5.92               |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 68

This is the consolidated statement of profit and loss referred to in our report of even date.

**For Arun K Agarwal and Associates**

Chartered Accountants

FRN No. 003917N

**For and on behalf of Engineers India Limited**

Sd/-

Arun Kumar Agarwal

Partner

Membership No. 082899

Sd/-

Suvendu Kumar Padhi

Company Secretary

PAN : AHYPP2198P

Sd/-

R P Batra

C.G.M. [F&amp;A]

PAN : AHPPB4262M

Sd/-

Sunil Bhatia

Director [Finance] &amp; CFO

DIN : 08259936

Sd/-

J C Nakra

Chairman &amp; Managing

Director &amp; CEO

DIN : 07676468

Place : New Delhi

Date : 17 May 2019

## Consolidated Statement of Changes in Equity

AS AT 31 MARCH, 2019

### A Equity share capital\*

(₹ in Lakhs)

| Particulars          | Opening balance as at 1 April 2017 | Changes in equity share capital during the year | Redemption of equity share capital during the year (Buy Back of Shares) | Balance as at 31 March 2018 | Changes in equity share capital during the year | Redemption of equity share capital during the year | Balance as at 31 March 2019 |
|----------------------|------------------------------------|---|---|-----------------------------|---|--|-----------------------------|
| Equity share capital | 33,693.67                          | -   | (2,098.09)  | 31,595.58                   | -   | -  | 31,595.58                   |

### B Other equity\*\*

(₹ in Lakhs)

| Description   | Reserves and surplus |                            |                                  |                   |                      |   | Other comprehensive income                              |  |  | Total       |
|---|----------------------|----------------------------|----------------------------------|-------------------|----------------------|---|---|--|--|-------------|
|   | General reserve      | Capital Redemption reserve | Capital Reserve on Consolidation | Retained earnings | CSR activity reserve | Corpus for Medical Benefits for Employees retired prior to 01.01.2007 | Exchange difference on translation of foreign operation | Remeasurement of defined benefit plans | Attributable to Non Controlling Interest |             |
| Balance as at 1 April 2017                                | 2,36,023.68          | -                          | 80.00                            | 14,511.19         | 2,719.75             | -   | 23.39   | (2,566.18)                             | -  | 2,50,791.84 |
| Profit for the year                                       | -                    | -                          | -                                | 38,331.00         | -                    | -   | -   | -                                      | -  | 38,331.00   |
| Other comprehensive income                                | -                    | -                          | -                                | -                 | -                    | -   | 22.65   | 658.07                                 | -  | 680.72      |
| Income tax related to items of other comprehensive income | -                    | -                          | -                                | -                 | -                    | -   | (7.81)  | (206.78)                               | -  | (214.59)    |
| Buy Back of equity shares                                 | (65,879.99)          | 2,098.09                   | -                                | -                 | -                    | -   | -   | -                                      | -  | (63,781.90) |
| Transaction Cost of Buy Back                              | -                    | -                          | -                                | (501.12)          | -                    | -   | -   | -                                      | -  | (501.12)    |
| Dividend including tax impact (refer note 37)             | -                    | -                          | -                                | (22,816.96)       | -                    | -   | -   | -                                      | -  | (22,816.96) |
| Share Issue Expenses                                      | -                    | -                          | -                                | (16.06)           | -                    | -   | -   | -                                      | -  | (16.06)     |
| Change in Ownership interest in Joint Venture             | -                    | -                          | -                                | 53.74             | -                    | -   | -   | -                                      | -  | 53.74       |
| Transfer from retained earnings                           | 10,907.16            | -                          | -                                | (13,569.16)       | 944.85               | 1,717.15  | -   | -                                      | -  | -           |
| Transfer to retained earnings                             | -                    | -                          | -                                | 2,216.07          | (1,505.26)           | (710.81)  | -   | -                                      | -  | -           |
| Balance as at 31 March 2018                               | 1,81,050.85          | 2,098.09                   | 80.00                            | 18,208.70         | 2,159.34             | 1,006.34  | 38.24   | (2,114.89)                             | -  | 2,02,526.67 |
| Profit for the year                                       | -                    | -                          | -                                | 36,955.48         | -                    | -   | -   | -                                      | -  | 36,955.48   |
| Other comprehensive income                                | -                    | -                          | -                                | -                 | -                    | -   | 22.19   | (255.40)                               | -  | (233.21)    |



(₹ in Lakhs)

| Description   | Reserves and surplus |                            |                                  |                   |                      |   | Other comprehensive income                              |  |  | Total              |
|---|----------------------|----------------------------|----------------------------------|-------------------|----------------------|---|---|--|--|--------------------|
|   | General reserve      | Capital Redemption reserve | Capital Reserve on Consolidation | Retained earnings | CSR activity reserve | Corpus for Medical Benefits for Employees retired prior to 01.01.2007 | Exchange difference on translation of foreign operation | Remeasurement of defined benefit plans | Attributable to Non Controlling Interest |                    |
| Income tax related to items of other comprehensive income | -                    | -                          | -                                | -                 | -                    | -   | (7.75)  | 89.78                                  | -  | 82.03              |
| Dividend including tax impact (refer note 37)             | -                    | -                          | -                                | (36,185.63)       | -                    | -   | -   | -                                      | -  | (36,185.63)        |
| Share Issue Expenses                                      | -                    | -                          | -                                | (51.65)           | -                    | -   | -   | -                                      | -  | (51.65)            |
| Change in Ownership interest in Joint Venture             | -                    | -                          | -                                | 42.56             | -                    | -   | -   | -                                      | -  | 42.56              |
| Bonus Issue of Shares                                     | (800.00)             | -                          | 800.00                           | -                 | -                    | -   | -   | -                                      | -  | -                  |
| Transfer from retained earnings                           | 6,944.17             | -                          | -                                | (8,808.36)        | 1,012.93             | 851.26  | -   | -                                      | -  | -                  |
| Transfer to retained earnings                             | -                    | -                          | -                                | 1,563.55          | (1,006.21)           | (557.34)  | -   | -                                      | -  | -                  |
| <b>Balance as at 31 March 2019</b>                        | <b>1,87,195.02</b>   | <b>2,098.09</b>            | <b>880.00</b>                    | <b>11,724.65</b>  | <b>2,166.06</b>      | <b>1,300.26</b>   | <b>52.68</b>  | <b>(2,280.51)</b>                      | <b>-</b>                                 | <b>2,03,136.25</b> |

\*Refer note 17 for details

\*\*Refer note 18 for details

This is the consolidated statement of change in equity referred to in our report of even date.

**For Arun K Agarwal and Associates**

Chartered Accountants

FRN No. 003917N

**For and on behalf of Engineers India Limited**

Sd/-

Arun Kumar Agarwal

**Partner**

Membership No. 082899

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN : AHYPP2198P

Sd/-

R P Batra

**C.G.M. [F&A]**

PAN : AHPPB4262M

Sd/-

Sunil Bhatia

**Director [Finance] & CFO**

DIN : 08259936

Sd/-

J C Nakra

**Chairman & Managing****Director & CEO**

DIN : 07676468

**Place : New Delhi****Date : 17 May 2019**

## Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH, 2019

|   | (₹ in Lakhs)     |                  |
|---|------------------|------------------|
|   | 31 March 2019    | 31 March 2018    |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                  |                  |
| Profit before tax   | 57,422.37        | 57,909.35        |
| <b>Adjustments for:</b>   |                  |                  |
| Depreciation and amortisation expense                                       | 2,249.37         | 2,399.50         |
| Fixed assets written off  | 1.06             | 5.74             |
| Deposits written off  | 10.65            | 1.86             |
| Bad debts written off   | 79.59            | 84.78            |
| Dry well written off  | 1,542.66         | 1,961.77         |
| Allowance for expected credit losses - trade receivables and advances (net) | (348.66)         | 2,613.22         |
| Provision Employees' post retirement/long-term benefits                     | (6,453.70)       | (4,273.61)       |
| Provision for corporate social responsibility                               | 144.91           | 0.46             |
| (Reversal of provision)/provision for contractual obligations (net)         | 5,907.25         | 6,403.51         |
| (Reversal of provision)/provision for expected losses (net)                 | 641.91           | (339.10)         |
| Interest expense  | 123.21           | 58.47            |
| (Profit)/loss on sale of fixed assets                                       | (1.03)           | (4.93)           |
| Interest income   | (18,078.39)      | (13,182.28)      |
| Loss/(gain) on modification of employee advances                            | 29.19            | 6.68             |
| Amortization of deferred income   | (117.50)         | (60.13)          |
| Capital gain on redemption of investments in mutual funds                   | (1.40)           | (27.73)          |
| Dividend income   | (341.15)         | (1,348.59)       |
| <b>Operating profit before changes in Assets and Liabilities</b>            | <b>42,810.34</b> | <b>52,208.97</b> |
| <b>Movement in Assets and Liabilities</b>                                   |                  |                  |
| (Increase)/decrease in Trade and Other Receivables                          | 1,228.49         | (23,999.64)      |
| (Increase)/decrease in inventories  | (581.10)         | (3.80)           |
| Increase/(decrease) in Trade and Other Payables                             | 33,660.97        | 59,664.92        |
| <b>Cash flow from operations</b>  | <b>77,118.70</b> | <b>87,870.45</b> |
| Income tax paid (net)   | (22,218.91)      | (27,991.62)      |
| <b>Net cash flow from operating activities (A)</b>                          | <b>54,899.79</b> | <b>59,878.83</b> |

## Consolidated Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

|   | 31 March 2019      | 31 March 2018      |
|---|--------------------|--------------------|
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                    |                    |
| Purchase of property, plant and equipment, investment property, intangibles assets and intangible assets under development (including capital work-in-progress) | (3,237.78)         | (2,907.59)         |
| Sale of fixed assets  | 7.36               | 10.40              |
| Interest received   | 16,936.39          | 14,157.31          |
| Dividend received   | 341.15             | 1,348.59           |
| Investment in liquid plans of mutual funds (net)  | (2,387.82)         | 35,649.34          |
| Fixed deposit placed with banks having original maturity of more than three months  | (2,32,188.85)      | (2,36,096.11)      |
| Fixed deposit with banks matured having original maturity of more than three months   | 2,25,648.11        | 2,10,828.86        |
| Investment in joint ventures (net of equity pick up impact)   | (5,500.00)         | (6,525.00)         |
| <b>Net cash flows from investing activities (B)</b>   | <b>(381.44)</b>    | <b>16,465.80</b>   |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                    |                    |
| Dividend paid (including tax)   | (36,185.63)        | (22,816.96)        |
| Buy Back of Shares (including transaction cost)   | -                  | (66,381.11)        |
| <b>Net cash used in financing activities (C)</b>  | <b>(36,185.63)</b> | <b>(89,198.07)</b> |
| <br>Increase/(decrease) in cash and cash equivalents (A+B+C)  | <br>18,332.72      | <br>(12,853.44)    |
| Cash and cash equivalents at the beginning of the year (refer note 15)  | 3,031.43           | 15,884.87          |
| <b>Cash and cash equivalents at the end of the year (refer note 15)</b>   | <b>21,364.15</b>   | <b>3,031.43</b>    |

This is the consolidated cash flow statement referred to in our report of even date.

**For Arun K Agarwal and Associates**  
Chartered Accountants  
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-  
Arun Kumar Agarwal  
**Partner**  
Membership No. 082899

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
R P Batra  
**C.G.M. [F&A]**  
PAN : AHPPB4262M

Sd/-  
Sunil Bhatia  
**Director [Finance] & CFO**  
DIN : 08259936

Sd/-  
J C Nakra  
**Chairman & Managing Director & CEO**  
DIN : 07676468

**Place :** New Delhi  
**Date :** 17 May 2019

## Summary of significant Accounting Policies to the Consolidated Financial Statements for the year ended 31 March 2019

### 1. NATURE OF PRINCIPAL ACTIVITIES

Engineers India Limited and (referred to as “EIL” or “the Company” or “Parent Company”) is a Government of India Enterprise under Ministry of Petroleum and Natural Gas. The Group operates into two major segments namely Consultancy and Engineering projects and Turnkey projects.

### 2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The Company and its subsidiaries (referred to as “Group”) are headquartered in India have their registered office situated at 1 Bhikaji Cama Place, New Delhi 110066, India. The shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange.

The consolidated financial statements of the Group have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (‘Ind AS’) and relevant amended rules issued thereafter. The Group has uniformly applied the accounting policies during the period presented.

Effective from 1 April 2016, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 “First time adoption of Indian Accounting Standards”, with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The consolidated financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 17 May 2019.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. OVERALL CONSIDERATIONS

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2019 and are summarised as below.

#### B. BASIS OF CONSOLIDATION

The Group financial statements comprise those of the Parent Company, its subsidiary and joint venture entities as at 31 March 2019. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies –

- (a) power over the investee;
- (b) exposure, or rights to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the investors’ returns.

The particulars of subsidiaries considered in the consolidated financial statements are as under:

| S.No. | Name of the Entity                            | Country of Incorporation | Relationship | 31 March 2019 | 31 March 2018 |
|-------|---|--------------------------|--------------|---------------|---------------|
| 1     | Certification Engineers International Limited | India                    | Subsidiary   | 100%          | 100%          |

All of its group entities have a reporting date of 31 March.

A decision was taken to dissolve the Joint Venture, Jabal Elliot Co. Ltd. (Foreign Joint Venture Company) for which the approval was given by the Board of Directors of the Engineers India Limited on 30 January 2015. During the current financial year the Joint Venture Company Jabal Elliot Company Limited was formally liquidated and licence was cancelled on 14 August 2018. The part capital had already been repatriated in earlier years and there had been no transaction during the current financial year.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company’s standalone financial statements.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

#### C. INVESTMENT IN JOINT VENTURES AND JOINT OPERATIONS

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

The particulars of joint venture considered in the consolidated financial statements are as under:

| S.No. | Name of the Entity                         | Country of Incorporation | Relationship  | 31 March 2019 | 31 March 2018 |
|-------|--|--------------------------|---------------|---------------|---------------|
| 1     | TEIL Projects Limited (Under Liquidation)  | India                    | Joint Venture | 50%           | 50%           |
| 2     | Ramagundam Fertilizers & Chemicals Limited | India                    | Joint Venture | 26.86%        | 36.3202%      |

A joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation is generally not structured through a separate legal vehicle.

The particulars of joint operations considered in the consolidated financial statements are as under:

| S.No. | Name of the Entity  | Country of Incorporation | Relationship    | 31 March 2019 | 31 March 2018 |
|-------|---|--------------------------|-----------------|---------------|---------------|
| 1     | Petroleum India International (Association of Person (AOP))     | India                    | Joint Operation | 9.50%         | 9.50%         |
| 2     | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 | India                    | Joint Operation | 20%           | 20%           |
| 3     | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8  | India                    | Joint Operation | 20%           | 20%           |

Investments in joint ventures are accounted for using the equity method whereas; joint operations are accounted using the proportionate consolidation method.

The carrying amount of the investment in joint ventures is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

#### D. REVENUE RECOGNITION

##### REVENUE RECOGNITION

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method and accordingly comparatives for the previous periods is not retrospectively adjusted. The effect of adoption of Ind AS 115 Revenue from contract with customers on the accounts of the Group for the year ended 31 March 2019 is insignificant.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services. The services performed by the Group fall into the criteria of the transfer of control over a period of time and as such Group satisfy the performance obligation and revenue over a period of time.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Arrangements with customers are either on a cost plus, rate plus jobs, lump sum services, turnkey contracts and Inspection contracts.

Revenue from services is accounted as follows:

- In the case of cost plus and rate plus jobs on the basis of services rendered and amount billable under the contract
- In the case of lump sum services and turnkey contracts as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.
- In the case of inspection contracts providing for a percentage fee on project cost, on the basis of physical progress duly certified.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price (or both). The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

#### **TURNOVER/WORK-IN-PROGRESS**

a) No income has been taken into account on jobs for which:

- The terms of consideration receivable by the Group have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
- The terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably.

b) The cost of such jobs as stated in 'a' above is carried forward as work-in- progress at actual direct cost.

#### **EXPORT BENEFIT**

Export benefits constituting Service Export from India Scheme are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received.

#### **DIVIDEND INCOME**

Dividend on units/shares is accounted for when right to receive payment is established.

### **E. INTANGIBLE ASSETS**

#### **Recognition**

Intangible assets (softwares) are stated at their cost of acquisition less accumulated amortization.

#### **Subsequent measurement (amortization)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto ₹ 5 lakhs is fully amortized during the year of its acquisition.

### **F. PROPERTY, PLANT AND EQUIPMENT**

#### **Recognition and de-recognition**

Properties plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/upgradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged. When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### **Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is de-recognised.

**G. LEASES****Group as a lessee***Finance leases*

Management applies judgment in considering the substance of a lease agreement and whether it gives substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to statement of profit and loss, as finance costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

*Operating leases*

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

**Group as a lessor***Operating lease*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

**H. INVESTMENT PROPERTIES****Recognition**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on investment properties is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

**De-recognition**

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the year of de-recognition.

**I. FOREIGN CURRENCY***Functional and presentation currency*

The financial statements are presented in INR, which is also the functional currency of the Group.

*Foreign currency transactions and balances**Initial recognition*

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc and Japanese Yen and in respect of other currencies at



Government rates prevailing in the month. However, foreign currency transactions in respect of sub-contractors/vendors are recorded at bank rate prevailing on the date of transaction.

#### *Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

For the foreign operations, all assets and liabilities are translated into INR using the exchange rate in effect at the balance sheet date and for revenue and expense items using the average exchange rate for respective period.

#### *Exchange differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

For the foreign operation of the Group, gain/(loss) arising on conversion of subsidiary/joint venture financial statements is recognised as exchange translation gain/(loss) under other comprehensive income and accumulated as foreign exchange translation reserve under the head other equity.

### **J. IMPAIRMENT OF NON-FINANCIAL ASSETS**

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of profit and loss in the year of reversal and is restricted to the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

### **K. FINANCIAL INSTRUMENTS**

#### **Financial assets**

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

##### *Subsequent measurement*

- i. **Debt instruments at amortised cost** – A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Equity investments** – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

- iii. **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

#### **De-recognition of financial assets**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

#### **Financial liabilities**

##### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

##### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. This category generally applies to long-term payables and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Forward contracts**

A forward contract is recognised as an asset or a liability on the commitment date. Outstanding forward contracts as at reporting date are restated using the mark to market information and resultant gain/(loss) is accounted in statement of profit and loss.

**L. IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The provision for estimated liabilities on account of guarantees and warranties etc. in respect of lumpsum services and turnkey contracts awarded to the Group are being made on the basis of management's assessment of risk and consequential probable liabilities on each such jobs.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognised.

**N. GOVERNMENT GRANTS**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to a revenue item, it is recognised in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.
- When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

When the Group receives grant as a non-monetary asset, the asset and the grant are recorded at fair value. The amount is then recognised in statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**O. OIL AND GAS EXPLORATION ACTIVITIES**

The Group follows 'Successful Efforts Method' in accounting for Oil and Gas exploration and production activities as detailed below:

- Survey costs are charged as expense in the year of its incurrence.
- Acquisition costs, cost of incomplete/undecided exploratory wells and development costs are carried as intangible assets under development till these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.

The Company's share of proved oil and gas reserves are disclosed when notified by the operator of the relevant block.

The Company's proportionate share in the assets, liabilities, income and expenditure of jointly controlled assets are accounted for as per the participating interest.

**P. RESEARCH AND DEVELOPMENT EXPENDITURE**

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under property, plant and equipment.

**Q. FINANCIAL GUARANTEES***Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

**Initial recognition**

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

**Subsequent recognition**

Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

**R. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**S. INCOME TAXES**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

**T. CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestrictive use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

**U. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS***Defined benefit plans*

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

*Other long-term benefits*

The liabilities for leave (earned and half pay leave) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Group has secured these liabilities against the plan assets. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method).

*Short-term employee benefits*

Short-term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

*Defined contribution plans*

Contributions with respect to provident fund and superannuation fund, defined contribution plans, are made to the trust set-up by the Group for the purpose.

*Other benefits*

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

**V. 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. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

**W. RECENT ACCOUNTING PRONOUNCEMENT**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

**Ind AS 116- Leases:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases effective from April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

The Group will use the 'Modified Retrospective Approach' and recognise lease liability as the present value of the remaining lease payments, discounted at the borrowing rate and the right of use asset at amount equal to the lease liability, adjusted. Accordingly comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

The Group will recognise a right-of-use asset and a corresponding lease liability approximately by ₹114.43 Lakhs.

**Ind AS 12 - Income Taxes- Appendix C, Uncertainty over Income Taxes Treatment:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 12, Appendix C, Uncertainty over Income Taxes Treatment. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

**Ind AS 12 - Income Taxes- Amendment to Ind AS 12:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued amendments in Ind AS 12, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the standalone financial statements.

#### **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued amendments in Ind AS 19. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

### **X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

#### *Significant management judgements*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

**Revenue** – For Lumpsum services and Turnkey Contracts the Group recognises revenue using the percentage completion method. Use of the percentage completion method requires the Group to estimate the cost incurred relative to total expected cost to the satisfaction of performance obligation. This requires estimates to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured. Cost and time incurred have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of future taxable income against which the deferred tax assets can be utilized.

#### *Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

## Notes to the consolidated financial statements for the year ended 31 March 2019

## Note: 4 Property, plant and equipment

(₹ in Lakhs)

| Particulars   | Freehold land | Leasehold land* | Building         | Plant and machinery | Computer hardware | Furniture, fixtures and office construction equipments | Vehicles    | Library books | Total            | Capital work-in-progress |
|---|---------------|-----------------|------------------|---------------------|-------------------|--|-------------|---------------|------------------|--------------------------|
| <b>Gross carrying amount</b>                                      |               |                 |                  |                     |                   |  |             |               |                  |                          |
| At 1 April 2017   | 297.73        | 1,489.33        | 19,837.27        | 47.52               | 3,014.24          | 1,778.70   | 3.54        | 5.64          | <b>26,473.98</b> | -                        |
| Additions   | -             | -               | 208.63           | 39.36               | 388.76            | 58.36  | 0.14        | 0.34          | <b>695.59</b>    | -                        |
| Reclassification to investment property due to change in use      | 0.18          | -               | 762.92           | -                   | -                 | 20.93  | -           | -             | <b>784.03</b>    | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | 0.01             | -                   | (12.60)           | (13.73)  | -           | -             | <b>(26.32)</b>   | -                        |
| Disposals/assets written off                                      | -             | -               | (11.54)          | -                   | (4.79)            | (9.08)   | -           | (0.09)        | <b>(25.50)</b>   | -                        |
| <b>Balance as at 31 March 2018</b>                                | <b>297.91</b> | <b>1,489.33</b> | <b>20,797.29</b> | <b>86.88</b>        | <b>3,385.61</b>   | <b>1,835.18</b>  | <b>3.68</b> | <b>5.89</b>   | <b>27,901.77</b> | -                        |
| Additions   | -             | -               | 650.57           | 259.56              | 496.62            | 165.60   | -           | 0.31          | <b>1,572.66</b>  | -                        |
| Reclassification from/to investment property due to change in use | -             | -               | 24.51            | -                   | -                 | -  | -           | -             | <b>24.51</b>     | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | 0.67             | -                   | 6.63              | 21.04  | -           | -             | <b>28.34</b>     | -                        |
| Disposals/asset written off/Adjustment                            | -             | -               | (358.71)         | -                   | (46.36)           | (12.52)  | -           | (0.02)        | <b>(417.61)</b>  | -                        |
| <b>Balance as at 31 March 2019</b>                                | <b>297.91</b> | <b>1,489.33</b> | <b>21,114.33</b> | <b>346.44</b>       | <b>3,842.50</b>   | <b>2,009.30</b>  | <b>3.68</b> | <b>6.18</b>   | <b>29,109.67</b> | -                        |
| <b>Accumulated depreciation</b>                                   |               |                 |                  |                     |                   |  |             |               |                  |                          |
| At 1 April 2017   | -             | 42.91           | 1,687.71         | 0.03                | 1,468.11          | 504.30   | 1.42        | 5.64          | <b>3,710.11</b>  | -                        |
| Charge for the year   | -             | 21.44           | 881.65           | 3.35                | 729.93            | 240.73   | 0.65        | 0.34          | <b>1,878.09</b>  | -                        |
| Reclassification to investment property due to change in use      | -             | -               | 78.63            | -                   | -                 | 6.26   | -           | -             | <b>84.89</b>     | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | (0.07)           | -                   | (13.70)           | (13.31)  | -           | -             | <b>(27.08)</b>   | -                        |
| Adjustments for disposals   | -             | -               | (0.86)           | -                   | (0.80)            | (2.18)   | -           | (0.09)        | <b>(3.93)</b>    | -                        |
| <b>Balance as at 31 March 2018</b>                                | <b>-</b>      | <b>64.35</b>    | <b>2,647.06</b>  | <b>3.38</b>         | <b>2,183.54</b>   | <b>735.80</b>  | <b>2.07</b> | <b>5.89</b>   | <b>5,642.09</b>  | -                        |

(₹ in Lakhs)

| Particulars   | Freehold land | Leasehold land* | Building         | Plant and machinery | Computer hardware | Furniture, fixtures and office construction equipments | Vehicles    | Library books | Total            | Capital work-in-progress |
|---|---------------|-----------------|------------------|---------------------|-------------------|--|-------------|---------------|------------------|--------------------------|
| Charge for the year   | -             | 21.44           | 866.80           | 17.87               | 579.77            | 233.27   | 0.67        | 0.31          | <b>1,720.13</b>  | -                        |
| Reclassification from/to investment property due to change in use | -             | -               | 28.45            | -                   | -                 | -  | -           | -             | <b>28.45</b>     | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | 0.09             | -                   | 4.62              | 9.84   | -           | -             | <b>14.55</b>     | -                        |
| Adjustments for disposals   | -             | -               | (89.06)          | -                   | (14.09)           | (5.31)   | -           | (0.02)        | <b>(108.48)</b>  | -                        |
| <b>Balance as at 31 March 2019</b>                                | <b>-</b>      | <b>85.79</b>    | <b>3,453.34</b>  | <b>21.25</b>        | <b>2,753.84</b>   | <b>973.60</b>  | <b>2.74</b> | <b>6.18</b>   | <b>7,296.74</b>  | <b>-</b>                 |
| <b>Net book value as at 31 March 2018</b>                         | <b>297.91</b> | <b>1,424.98</b> | <b>18,150.23</b> | <b>83.50</b>        | <b>1,202.07</b>   | <b>1,099.38</b>  | <b>1.61</b> | <b>-</b>      | <b>22,259.68</b> | <b>2,340.79</b>          |
| <b>Net book value as at 31 March 2019</b>                         | <b>297.91</b> | <b>1,403.54</b> | <b>17,660.99</b> | <b>325.19</b>       | <b>1,088.66</b>   | <b>1,035.70</b>  | <b>0.94</b> | <b>-</b>      | <b>21,812.93</b> | <b>3,366.97</b>          |

\*Refer note 39A for details

**(i) Contractual obligations**

Refer to note 40B(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Above excludes fixed assets having written down value of ₹ 30.82 lakhs (previous year 31 March 2018: ₹ 0.44 lakhs) shown as assets held for disposal under note 'Other Current Assets'.

(iii) Restriction on title of property, plant and equipment, refer note 42 (ii).

**Note : 5 Investment property**

(₹ in Lakhs)

| Particulars   | Freehold land | Leasehold land* | Building and related fixtures /assets | Total           |
|---|---------------|-----------------|---------------------------------------|-----------------|
| <b>Gross carrying amount</b>  |               |                 |                                       |                 |
| At 1 April 2017   | 0.35          | 264.53          | 3,768.50                              | <b>4,033.38</b> |
| Additions   | -             | -               | 10.16                                 | <b>10.16</b>    |
| Reclassification from property, plant and equipment due to change in use    | (0.18)        | -               | (783.85)                              | <b>(784.03)</b> |
| Disposals/assets written off  | -             | -               | (6.65)                                | <b>(6.65)</b>   |
| <b>Balance as at 31 March 2018</b>  | <b>0.17</b>   | <b>264.53</b>   | <b>2,988.16</b>                       | <b>3,252.86</b> |
| Additions   | -             | -               | 27.26                                 | <b>27.26</b>    |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | (24.51)                               | <b>(24.51)</b>  |
| Disposals/assets written off  | -             | -               | (66.79)                               | <b>(66.79)</b>  |
| <b>Balance as at 31 March 2019</b>  | <b>0.17</b>   | <b>264.53</b>   | <b>2,924.12</b>                       | <b>3,188.82</b> |



(₹ in Lakhs)

| Particulars   | Freehold land | Leasehold land* | Building and related fixtures /assets | Total           |
|---|---------------|-----------------|---------------------------------------|-----------------|
| <b>Accumulated depreciation</b>   |               |                 |                                       |                 |
| At 1 April 2017   | -             | 1.42            | 324.80                                | <b>326.22</b>   |
| Charge for the year   | -             | 0.71            | 129.13                                | <b>129.84</b>   |
| Reclassification from property, plant and equipment due to change in use    | -             | -               | (84.89)                               | <b>(84.89)</b>  |
| Adjustments for disposals   | -             | -               | (0.52)                                | <b>(0.52)</b>   |
| <b>Balance as at 31 March 2018</b>  | -             | <b>2.13</b>     | <b>368.52</b>                         | <b>370.65</b>   |
| Charge for the year   | -             | 0.71            | 122.30                                | <b>123.01</b>   |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | (28.45)                               | <b>(28.45)</b>  |
| Adjustments for disposals   | -             | -               | (16.16)                               | <b>(16.16)</b>  |
| <b>Balance as at 31 March 2019</b>  | -             | <b>2.84</b>     | <b>446.21</b>                         | <b>449.05</b>   |
| <b>Net book value as at 31 March 2018</b>                                   | <b>0.17</b>   | <b>262.40</b>   | <b>2,619.64</b>                       | <b>2,882.21</b> |
| <b>Net book value as at 31 March 2019</b>                                   | <b>0.17</b>   | <b>261.69</b>   | <b>2,477.91</b>                       | <b>2,739.77</b> |

\*Refer note 39A for details

**(i) Amounts recognised in statement of profit and loss for investment properties** (₹ in lakhs)

|   | 31 March 2019   | 31 March 2018   |
|---|-----------------|-----------------|
| Rental income   | 2,101.95        | 2,102.31        |
| <b>Less:</b> Direct operating expenses generating rental income | 469.75          | 482.90          |
| Direct operating expenses that did not generate rental income   | 116.28          | 146.69          |
| <b>Profit/(Loss) from leasing of investment properties</b>      | <b>1,515.92</b> | <b>1,472.72</b> |

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39(B)(c) for details.

**(iii) Fair value of investment property**

| Description       | Fair Value (₹ in Lakhs) |               |
|-------------------|-------------------------|---------------|
|                   | 31 March 2019           | 31 March 2018 |
| Residential flats | 7,218.90                | 6,601.89      |
| Land and building | 32,316.45               | 31,766.08     |
| Office premises   | 785.13                  | 706.42        |

**Fair value hierarchy and valuation technique**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

**Note : 6A Other intangible assets**

(₹ in Lakhs)

| Particulars   | Computer software | Total           |
|---|-------------------|-----------------|
| <b>Gross carrying amount</b>                            |                   |                 |
| At 1 April 2017   | 1,506.20          | <b>1,506.20</b> |
| Additions   | 236.18            | <b>236.18</b>   |
| Exchange difference on translation of foreign operation | 0.08              | <b>0.08</b>     |
| Disposals/assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2018</b>                      | <b>1,742.46</b>   | <b>1,742.46</b> |
| Additions   | 50.19             | <b>50.19</b>    |
| Exchange difference on translation of foreign operation | 9.33              | <b>9.33</b>     |
| Disposals/assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2019</b>                      | <b>1,801.98</b>   | <b>1,801.98</b> |
| <b>Accumulated amortization</b>                         |                   |                 |
| At 1 April 2017   | 764.25            | <b>764.25</b>   |
| Amortization charge for the year                        | 391.57            | <b>391.57</b>   |
| Exchange difference on translation of foreign operation | (1.94)            | <b>(1.94)</b>   |
| Adjustments for disposals                               | -                 | -               |
| <b>Balance as at 31 March 2018</b>                      | <b>1,153.88</b>   | <b>1,153.88</b> |
| Amortization charge for the year                        | 406.23            | <b>406.23</b>   |
| Exchange difference on translation of foreign operation | 7.78              | <b>7.78</b>     |
| Adjustments for disposals                               | -                 | -               |
| <b>Balance as at 31 March 2019</b>                      | <b>1,567.89</b>   | <b>1,567.89</b> |
| <b>Net book value as at 31 March 2018</b>               | <b>588.58</b>     | <b>588.58</b>   |
| <b>Net book value as at 31 March 2019</b>               | <b>234.09</b>     | <b>234.09</b>   |

**Note : 6B Intangible assets under development**

(₹ in Lakhs)

| Particulars                        | Exploration and evaluation assets | Total             |
|------------------------------------|-----------------------------------|-------------------|
| <b>Gross carrying amount</b>       |                                   |                   |
| At 1 April 2017                    | 3,762.27                          | <b>3,762.27</b>   |
| Additions                          | 1,043.54                          | <b>1,043.54</b>   |
| Disposals/assets written off       | (1,961.77)                        | <b>(1,961.77)</b> |
| <b>Balance as at 31 March 2018</b> | <b>2,844.04</b>                   | <b>2,844.04</b>   |
| Additions                          | 532.56                            | <b>532.56</b>     |
| Disposals/assets written off       | (1,542.66)                        | <b>(1,542.66)</b> |
| <b>Balance as at 31 March 2019</b> | <b>1,833.94</b>                   | <b>1,833.94</b>   |

(₹ in Lakhs)

31 March  
201931 March  
2018**Note : 7****A Investments accounted using equity method****Equity instruments****Investment in joint venture companies (unquoted)**

TEIL Projects Limited

9.00

9.95

*5,500,000 (previous year 31 March 2018: 5,500,000) equity shares of ₹ 10 each fully paid up*

Jabal Elliot Co. Ltd.

-

-

*Nil Shares (previous year 31 March 2018 : 500,000 shares) of SR 10 each fully paid up*

Ramagundam Fertilizers and Chemicals Limited

26,862.39

21,708.88

*273,690,002 (previous year 31 March 2018: 218,690,002) equity shares of ₹ 10 each fully paid up***Grand total****26,871.39****21,718.83**

Aggregate book value of unquoted investments

26,871.39

21,718.83

**B. Investments - current**

Liquid plan of mutual funds (quoted)

IDBI Liquid Fund Nil units(Previous year 31 March 2018: 2,49,572.165 units)

-

2,501.60

*- Direct Daily dividend re-investment of ₹1,000 each (31 March 2018: NAV - ₹1,002.3548)*

UTI Liquid Cash Plan 4,51,857.730 units(Previous year 31 March 2018: Nil units)

4606.44

-

*- Direct Daily dividend re-investment of ₹1,000 each (31 March 2019: NAV - ₹1,019.4457)*

UTI Treasury Advantage Fund 28,370.891 units (Previous year :31 March 2018: Nil units)

284.38

-

*- Direct Daily dividend re-investment of ₹1,000 each (31 March 2019: NAV - ₹1,002.354)***4,890.82****2,501.60**

Aggregate book value of quoted investments

4,890.82

2,501.60

Aggregate market value of quoted investments

4,890.82

2,501.60

(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note : 8**
**A Loans - non-current**

(Considered good unless otherwise stated)

**Secured**

Loans to employees

1,770.58

1,340.54

**Unsecured**

Security deposits

135.92

115.25

Loans to related parties:

Loans to key managerial personnel

-

3.66

Loans to employees

2,088.71

1,929.10

**3,995.21**
**3,388.55**
**B Loans - current**

(Considered good unless otherwise stated)

**Secured**

Loans to employees

268.59

236.81

**Unsecured**

Loans to related parties:

Loans to directors

0.10

-

Loans to other key managerial personnel

-

0.75

Loans to employees

669.55

620.55

Security deposits

Considered good

743.65

417.06

Considered doubtful

4.23

4.23

**1,686.12**
**1,279.40**
**Less: Allowance for expected credit losses**

(4.23)

(4.23)

**1,681.89**
**1,275.17**
**Note :9**
**A Other financial asset - non-current**

Bank deposits with maturity more than 12 months

38.55

145.71

**38.55**
**145.71**

- (i) The above includes bank deposits ₹ 38.55 lakhs (previous year 31 March 2018: ₹ 139.50 lakhs) held as margin money/security against bank guarantees.
- (ii) The above also includes interest accrued on bank deposits of ₹ 0.02 lakhs (previous year 31 March 2018: ₹ 6.20 lakhs)

(₹ in Lakhs)

|   | 31 March<br>2019 | 31 March<br>2018 |
|---|------------------|------------------|
| <b>B Other financial assets - current</b>                   |                  |                  |
| <b>(Unsecured, considered good unless otherwise stated)</b> |                  |                  |
| Retention against contracts                                 | 7.32             | 596.65           |
| Work-in-progress*   |                  |                  |
| Considered good   | 122.99           | 218.63           |
| Considered doubtful   | 181.36           | 179.56           |
| Unbilled revenue  |                  |                  |
| Considered good   | 42,547.23        | 31,777.87        |
| Considered doubtful   | 144.73           | 51.77            |
| Balances against joint venture entities                     | -                | 833.00           |
| Others  |                  |                  |
| Considered good   | 2,013.30         | 2,399.29         |
| Considered doubtful   | -                | 2.40             |
|   | <b>45,016.93</b> | <b>36,059.17</b> |
| Less: Allowance for expected credit losses                  | (326.09)         | (233.73)         |
|   | <b>44,690.84</b> | <b>35,825.44</b> |

\*As taken, valued and certified by the management

## Note :10

### Deferred tax assets (net)

#### Deferred tax assets arising on:

##### Employee benefits:

|  |           |           |
|--|-----------|-----------|
| Provision for leave encashment                                   | 6,682.03  | 5,603.59  |
| Provision for post retirement medical benefits                   | 7,292.91  | 6,863.81  |
| Provision for other benefits on retirement                       | 90.52     | 93.95     |
| Provision for long service awards                                | 39.58     | 215.48    |
| Provision for employee related expenses allowed on payment basis | 499.68    | 4,195.69  |
| Provision for contractual obligations                            | 13,705.51 | 11,641.27 |
| Provision for estimated losses                                   | 355.06    | 130.75    |
| Provision for doubtful debts and advances                        | 3,681.00  | 3,809.83  |
| Others:  |           |           |
| Provision for loss in joint venture                              | 126.03    | 173.01    |
| Amortised cost financial instruments                             | 73.58     | 46.71     |
| Foreign currency translation reserve                             | 0.78      | 3.28      |

#### Deferred tax liabilities arising on:

|              |                  |                  |
|--------------|------------------|------------------|
| Depreciation | (2,636.63)       | (2,289.13)       |
| Others       | -                | -                |
|              | <b>29,910.05</b> | <b>30,488.24</b> |

**Movement in above mentioned deferred tax assets and liabilities**

(₹ in lakhs)

| Particulars                                 | 1 April 2017     | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2018    | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2019    |
|---|------------------|--|--|------------------|--|--|------------------|
| <b>Assets</b>                               |                  |  |  |                  |  |  |                  |
| Employee benefits                           | 16,737.88        | 541.50                                   | (306.86)                                   | 16,972.52        | 272.72                                   | (2,640.52)                                 | 14,604.72        |
| Provision for contractual obligations       | 9,313.21         | -  | 2,328.06                                   | 11,641.27        | -  | 2,064.24                                   | 13,705.51        |
| Provision for estimated losses              | 246.85           | -  | (116.10)                                   | 130.75           | -  | 224.31                                     | 355.06           |
| Trade receivables                           | 2,883.22         | -  | 926.61                                     | 3,809.83         | -  | (128.83)                                   | 3,681.00         |
| Others                                      | 215.60           | (5.95)                                   | 13.35                                      | 223.00           | (2.50)                                   | (20.11)                                    | 200.39           |
| <b>Deferred tax liabilities arising on:</b> |                  |  |  |                  |  |  |                  |
| Depreciation                                | (2,131.33)       | -  | (157.80)                                   | (2,289.13)       | -  | (347.50)                                   | (2,636.63)       |
| Others                                      | (533.05)         | -  | 533.05                                     | -                | -  | -  | -                |
| <b>Total</b>                                | <b>26,732.38</b> | <b>535.55</b>                            | <b>3,220.31</b>                            | <b>30,488.24</b> | <b>270.22</b>                            | <b>(848.41)</b>                            | <b>29,910.05</b> |

(₹ in Lakhs)

|  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
|  |               |               |

**Note :11**
**Non-current tax assets (net)**

Advance income tax (net of provision for taxation amounting to ₹ 65,564.68 lakhs (previous year 31 March 2018: ₹ 1,111.06 lakhs)

Advance fringe benefit tax

|                 |               |
|-----------------|---------------|
| 2,001.41        | 308.11        |
| 11.83           | 11.83         |
| <b>2,013.24</b> | <b>319.94</b> |

**Note :12**
**A Other non-current assets**
**(Unsecured, considered good unless otherwise stated)**

Capital advances

Prepaid expense and rent advance

|                 |               |
|-----------------|---------------|
| 60.46           | 189.93        |
| 997.63          | 783.09        |
| <b>1,058.09</b> | <b>973.02</b> |

**B Other current assets**
**(Unsecured, considered good unless otherwise stated)**

Advances to vendors/contractors

Considered good

Considered doubtful

Prepaid expenses

Deposit with statutory authorities

Assets held for sale (refer note 65)

Claims receivable

Considered good

Considered doubtful

Advances to employees

Considered good

Considered doubtful

Other advances

|           |           |
|-----------|-----------|
| 10,804.64 | 10,441.50 |
| 5.04      | 5.05      |
| 621.08    | 507.34    |
| 4,547.34  | 2,545.67  |
| 30.82     | 0.44      |
|           |           |
| 0.60      | 0.60      |
| 1.79      | 10.05     |
|           |           |
| 254.60    | 323.61    |
| 0.08      | 1.36      |
| 4.01      | 4.55      |

**Less: Impairment of non-financial assets**

|                  |                  |
|------------------|------------------|
| <b>16,270.00</b> | <b>13,840.17</b> |
| (6.91)           | (16.46)          |
| <b>16,263.09</b> | <b>13,823.71</b> |

(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note :13****Inventories****(lower of cost or net realizable value)**

Stores, spares and chemicals in hand\*

693.82 112.72

693.82 112.72

\* Includes projects inventory to the tune of ₹ 610.38 lakhs (previous year 31 March 2018: Nil)

**Note - 14****Trade receivables**

Trade receivable (Unsecured)

Considered good

42,687.05 56,191.27

Considered doubtful

10,266.77 10,698.25

52,953.82 66,889.52**Less:** Allowance for expected credit loss

(10,266.77) (10,698.25)

42,687.05 56,191.27**Note - 15****Cash and cash equivalents**

Balances with banks in current account\*

912.54 1,137.03

Banks deposits having maturity of less than three months\*\*

20,441.80 1,889.60

Cash and stamps on hand\*

9.81 4.80

21,364.15 3,031.43

\* Includes ₹ 113.36 lakhs (previous year 31 March 2018: ₹ 65.12 lakhs) in currencies which are not repatriable.

\*\* Includes interest accrued on bank deposits ₹ 3.32 lakhs (previous year 31 March 2018: ₹ 0.88 lakhs)

**Note - 16****Other bank balances**

Unpaid dividend account

142.41 78.56

Amount held on behalf of clients

3,315.89 11,608.99

Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below)

2,46,731.70 2,38,995.02

2,50,190.00 2,50,682.57**Notes:**

(i) Includes bank deposits having more than twelve months original maturity of ₹ 26,458.80 Lakhs (previous year 31 March 2018: ₹ 23,028.41 lakhs)

(ii) Includes bank deposits ₹ 95.61 Lakhs (previous year 31 March 2018: ₹ 8,557.28 lakhs) held as margin money/security/lien against bank guarantees.

(iii) Includes interest accrued on bank deposits ₹ 4,328.08 lakhs (previous year 31 March 2018: ₹ 3,208.63 lakhs)



(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note - 17**
**Equity share capital**
**Authorised share capital**

800,000,000 (previous year 31 March 2018: 800,000,000)  
equity shares of par value of ₹ 5 each

|                  |                  |
|------------------|------------------|
| 40,000.00        | 40,000.00        |
| <b>40,000.00</b> | <b>40,000.00</b> |

**Issued share capital**

631,992,420 (previous year 31 March 2018: 631,992,420)  
equity shares of par value of ₹ 5 each

|                  |                  |
|------------------|------------------|
| 31,599.62        | 31,599.62        |
| <b>31,599.62</b> | <b>31,599.62</b> |

**Subscribed and paid up**

631,911,420 (previous year 31 March 2018: 631,911,420)  
equity shares of par value of ₹ 5 each

|           |           |
|-----------|-----------|
| 31,595.57 | 31,595.57 |
|-----------|-----------|

**Add: Forfeited shares**

Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each  
(previous year 31 March 2018: 2,600 equity shares of par value of ₹ 5 each )

|                  |                  |
|------------------|------------------|
| 0.01             | 0.01             |
| <b>31,595.58</b> | <b>31,595.58</b> |

**a) Reconciliation of shares outstanding at the beginning and at the end of the year**
**Equity shares**

Shares outstanding at the beginning of the year  
Less : buy back of shares during the year

| Number              | Number              |
|---------------------|---------------------|
| 63,19,11,420        | 67,38,73,200        |
| -                   | 4,19,61,780         |
| <b>63,19,11,420</b> | <b>63,19,11,420</b> |

**Shares outstanding at the end of the year**
**b) Details of shareholders holding more than 5% equity shares in the Parent Company**
**Name of shareholders**

President of India

| Number       | Number       |
|--------------|--------------|
| 32,85,63,993 | 32,86,89,731 |
| 52.00%       | 52.02%       |

ICICI Prudential Exports and Services Fund  
(Previous year 31 March 2018 : ICICI Prudential Value Fund - Series - 1)

|             |             |
|-------------|-------------|
| 5,01,72,867 | 3,81,02,586 |
| 7.94%       | 6.03%       |

L And T Mutual Fund Trustee Limited - L and T Conservative Hybrid Fund  
(Previous Year 31 March 2018: L and T Mutual Fund Trustee Ltd -  
L and T Monthly Income Plan)

|             |             |
|-------------|-------------|
| 3,64,13,315 | 2,53,03,293 |
| 5.76%       | 4.00%       |

**c) Other disclosures**

Aggregate number of equity shares having par value of ₹ 5 each allotted as fully  
paid up by way of bonus share during the period of five years immediately preceding  
the Balance sheet date

|              |              |
|--------------|--------------|
| 33,69,36,600 | 33,69,36,600 |
|--------------|--------------|

Aggregate number of equity shares having par value of ₹ 5 each has been bought back  
by way of buy back during the period of five years immediately preceding the Balance sheet date

|             |             |
|-------------|-------------|
| 4,19,61,780 | 4,19,61,780 |
|-------------|-------------|

**d) Terms and rights attached to equity shares**

The Parent Company is having only one class of equity shares having par value of ₹ 5 each. Each Shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

**Note :18****Nature and purpose of other reserves****General Reserve**

General reserve is created out of the accumulated profits as per the provisions of Companies Act.

**Capital Reserve on Consolidation**

On acquisition of investments in subsidiaries by the Parent Company at different point in time, it has resulted in capital reserve on consolidation.

**Capital Redemption Reserve**

The Group has created Capital Redemption Reserve out of free reserves, a sum equal to the nominal value of the shares purchased, transferred to the capital redemption reserve account

**Retained Earnings**

All the profits made by the Group are transferred to retained earnings from the statement of profit and loss.

**CSR Activity Reserve**

The Group is required to create the CSR Activity Reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of the Companies Act, 2013 and rules made thereunder.

**Corpus for Medical Benefits for Employees retired prior to 01.01.2007**

The Company has created separate corpus of medical benefits to retired employees who have retired prior to 01.01.2007 in terms of DPE guidelines

**Other Comprehensive Income**

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re measurement of defined benefit plans.

(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note - 19****A Other financial liabilities - non-current**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security deposits and retentions | 392.63        | 651.26        |
|                                  | <b>392.63</b> | <b>651.26</b> |

**B Other financial liabilities - Current**

|  |                  |                  |
|--|------------------|------------------|
| Security deposits and retentions                 | 24,390.44        | 20,011.83        |
| Capital creditors                                | 1,319.07         | 1,799.45         |
| Accrued employees benefits                       | 6,451.52         | 7,606.21         |
| Unpaid dividend*                                 | 142.41           | 78.56            |
| Amount held on behalf of clients                 | 3,315.89         | 11,608.99        |
| Other liabilities against joint venture entities | -                | 833.00           |
|  | <b>35,619.33</b> | <b>41,938.04</b> |

\*Excluding amount due for payment to Investor Education And Protection Fund

**Note - 20****A Provisions - non-current**

|   |               |                 |
|---|---------------|-----------------|
| Employees' post retirement/long-term benefits | 762.93        | 1,216.02        |
|   | <b>762.93</b> | <b>1,216.02</b> |

**B Provisions - current**

|   |                  |                  |
|---|------------------|------------------|
| Employees' post retirement/long-term benefits | 7,029.95         | 12,775.16        |
| Provision for contractual obligations         | 39,368.14        | 33,460.89        |
| Provision for expected losses                 | 1,016.09         | 374.18           |
| Provision for corporate social responsibility | 235.46           | 90.55            |
|   | <b>47,649.64</b> | <b>46,700.78</b> |

(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note - 21**
**A Other non-current liabilities**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Advances received from clients | 119.79        | 845.35        |
| Deferred income                | 31.23         | 15.67         |
|                                | <u>151.02</u> | <u>861.02</u> |

**B Other current liabilities**

|  |                    |                    |
|--|--------------------|--------------------|
| Advances received from clients*                            | 11,658.91          | 3,016.68           |
| Income received in advance                                 | 1,12,034.89        | 88,427.45          |
| Service tax / GST payable                                  | 5,982.10           | 4,073.73           |
| Withholding for employees including employers contribution | 1,531.36           | 2,773.97           |
| Withholding for income taxes                               | 895.53             | 4,415.06           |
| Deferred income  | 48.95              | 65.93              |
| Other liabilities  | 294.64             | 184.59             |
|  | <u>1,32,446.38</u> | <u>1,02,957.41</u> |

\* Includes ₹ 7,114.09 lakhs (previous year 31 March 2018 : Nil) received pursuant to the order of Hon'ble court against which appeal has been filed by the client.

**Note - 22**
**Trade payables**

|  |                  |                  |
|--|------------------|------------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note 56)      | 4,426.30         | 1,020.56         |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 20,026.36        | 20,687.85        |
|  | <u>24,452.66</u> | <u>21,708.41</u> |

**Note - 23**
**Current tax liabilities (net)**

|   |               |                 |
|---|---------------|-----------------|
| Provision for taxation (net of advance tax amounting to Nil (previous year 31 March 2018: ₹ 56,799.09 lakhs)) | 129.47        | 1,238.31        |
|   | <u>129.47</u> | <u>1,238.31</u> |

(₹ in Lakhs)

|  | 31 March<br>2019          | 31 March<br>2018          |
|--|---------------------------|---------------------------|
| <b>Note - 24</b>                               |                           |                           |
| <b>I Revenue from operations</b>               |                           |                           |
| <b>Consultancy and engineering services</b>    | 1,37,698.94               | 1,41,044.85               |
| Increase/(decrease) in work-in-progress        |                           |                           |
| Closing work-in-progress                       | 304.35                    | 398.19                    |
| Less: Opening work-in-progress                 | 398.19                    | 966.63                    |
|  | <u>(93.84)</u>            | <u>(568.44)</u>           |
| <b>Other operating income</b>                  |                           |                           |
| Income under service export from India scheme  | 487.86                    | 1,125.90                  |
| <b>Sub-total (A)</b>                           | <u><b>1,38,092.96</b></u> | <u><b>1,41,602.31</b></u> |
| <b>II Turnkey projects</b>                     | 1,09,486.88               | 40,829.02                 |
| <b>Increase/(decrease) in work-in-progress</b> |                           |                           |
| Closing work-in-progress                       | -                         | -                         |
| Less: Opening work-in-progress                 | -                         | -                         |
|  | <u>-</u>                  | <u>-</u>                  |
| <b>Sub-total (B)</b>                           | <u><b>1,09,486.88</b></u> | <u><b>40,829.02</b></u>   |
| <b>Grand total (A+B)</b>                       | <u><b>2,47,579.84</b></u> | <u><b>1,82,431.33</b></u> |

**Note - 25****Other income**

|   |                         |                         |
|---|-------------------------|-------------------------|
| Interest income   |                         |                         |
| Bank deposits   | 17,502.66               | 12,666.98               |
| Loan to employees   | 328.14                  | 298.58                  |
| Income-tax refunds  | 62.73                   | 23.18                   |
| Others  | 184.86                  | 193.54                  |
| Amortization of deferred income   | 117.50                  | 60.13                   |
| Dividend income from current investments  | 341.15                  | 1,348.59                |
| Capital gain on redemption of investments in mutual funds   | 1.40                    | 27.73                   |
| Funds received against research and development (netting off the utilisation)   | -                       | -                       |
| (31 March 2019: Received ₹ 155.36 lakhs and utilised ₹ 155.36 lakhs) and<br>31 March 2018: Received ₹ 744.01 lakhs and utilised ₹ 744.01 lakhs) |                         |                         |
| Profit on sale of assets  | 3.34                    | 5.51                    |
| Foreign exchange difference (net)   | 794.33                  | 631.18                  |
| Rental income   | 2,101.95                | 2,099.34                |
| Miscellaneous income  | 793.10                  | 263.15                  |
|   | <u><b>22,231.16</b></u> | <u><b>17,617.91</b></u> |

**Note - 26****Technical assistance/sub contracts**

|  |                         |                         |
|--|-------------------------|-------------------------|
|  | <u><b>44,042.38</b></u> | <u><b>21,058.79</b></u> |
|--|-------------------------|-------------------------|

(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note - 27**
**Construction materials and equipments**
**61,156.57**
**9,979.83**
**Note - 28**
**Employee benefits expense**
**Salaries and allowances@**

|  |                  |                  |
|--|------------------|------------------|
| Staff  | 63,848.18        | 63,278.35        |
| Directors  | 301.32           | 182.77           |
| Contribution towards employees pension and provident fund and administration charges thereon             |                  |                  |
| Staff  | 5,040.12         | 4,930.96         |
| Directors  | 23.67            | 14.51            |
| Contribution towards employees defined contributory superannuation scheme/ National Pension System (NPS) |                  |                  |
| Staff  | 5,423.68         | 2,693.46         |
| Directors  | 27.36            | 6.75             |
| Staff Welfare #  |                  |                  |
| Staff  | 2,409.95         | 2,981.29         |
| Directors  | 17.35            | 6.02             |
| Contribution to gratuity fund (net of contribution received from others)*                                | 1,007.22         | 3,009.40         |
|  | <b>78,098.85</b> | <b>77,103.51</b> |

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.32 lakhs (previous year : ₹ 0.32 lakhs).

b) ₹ 4508.63 lakhs (previous year : ₹ 1,825.30 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

c) ₹ 681.03 lakhs (previous year : Nil) on account of estimated enhanced Gratuity ceiling due to increase in Dearness Allowance in terms of DPE guidelines (refer note no.57)

# Includes expenditure for medical benefits of ₹ 557.34 lakhs (previous year : ₹ 710.81 lakhs) for employees retired prior to 01.01.2007.

\*Includes Term Insurance Premium paid to LIC of India.

**Note - 29**
**Finance cost**

|  |               |              |
|--|---------------|--------------|
| Interest on shortfall in payment of income tax | 11.17         | 12.31        |
| Unwinding of discount on security deposit      | 112.04        | 46.16        |
|  | <b>123.21</b> | <b>58.47</b> |

**Note - 30**
**Depreciation and amortization**

|   |                 |                 |
|---|-----------------|-----------------|
| Depreciation on property, plant and equipment | 1,720.13        | 1,878.09        |
| Depreciation of investment property           | 123.01          | 129.84          |
| Amortization of other intangible assets       | 406.23          | 391.57          |
|   | <b>2,249.37</b> | <b>2,399.50</b> |

(₹ in Lakhs)

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
|--|------------------|------------------|

**Note - 31****Other expenses****A Facilities**

|  |                 |                 |
|--|-----------------|-----------------|
| Rent expense - office  | 603.56          | 565.32          |
| Rent - residential accommodation   |                 |                 |
| Staff (net of recovery of ₹ 64.73 lakhs (previous year: ₹ 158.60 lakhs)) | 333.25          | 673.46          |
| Directors (net of recovery of Nil (previous year: ₹ 0.77 lakhs))         | -               | 3.54            |
| Light, water and power   | 1,322.15        | 1,338.60        |
| Insurance  | 239.11          | 387.55          |
| Miscellaneous repair and maintenance                                     | 3,617.37        | 3,840.31        |
| Repair and maintenance of own building                                   | 106.91          | 283.83          |
| Repair and maintenance of plant and machinery                            | 437.46          | 348.86          |
| Hire charges of office equipment   | 17.08           | 17.00           |
| <b>Sub total (A)</b>   | <b>6,676.89</b> | <b>7,458.47</b> |

**B) Corporate costs**

|  |                 |                 |
|--|-----------------|-----------------|
| Bank charges                             | 152.68          | 137.77          |
| Sitting fees to independent directors    | 28.20           | 23.47           |
| Advertisement for tender and recruitment | 63.21           | 1,072.41        |
| Publicity                                | 534.24          | 373.32          |
| Subscription                             | 113.26          | 127.84          |
| Entertainment                            | 194.02          | 198.75          |
| Remuneration to auditors*:               |                 |                 |
| For Audit                                | 15.02           | 12.54           |
| For Tax Audit                            | 2.85            | 2.35            |
| Others                                   | 13.15           | 9.42            |
| Filing fee                               | 7.94            | 7.85            |
| Legal and professional charges           | 1,085.74        | 685.07          |
| Licences and taxes                       | 473.03          | 473.27          |
| Loss on sale of assets                   | 2.31            | 0.58            |
| Fixed assets written off                 | 1.06            | 5.74            |
| <b>Sub total (B)</b>                     | <b>2,686.71</b> | <b>3,130.38</b> |

\* Excluding remuneration for buy back amounting to Nil (previous year : ₹ 1.90 lakhs)

**C Other costs**

|  |          |          |
|--|----------|----------|
| Consumables/stores/equipment - R&D Centre        | 16.41    | 19.69    |
| Travel and conveyance                            |          |          |
| Directors*                                       | 60.90    | 28.23    |
| Others   | 6,739.48 | 6,530.87 |
| Printing, stationery and general Office supplies | 424.56   | 419.01   |
| Newspapers and periodicals                       | 26.21    | 29.20    |
| Postage and telecommunications                   | 497.24   | 501.21   |
| Courier, transportation and handling             | 141.00   | 165.91   |
| Commission to foreign agents                     | 176.97   | 186.97   |

|   | (₹ in Lakhs)     |                  |
|---|------------------|------------------|
|   | 31 March<br>2019 | 31 March<br>2018 |
| Allowance for expected credit losses - trade receivables and advances (net) | (348.66)         | 2,613.22         |
| Bad debts written off   | 79.59            | 84.78            |
| Deposits written off  | 10.65            | 1.86             |
| Dry well written off  | 1,542.66         | 1,961.77         |
| Provision for contractual obligations (net)                                 | 5,907.25         | 6,403.51         |
| Provision for expected losses (net)   | 641.91           | (339.10)         |
| Training Expenses   |                  |                  |
| Travel  | 14.93            | -                |
| Others  | 47.78            | 58.36            |
| CSR Expenses (Refer note below)   | 1,006.21         | 1,505.26         |
| Expenditure relating to oil and gas exploration blocks                      | 251.19           | 681.37           |
| Loss on modification of employee advances                                   | 29.19            | 6.68             |
| Miscellaneous expenses  | 195.22           | 128.83           |
|   | <b>17,460.69</b> | <b>20,987.63</b> |
| <b>Less: Inhouse expenditure relating to</b>                                |                  |                  |
| Capital works   | (106.04)         | (36.69)          |
| <b>Sub total (c)</b>  | <b>17,354.65</b> | <b>20,950.94</b> |
| <b>Grand total (A+B+C)</b>  | <b>26,718.25</b> | <b>31,539.79</b> |

\*Includes recovery of ₹ 0.80 lakhs on account of use of car (previous year : ₹ 1.31 lakhs)

**Note:**

**Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

(a) Gross amount required to be spent during financial year 2018-19 - ₹ 1012.93 lakhs  
(previous year: ₹ 944.85 lakhs)

(b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

|   |               | (₹ in Lakhs) |                        |        |
|---|---------------|--------------|------------------------|--------|
| Particulars                               |               | In cash      | Yet to be paid in cash | Total  |
| (i) Construction/acquisition of any asset | 31 March 2019 | 315.19       | 9.07                   | 324.26 |
|   | 31 March 2018 | 609.94       | 27.04                  | 636.98 |
| (ii) On purposes other than (i) above     | 31 March 2019 | 455.56       | 226.39                 | 681.95 |
|   | 31 March 2018 | 804.77       | 63.51                  | 868.28 |



(₹ in Lakhs)

**Note - 32****Income tax****Tax expense comprises of:**

|                                     | 31 March<br>2019 | 31 March<br>2018 |
|-------------------------------------|------------------|------------------|
| Current income tax                  | 19,877.76        | 22,261.47        |
| Earlier years tax adjustments (net) | (597.63)         | 533.67           |
| Deferred tax                        | 848.41           | (3,220.31)       |
|                                     | <b>20,128.54</b> | <b>19,574.83</b> |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 34.944% (Previous year :34.608%) and the reported tax expense in statement of profit and loss are as follows:

**Statement of profit and loss**

|  |           |           |
|--|-----------|-----------|
| Accounting profit before tax   | 57,422.37 | 57,909.35 |
| At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%) | 20,065.67 | 20,041.27 |

**Adjustments in respect of current income tax**

|  |                  |                  |
|--|------------------|------------------|
| Tax expense on account of joint control operation  | 0.62             | 0.78             |
| Tax impact of exempted income                      | (118.64)         | (465.67)         |
| Tax impact of expenses which will never be allowed | 440.38           | 344.49           |
| Earlier years tax adjustments (net)                | (597.63)         | 533.67           |
| Earlier years deferred tax adjustments (net)       | 436.80           | (803.80)         |
| Effect of Differential Tax rate Subsidiary         | (76.92)          | (103.65)         |
| Others   | (21.74)          | 27.74            |
|  | <b>20,128.54</b> | <b>19,574.83</b> |

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

**Note - 33****Earnings per share (EPS)**

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Parent Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

During the financial year 2017-18, pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017.

|  | 31 March<br>2019 | 31 March<br>2018 |
|--|------------------|------------------|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 36,955.48        | 38,331.00        |
| Weighted average number of equity shares                       | 63,19,11,420     | 64,76,61,458     |
| <b>Nominal value per share in ₹</b>                            | 5.00             | 5.00             |
| <b>Earnings per equity share in ₹</b>                          |                  |                  |
| Basic  | 5.85             | 5.92             |
| Diluted  | 5.85             | 5.92             |

## Note - 34

### (i) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

### (ii) Financial assets and liabilities measured at fair value – recurring fair value measurements

(₹ in lakhs)

| 31 March 2019                 | Level 1         | Level 2  | Level 3  | Total           |
|-------------------------------|-----------------|----------|----------|-----------------|
| <b>Financial assets</b>       |                 |          |          |                 |
| Liquid plan of mutual funds   | 4,890.82        | -        | -        | 4,890.82        |
| <b>Total financial assets</b> | <b>4,890.82</b> | <b>-</b> | <b>-</b> | <b>4,890.82</b> |

### Financial assets and liabilities measured at fair value – recurring fair value measurements

(₹ in lakhs)

| 31 March 2018                 | Level 1         | Level 2  | Level 3  | Total           |
|-------------------------------|-----------------|----------|----------|-----------------|
| <b>Financial assets</b>       |                 |          |          |                 |
| Liquid plan of mutual funds   | 2,501.60        | -        | -        | 2,501.60        |
| <b>Total financial assets</b> | <b>2,501.60</b> | <b>-</b> | <b>-</b> | <b>2,501.60</b> |

### (iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

## Note - 35

### Financial instruments

### (i) Financial instruments by category

(₹ in lakhs)

| Particulars                         | 31 March 2019   |                    | 31 March 2018   |                    |
|-------------------------------------|-----------------|--------------------|-----------------|--------------------|
|                                     | FVTPL           | Amortised Cost     | FVTPL           | Amortised Cost     |
| <b>Financial assets</b>             |                 |                    |                 |                    |
| Investments - mutual funds          | 4,890.82        | -                  | 2,501.60        | -                  |
| Trade receivables                   | -               | 42,687.05          | -               | 56,191.27          |
| Loans (excluding security deposits) | -               | 4,797.53           | -               | 4,131.41           |
| Other financial assets              | -               | 44,729.39          | -               | 35,971.15          |
| Cash and cash equivalents           | -               | 21,364.15          | -               | 3,031.43           |
| Other bank balances                 | -               | 2,50,190.00        | -               | 2,50,682.57        |
| Security deposits                   | -               | 879.57             | -               | 532.31             |
| <b>Total financial assets</b>       | <b>4,890.82</b> | <b>3,64,647.69</b> | <b>2,501.60</b> | <b>3,50,540.14</b> |

(₹ in lakhs)

| Particulars                        | 31 March 2019 |                  | 31 March 2018 |                  |
|------------------------------------|---------------|------------------|---------------|------------------|
|                                    | FVTPL         | Amortised Cost   | FVTPL         | Amortised Cost   |
| <b>Financial liabilities</b>       |               |                  |               |                  |
| Trade payables                     | -             | 24,452.66        | -             | 21,708.41        |
| Security deposits and retentions   | -             | 24,783.07        | -             | 20,663.09        |
| Other financial liabilities        | -             | 9,909.82         | -             | 20,126.76        |
| Capital creditors                  | -             | 1,319.07         | -             | 1,799.45         |
| <b>Total financial liabilities</b> | -             | <b>60,464.62</b> | -             | <b>64,297.71</b> |

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

**(ii) Risk management**

The Group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

**i) Credit risk rating**

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

| Asset group          | Basis of categorisation   | Provision for expected credit loss                              |
|----------------------|---|---|
| Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 12 month expected credit loss                                   |
| Moderate credit risk | Trade receivables, loans and other financial assets   | Life time expected credit loss or 12 month expected credit loss |
| High credit risk     | Trade receivables   | Life time expected credit loss or fully provided for            |

In respect of trade receivables, the Group recognises a provision for lifetime expected credit loss.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment.

Recoveries made are recognised in statement of profit and loss.

(₹ in lakhs)

| Credit rating           | Particulars   | 31 March 2019 | 31 March 2018 |
|-------------------------|---|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 3,64,647.69   | 3,50,540.14   |
| B: Moderate credit risk | Trade receivables, loans and other financial assets   | 3,447.07      | 3,648.71      |
| C: High credit risk     | Trade receivables   | 7,150.02      | 7,287.50      |

ii) *Concentration of trade receivables*

The Group's exposure to credit risk for trade receivables is as follows -

(₹ in lakhs)

| Particulars         | 31 March 2019    | 31 March 2018    |
|---------------------|------------------|------------------|
| Chemical Fertilizer | 1,322.70         | 3,509.30         |
| Hydro Carbon        | 43,805.80        | 56,874.38        |
| Infrastructure      | 5,500.47         | 4,534.12         |
| Metallurgy          | 359.60           | 539.38           |
| Power               | 889.12           | 739.37           |
| Others              | 1,076.13         | 692.97           |
| <b>Total</b>        | <b>52,953.82</b> | <b>66,889.52</b> |

b) *Credit risk exposure*

(i) *Provision for expected credit losses*

The Group provides for 12 month expected credit losses for following financial assets –

**31 March 2019**

(₹ in lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|------------------------|---|
| Cash and cash equivalents           | 21,364.15                                  | -                      | 21,364.15                                   |
| Other bank balances                 | 2,50,190.00                                | -                      | 2,50,190.00                                 |
| Loans (excluding security deposits) | 4,797.43                                   | -                      | 4,797.43                                    |
| Security deposits                   | 883.80                                     | 4.23                   | 879.57                                      |
| Other financial assets              | 45,055.48                                  | 326.09                 | 44,729.39                                   |

**31 March 2018**

(₹ in lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|------------------------|---|
| Cash and cash equivalents           | 3,031.43                                   | -                      | 3,031.43                                    |
| Other bank balances                 | 2,50,682.57                                | -                      | 2,50,682.57                                 |
| Loans (excluding security deposits) | 4,131.41                                   | -                      | 4,131.41                                    |
| Security deposits                   | 536.54                                     | 4.23                   | 532.31                                      |
| Other financial assets              | 36,204.88                                  | 233.73                 | 35,971.15                                   |

## (ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2019

(₹ in lakhs)

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 19,903.95   | 6,901.92      | 1,637.76       | 2,105.04       | 1,169.78       | 1,507.99       |
| Expected credit loss (provision)    | 618.65      | 388.76        | 181.51         | 361.01         | 294.85         | 329.41         |
| Carrying amount (net of impairment) | 19,285.30   | 6,513.16      | 1,456.25       | 1,744.03       | 874.93         | 1,178.58       |

| Particulars                         | 540 - 630 Days | 630-720 Days | 720-1095 Days | >1095 Days |
|-------------------------------------|----------------|--------------|---------------|------------|
| Gross carrying value                | 709.44         | 3,288.54     | 4,281.12      | 7,150.02   |
| Expected credit loss (provision)    | 46.70          | 485.48       | 410.38        | 7,150.02   |
| Carrying amount (net of impairment) | 662.74         | 2,803.06     | 3,870.74      | -          |

As at 31 March 2018

(₹ in lakhs)

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 25,267.11   | 7,841.82      | 5,167.67       | 7,890.30       | 1,355.34       | 1,299.99       |
| Expected credit loss (provision)    | 757.10      | 461.02        | 475.59         | 456.15         | 158.53         | 240.85         |
| Carrying amount (net of impairment) | 24,510.01   | 7,380.80      | 4,692.08       | 7,434.15       | 1,196.81       | 1,059.14       |

| Particulars                         | 540 - 630 Days | 630-720 Days | 720-1095 Days | >1095 Days |
|-------------------------------------|----------------|--------------|---------------|------------|
| Gross carrying value                | 1,802.57       | 1,669.38     | 2,674.55      | 7,287.50   |
| Expected credit loss (provision)    | 115.72         | 338.06       | 407.73        | 7,287.50   |
| Carrying amount (net of impairment) | 1,686.85       | 1,331.32     | 2,266.82      | -          |

## Reconciliation of loss provision – lifetime expected credit losses

(₹ in lakhs)

| Reconciliation of loss allowance                    | Security deposits | Other financial assets | Trade receivables |
|---|-------------------|------------------------|-------------------|
| <b>Loss allowance as on 1 April 2017</b>            | <b>0.69</b>       | <b>182.23</b>          | <b>8,142.54</b>   |
| Impairment loss recognised/reversed during the year | 3.54              | 54.17                  | 2,563.74          |
| Amounts written off                                 | -                 | (2.67)                 | (8.03)            |
| <b>Loss allowance on 31 March 2018</b>              | <b>4.23</b>       | <b>233.73</b>          | <b>10,698.25</b>  |
| Impairment loss recognised/reversed during the year | -                 | 94.76                  | (395.46)          |
| Amounts written off                                 | -                 | (2.40)                 | (36.02)           |
| <b>Loss allowance on 31 March 2019</b>              | <b>4.23</b>       | <b>326.09</b>          | <b>10,266.77</b>  |

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lakhs)

| 31 March 2019                    | Less than 1 year | 1 - 2 years   | More than 2 years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 24,452.66        | -             | -                 | 24,452.66        |
| Security deposits and retentions | 24,404.43        | 292.30        | 168.02            | 24,864.75        |
| Capital creditors                | 1,319.07         | -             | -                 | 1,319.07         |
| Other financial liabilities      | 9,909.82         | -             | -                 | 9,909.82         |
| <b>Total</b>                     | <b>60,085.98</b> | <b>292.30</b> | <b>168.02</b>     | <b>60,546.30</b> |

(₹ in Lakhs)

| 31 March 2018                    | Less than 1 year | 1 - 2 years   | More than 2 years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 21,708.41        | -             | -                 | 21,708.41        |
| Security deposits and retentions | 20,022.52        | 694.42        | 29.40             | 20,746.34        |
| Capital creditors                | 1,799.45         | -             | -                 | 1,799.45         |
| Other financial liabilities      | 20,126.76        | -             | -                 | 20,126.76        |
| <b>Total</b>                     | <b>63,657.14</b> | <b>694.42</b> | <b>29.40</b>      | <b>64,380.96</b> |

**(C) Market risk**
**(i) Foreign exchange risk**

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency. The Group does not hedge its foreign exchange receivables/payables.

**Foreign currency risk exposure:**

(₹ in Lakhs)

| Particulars                                      | Currency | 31 March 2019 | 31 March 2018 |
|--|----------|---------------|---------------|
| Trade payables, security deposits and retentions | AED      | 35.78         | 69.15         |
|  | USD      | 9,391.84      | 9,072.13      |
|  | EURO     | 173.32        | 28.44         |
|  | GBP      | 387.09        | 387.44        |
|  | Others   | 188.57        | 46.65         |
| Trade receivables and security deposits          | AED      | 295.17        | 302.27        |
|  | USD      | 8,154.25      | 13,221.21     |
|  | EURO     | 469.17        | 3,831.93      |
|  | GBP      | 1.36          | 1.40          |
|  | Others   | 138.23        | 96.14         |

(₹ in Lakhs)

| Particulars           | Currency | 31 March 2019 | 31 March 2018 |
|-----------------------|----------|---------------|---------------|
| Cash and bank balance | AED      | 294.04        | 231.49        |
|                       | USD      | 13.75         | -             |
|                       | GBP      | 36.94         | 8.23          |
|                       | Others   | 119.14        | 89.70         |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

| Particulars                                      | Currency | Exchange rate increase by 1% |               | Exchange rate decrease by 1% |               |
|--|----------|------------------------------|---------------|------------------------------|---------------|
|  |          | 31 March 2019                | 31 March 2018 | 31 March 2019                | 31 March 2018 |
| Trade payables, security deposits and retentions | AED      | 0.36                         | 0.69          | (0.36)                       | (0.69)        |
|  | USD      | 93.92                        | 90.72         | (93.92)                      | (90.72)       |
|  | EURO     | 1.73                         | 0.28          | (1.73)                       | (0.28)        |
|  | GBP      | 3.87                         | 3.87          | (3.87)                       | (3.87)        |
|  | Others   | 1.89                         | 0.47          | (1.89)                       | (0.47)        |
| Trade receivables and deposits                   | AED      | 2.95                         | 3.02          | (2.95)                       | (3.02)        |
|  | USD      | 81.54                        | 132.21        | (81.54)                      | (132.21)      |
|  | EURO     | 4.69                         | 38.32         | (4.69)                       | (38.32)       |
|  | GBP      | 0.01                         | 0.01          | (0.01)                       | (0.01)        |
|  | Others   | 1.38                         | 0.96          | (1.38)                       | (0.96)        |
| Cash and bank balance                            | AED      | 2.94                         | 2.31          | (2.94)                       | (2.31)        |
|  | USD      | 0.14                         | -             | (0.14)                       | -             |
|  | GBP      | 0.37                         | 0.08          | (0.37)                       | (0.08)        |
|  | Others   | 1.19                         | 0.90          | (1.19)                       | (0.90)        |

**(ii) Price risk**

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Group diversifies its portfolio of assets.

*Sensitivity analysis*

Profit or loss and equity is sensitive to higher/lower prices of instruments on the profit for the periods -

(₹ in Lakhs)

| Particulars                    | 31 March 2019 | 31 March 2018 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | 146.72        | 75.05         |
| Price decrease by (3 %)- FVTPL | (146.72)      | (75.05)       |



## Note : 36

### Capital management

The Group's objectives when managing capital are:

- To ensure Group's ability to continue as a going concern, and
- To provide adequate return to shareholder

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group are summarised as follows:

|                      | (₹ in Lakhs)  |               |
|----------------------|---------------|---------------|
|                      | 31 March 2019 | 31 March 2018 |
| Equity share capital | 31,595.58     | 31,595.58     |
| Other equity         | 2,03,136.25   | 202,526.67    |

The Group has no outstanding debt as at the end of the respective years. Accordingly, the Group has nil capital gearing ratio as at 31 March 2019 and 31 March 2018.

## Note : 37

### Dividends

(₹ in Lakhs)

| Nature  | 31 March 2019    | 31 March 2018    |
|---|------------------|------------------|
| <b>Cash dividend on equity shares declared and paid</b>   |                  |                  |
| Final dividend for 31 March 2018 ( ₹ 1.50 per share) (previous year 31 March 2017: ₹ 0.50 per share)  | 9,478.67         | 3,159.69         |
| Dividend distribution tax on final dividend   | 1,948.37         | 643.24           |
| Interim dividend for 31 March 2019 (₹ 3.25 per share) (previous year 31 March 2018: ₹ 2.50 per share) | 20,537.12        | 15,797.95        |
| Dividend distribution tax on Interim dividend   | 4,221.47         | 3,216.08         |
| <b>Total</b>  | <b>36,185.63</b> | <b>22,816.96</b> |

(₹ in Lakhs)

| Proposed dividend on equity shares   | 31 March 2019  | 31 March 2018    |
|--|----------------|------------------|
| Proposed Final dividend for 31 March 2019 (₹ 0.75 per share) – (previous year 31 March 2018: ₹ 1.50 per share)   | 4739.34        | 9,478.67         |
| Dividend distribution tax on Proposed dividend   | 974.18         | 1,948.37         |
| <b>Total</b>   | <b>5713.52</b> | <b>11,427.04</b> |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax) |                |                  |

## Note : 38

### Related party

| Particulars   | Principal place of business | Ownership interests                                | Accounted on  |
|---|-----------------------------|--|---|
| Certification Engineers International Limited ("CEIL")        | India                       | 100%   | Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements' |
| TEIL Projects Limited ("TEIL")                                | India                       | 50%  |   |
| Jabal Elliot Co. Ltd. ("JABAL") – Dissolved on 14 August 2018 | Saudi Arabia                | 33.33%   |   |
| Ramagundam Fertilizers and Chemicals Limited ("RFCL")         | India                       | 26.86%<br>(Previous year: 31 March 2018: 36.3202%) |   |

| SI No. | Name of the Related Party  | Nature of Relationship   |
|--------|--|--|
| 1.     | Certification Engineers International Limited("CEIL")                | Wholly owned subsidiary  |
| 2.     | TEIL Projects Limited ("TEIL")                                       | Joint venture company  |
| 3.     | Jabal Elliot Company Limited ("JABAL") – Dissolved on 14 August 2018 | Joint venture company  |
| 4.     | Ramagundam Fertilizers And Chemicals Limited ("RFCL")                | Joint venture company  |
| 5.     | Petroleum India International ("PII")*                               | Joint operation  |
| 6.     | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8 *     | Joint operation - Participating Interest 20%   |
| 7.     | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 *    | Joint operation - Participating Interest 20%   |
| 8.     | <b>Directors/key management personnel(KMP) (31 March 2019)</b>       |  |
|        | Mr. Jagdish Chander Nakra  | Chairman & Managing Director and CEO   |
|        | Mr. Sandeep Poundrik   | Director (Government Nominee)  |
|        | Mr. Ashish Chatterjee  | Director (Government Nominee) with effect from 26 July 2018                                      |
|        | Mr. Umesh Chandra Pandey   | Non-Official Independent Director  |
|        | Mr. Vikas Khushalaro Deshpande                                       | Non-Official Independent Director  |
|        | Dr. (Prof.) Mukesh Khare   | Non-Official Independent Director  |
|        | Mrs. Arusha Vasudev  | Non-Official Independent Director  |
|        | Ms. Shazia Ilmi Malik  | Non-Official Independent Director  |
|        | Mr. Chaman Kumar   | Non-Official Independent Director  |
|        | Mr. Rajesh Kumar Gogna   | Non-Official Independent Director  |
|        | Mr. Om Prakash Mishra  | Non-official Independent Director ,CEIL with effect from 24 July 2018                            |
|        | Mr. Vipin Chander Bhandari   | - Director (Human Resource)<br>- CFO upto 13 November 2018                                       |
|        | Mr. Rakesh Kumar Sabharwal   | Director (Commercial)  |
|        | Mr. L. K. Vijh   | Director (Technical) with effect from 2 May 2018   |
|        | Mr. Sunil Bhatia   | - Director (Finance) with effect from 18 October 2018<br>- CFO with effect from 13 November 2018 |
|        | Mr. Sanjeev Kumar Handa  | Director (Projects) with effect from 11 March 2019   |
|        | Mr. R. Mahajan   | Director (CEIL)  |
|        | Mr. Amitabh Budhiraja  | Director (CEIL) with effect from 4 June 2018   |
|        | Mr. G Suresh   | Chief Executive Officer, CEIL with effect from 1 February 2019                                   |
|        | Mr. S.D. Kherdekar   | Chief Executive Officer, CEIL upto 31 January 2019   |
|        | Mr. Vivek Malhotra   | CEO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative) upto 31 October 2018         |

| SI No. | Name of the Related Party  | Nature of Relationship   |
|--------|--|--|
|        | Mr. Sanjay Jindal  | CFO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative) with effect from 1 November 2018   |
|        | Mr. S.K. Padhi   | Company Secretary with effect from 15 January 2019   |
|        | Mr. Narendra Kumar   | Company Secretary from 9 August 2018 to 15 January 2019  |
|        | Ms. Jaya Totlani   | Company Secretary, CEIL with effect from 23 May 2018   |
|        | Mr. Rajan Kapur  | Company Secretary upto 26 July 2018  |
|        | <b>Directors/key management personnel(KMP)<br/>(31 March 2018)</b> |  |
|        | Mr. Jagdish Chander Nakra  | - Chairman & Managing Director with effect from 12 February 2018 and Additional Charges - Director (Projects), Director (Technical) and Director (Finance) with effect from 13 February 2018<br>- CEO with effect from 12 March 2018 |
|        | Mr. Sanjay Gupta   | Chairman & Managing Director and Additional Charge- Director (Finance) and CEO upto 31 October 2017  |
|        | Mr. Sandeep Poundrik   | Director (Government Nominee)  |
|        | Mr. Umesh Chandra Pandey   | Non-Official Independent Director  |
|        | Mr. Vipin Chander Bhandari   | Director (Human Resource)<br>CFO with effect from 1 July 2017  |
|        | Mr. Rakesh Kumar Sabharwal   | Director (Commercial)  |
|        | Mr. Vikas Khushalro Deshpande                                      | Non-Official Independent Director  |
|        | Dr. (Prof.) Mukesh Khare   | Non-Official Independent Director  |
| 9.     | Mrs. Arusha Vasudev  | Non-Official Independent Director  |
|        | Ms. Shazia Ilmi Malik  | Non-Official Independent Director  |
|        | Mr. Chaman Kumar   | Non-Official Independent Director with effect from 8 September 2017  |
|        | Mr. Rajesh Kumar Gogna   | Non-Official Independent Director with effect from 20 September 2017   |
|        | Ms. Sushma Taishete  | Director (Government Nominee) upto 23 November 2017  |
|        | Mr. Ajay N. Deshpande  | Director (Technical) and Additional Charges- Chairman & Managing Director and Director (Finance) upto 31 January 2018  |
|        | Mr. Ram Singh  | Director (Finance) and CFO upto 30 April 2017  |
|        | Mr. L.K. Vijh  | Director - CEIL and Ramagundam Fertilizers and Chemicals Ltd.  |
|        | Mr. S.K. Handa   | Director (CEIL)  |
|        | Mr. R. Mahajan   | Director (CEIL)  |
|        | Mr. R.K. Garg  | Director (CEIL) upto 30 June 2017  |
|        | Mr. S.D. Kherdekar   | CEO, CEIL  |
|        | Mr. Vivek Malhotra   | CEO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative)  |
|        | Mr. Rajan Kapur  | Company Secretary  |

\* These have been accounted for as joint operation in financial statements of the Group.

**Related party transactions****Transactions during the year**

(₹ in Lakhs)

| Particulars   | Year          | Joint Venture Companies |      |          | Joint Operation |               |              | Total    |
|---|---------------|-------------------------|------|----------|-----------------|---------------|--------------|----------|
|   |               | RFCL                    | TEIL | JABAL    | PII             | Block 2010-11 | Block 2010-8 |          |
| Deputation of employees and reimbursement of expenses (at cost) | 31 March 2019 | 349.19                  | -    | -        | -               | -             | -            | 349.19   |
|   | 31 March 2018 | 363.30                  | 0.91 | -        | -               | -             | -            | 364.21   |
| Rendering of services and other transactions                    | 31 March 2019 | 2,751.54                | -    | -        | -               | -             | -            | 2,751.54 |
|   | 31 March 2018 | 6,384.84                | -    | -        | -               | -             | -            | 6,384.84 |
| Equity contribution   | 31 March 2019 | 5,500.0                 | -    | -        | -               | -             | -            | 5,500.00 |
|   | 31 March 2018 | 6,525.00                | -    | -        | -               | -             | -            | 6,525.00 |
| Equity /Capital Divestment                                      | 31 March 2019 | -                       | -    | -        | 47.51           | -             | -            | 47.51    |
|   | 31 March 2018 | -                       | -    | -        | -               | -             | -            | -        |
| (Reversal of Impairment)/impairment in value of investment      | 31 March 2019 | -                       | 0.95 | (202.62) | -               | -             | -            | (201.67) |
|   | 31 March 2018 | -                       | 2.23 | -        | -               | -             | -            | 2.23     |
| Loss in investment in Joint Venture                             | 31 March 2019 | -                       | -    | 202.62   | -               | -             | -            | 202.62   |
|   | 31 March 2018 | -                       | -    | -        | -               | -             | -            | -        |
| Survey/ capital expenditure and other costs                     | 31 March 2019 | -                       | -    | -        | -               | 1,527.69      | 798.72       | 2,326.41 |
|   | 31 March 2018 | -                       | -    | -        | -               | 1,989.72      | 1,696.96     | 3,686.68 |
| Share of Income/(Expenses)                                      | 31 March 2019 | -                       | -    | -        | 2.24            | -             | -            | 2.24     |
|   | 31 March 2018 | -                       | -    | -        | (2.00)          | -             | -            | (2.00)   |

**Balances during the year**

(₹ in Lakhs)

| Particulars  | Year          | Joint Venture Companies |       |       | Joint Operation |               |              | Total    |
|--|---------------|-------------------------|-------|-------|-----------------|---------------|--------------|----------|
|  |               | RFCL                    | TEIL  | JABAL | PII             | Block 2010-11 | Block 2010-8 |          |
| Outstanding receivables/advances paid/prepaid and other assets | 31 March 2019 | 63.98                   | 16.29 | -     | 101.51          | 572.72        | 340.86       | 1,095.36 |
|  | 31 March 2018 | 73.61                   | 19.56 | -     | 146.56          | 543.69        | 249.36       | 1,032.78 |
| Outstanding payable/retentions                                 | 31 March 2019 | -                       | -     | -     | 0.35            | 2.21          | -            | 2.56     |
|  | 31 March 2018 | -                       | 2.19  | -     | 0.15            | 218.47        | 134.01       | 354.82   |
| Intangible assets under development & PPE                      | 31 March 2019 | -                       | -     | -     | -               | 821.87        | 1,019.13     | 1,841.00 |
|  | 31 March 2018 | -                       | -     | -     | 0.03            | 1,372.40      | 1,478.70     | 2,851.13 |

**Transactions and balances pertaining to KMP's**

(₹ in Lakhs)

| Particulars                                       | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration/sitting fees                         | 459.17        | 273.26        |
| Rent paid for residential accommodation           | -             | 3.54          |
| Interest income on loans given                    | 0.05          | 0.22          |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding loans, interest and other receivables | 0.10          | 4.41          |

Chief Executive Officer of CEIL is on deputation from EIL and the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of man-hour cost as per agreement which are accounted for as professional charges, under the head "Manpower Services".

**Funded**

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                   |               |                           |               |   |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|   | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Total defined benefit obligation                        | 87.55             | 58.95         | 89.92                     | 55.10         | 35.08                                     | 21.82         |

**Unfunded**

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                               |               |   |               |
|---|-------------------------------|---------------|---|---------------|
|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Total defined benefit obligation                        | 0.20                          | 1.50          | 2.11                                    | 1.30          |

**Note : 39**
**A. Finance leases – lessee**

The Group has taken certain lands on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands have been classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land

**B. Operating leases – lessee**

- The Group has taken certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 643.59 Lakhs (previous year 31 March 2018: ₹ 1,055.97 Lakhs) has been charged towards these cancellable operating leases.
- The Group has taken certain assets like car, commercial/residential premises etc. on non-cancellable operating leases. The leases carry renewal option to renew lease on with escalation in rent in range of 5-15%. During the year an amount of ₹ 391.83 Lakhs has been charged (previous year 31 March 2018: ₹ 386.46 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

(₹ in Lakhs)

| Particulars                                       | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Within one year                                   | 279.10        | 329.69        |
| Later than one year but not later than five years | 274.19        | 243.90        |
| Later than five years                             | -             | -             |

- The Group has given certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 2,101.95 Lakhs (previous year 31 March 2018: ₹ 2,102.31 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

**Note : 40**
**Contingent liabilities and commitments related to Engineers India Limited**
**A. Contingent Liabilities:**

- Claims against the Parent Company not acknowledged as debt.  
Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 15,174.51 Lakhs (previous year 31 March 2018: ₹ 22,794.93 Lakhs).
- Income tax/wealth tax assessments have been completed up to the assessment year 2016-17.  
Income Tax Department is in appeal against tax demand of ₹ 1,031.88 Lakhs (including interest) (previous year 31 March 2018: ₹ 893.71 Lakhs (including interest)) with Income Tax Appellate Tribunal, against the Commissioner of Income Tax (Appeals) Orders in Company's favour for various assessment years detailed below:

| Assessment Year | Amount (₹ in lakhs)<br>31 March 2019 | Amount (₹ in lakhs)<br>31 March 2018 |
|-----------------|--------------------------------------|--------------------------------------|
| 2002-03         | 620.84                               | 596.33                               |
| 2004-05         | 213.00                               | 203.87                               |
| 2011-12         | -                                    | 93.51                                |
| 2012-13         | 78.60                                | -                                    |
| 2014-15         | 119.44                               | -                                    |
| <b>Total</b>    | <b>1,031.88</b>                      | <b>893.71</b>                        |

Parent Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.70 Lakhs (including interest) (previous year 31 March 2018 : ₹ 0.66 Lakhs (including interest)) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

Parent Company has filed an appeal against the order of Additional Commissioner (Appeal), Mathura before sales Tax Tribunal, Agra, which has been subsequently transferred to Sales Tax tribunal, Noida, for an amount of ₹ 64.27 Lakhs (including interest) (previous year 31 March 2018: ₹ 62.18 Lakhs (including interest)) on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs (previous year 31 March 2018: ₹ 5.01 Lakhs).

Parent Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the VAT Assessment Order of Assistant Commissioner (CT) dated 26 June 2018 levying tax of ₹ 219.88 Lakhs (including interest) (previous year 31 March 2018: Nil) for the period April 2014 to June 2017.

Parent Company has filed a writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 29 July 2016 levying tax of ₹ 3,589.12 Lakhs (including interest) (previous year 31 March 2018: ₹ 3,351.40 Lakhs (including interest)) for the financial year 2009-10.

Parent Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 28,572.56 Lakhs (including interest) (previous year 31 March 2018: ₹ 26,149.08 Lakhs (including interest)) for the financial year 2010-11.

Parent Company is in the process of filing writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 25 March 2019 levying tax of ₹ 584.89 Lakhs (including interest) (previous year 31 March 2018: Nil) for the financial year 2013-14.

Parent Company has filed writ petition before Hon'ble Karnataka High Court against the Proposition Notice issued by Assistant Commissioner of commercial Taxes dated 21 February 2019 for the financial year 2014-15. The Hon'ble Karnataka High Court vide order dated 25 April 2019 issued directions to commercial tax department not to enforce demand order without leave of the court. However the company received demand order dated 30 March 2019 levying tax of ₹ 718.74 Lakhs (including interest) (previous year 31 March 2018: Nil) on 2 May 2019.

In respect of above contingent liabilities, it is not probable to estimate the timing of cash outflow, if any, pending the resolution of Arbitration/Appellate/Court/assessment proceedings.

#### B. Commitments:

- Property, plant and equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 428.73 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2018: ₹ 1,461.58 Lakhs).
  - The Parents Company's estimated share in work programmes committed under production sharing contract and Field development plan in respect of oil & gas exploration blocks as on 31 March 2019 is ₹ 3,942.94 Lakhs (previous year 31 March 2018: ₹ 5,638.08 Lakhs)
- Contingent liabilities and commitments related to Certification Engineers International Limited ('CEIL')

#### A. Contingent liabilities:

- Income Tax assessments have been completed up to the assessment year 2016-2017. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2018-19 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 42.63 Lakhs (Previous Year ₹ 42.63 Lakhs) for the assessment year 2011-12.
- CEIL has filed an application to keep the recovery proceedings for a penalty order of ₹ 1.22 Lakhs (Previous Year ₹ 1.22 Lakhs) dated 30 March 2017 pertaining to the assessment year 2011-12 in abeyance, since an appeal filed by Company is pending before ITAT against the order of CIT (Appeals) dated 04.06.2018.
- CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 3.05 Lakhs (Previous Year ₹ 3.05 Lakhs) for the assessment year 2012-13.
- CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 84.52 Lakhs (Previous Year ₹ 84.52 Lakhs) for the assessment year 2013-14.

- f) CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 48.60 Lakhs (Previous Year ₹ 48.60 Lakhs) in intimation u/s 143(1) for the assessment year 2014-15.
- g) CEIL has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 63.24 Lakhs (inclusive of interest) (Previous Year ₹ 66.29 Lakhs) in intimation u/s 143(1) for the assessment year 2016-17.
- h) CEIL has filed an appeal against a demand of service tax of ₹ 1015.12 Lakhs (inclusive of interest and penalty) ( Previous Year ₹ 976.73 Lakhs (inclusive of interest and penalty of)) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai.

**B. Commitments:**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts Nil (previous year 31 March 2018: ₹ 1.92 Lakhs).

**Note – 41**

- a) Guarantees issued by the banks and outstanding as on 31 March, 2019: ₹ 97,536.94 Lakhs, inclusive of Expired BG of ₹ 23.43 Lakhs of CEIL (previous year 31 March 2018: ₹ 88511.07 Lakhs), against which a provision of ₹ 30,135.35 Lakhs (previous year 31 March 2018: ₹ 25,606.38 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- b) Letter of credit outstanding as on 31 March, 2019: ₹ 477.90 Lakhs (previous year 31 March 2018: ₹ 1,296.85 Lakhs)
- c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2019: ₹ 19,917.97 Lakhs (previous year 31 March 2018: ₹ 15,009.04 Lakhs).

**Note – 42**

**Land and buildings**

- i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2018: ₹ 0.07 Lakhs) being amount invested as share money in Cooperative Housing Societies as detailed below:
 

|  |   |
|--|---|
| Twintowers Premises Cooperative Society Limited, Mumbai          | 10 ordinary shares of ₹ 50 each fully paid. |
| Gardenview Premises Cooperative Society Limited, Mumbai          | 10 ordinary shares of ₹ 50 each fully paid. |
| Heera Panna Towers Cooperative Housing Society Limited, Vadodara | 10 ordinary shares of ₹ 50 each fully paid. |
| Suflam Cooperative Housing Society Limited, Ahmedabad            | 8 ordinary shares of ₹ 250 each fully paid  |
| Darshan Co-operative Society Limited, Vadodara                   | 80 ordinary shares of ₹ 50 each fully paid  |
- ii) For the following Land and Buildings, title deed/property card/mutations etc is yet to be executed in the favour of the Parent Company:

(₹ in Lakhs)

| Particulars  | 31 March 2019 |       | 31 March 2018 |       |
|--|---------------|-------|---------------|-------|
|  | Cost          | WDV   | Cost          | WDV   |
| (a) Four Flats at Naranpura, Ahmedabad                 | 10.31         | 3.30  | 10.31         | 3.54  |
| (b) Land at Memnagar, Ahmedabad                        | 69.21         | 53.10 | 69.21         | 54.69 |
| (c) Two Flats at Viman Nagar, Pune                     | 8.45          | 2.84  | 8.45          | 3.04  |
| (d) Eighty Four Flats at Gokuldharm Goregaon, Mumbai * | 238.19        | 32.38 | 238.19        | 38.09 |
| (e) Six Flats in Andheri East, Mumbai                  | 9.93          | 0.16  | 9.93          | 0.40  |
| (f) One Floor at CBD Belapur, Navi Mumbai              | 101.68        | 37.34 | 101.68        | 39.78 |

The fees for property card/mutation etc. for above properties, being not ascertainable has not been provided for.

\* Out of above properties, one of the properties, at S. No. ii (d) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldharm, Goregaon (East), Mumbai. Around 4,400 square meter of area only is in the Parent Company's possession. The Parent Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as property, plant and equipment and partially as investment property.



**Note : 43****Useful life of assets**

i) The useful life and depreciation rates for fixed assets in terms of the Accounting Policy defined are as below :

| Sl. No. | Particulars                     | Rates (%age)  | Useful Life (Years)   | Sl. No. | Particulars  | Rates (%age) | Useful Life (Years) |
|---------|---------------------------------|---|---|---------|--|--------------|---------------------|
| 1.      | <b>Land Freehold</b>            | Nil   | Perpetual   | 4.      | <b>Plant and Machinery</b>                                       |              |                     |
| 2.      | <b>Land Leasehold</b>           | Over a lease period except for perpetual lease Nil percentage | Over a lease period except for perpetual lease Nil percentage |         | Plant and Machinery  | 8.0          | 12                  |
| 3.      | <b>Building</b>                 |   |   |         | Laboratory Equipment   | 9.6          | 10                  |
|         | Office Building                 | 2.4   | 40  |         | Storage Tank   | 6.0          | 16                  |
|         | R&D Centre, Gurgaon             | 4.0   | 24  | 5.      | <b>Furniture and Fixtures, Office and Construction Equipment</b> |              |                     |
|         | Window/Split AC                 | 15.84   | 6   |         | Furniture and Fixtures   | 9.6          | 10                  |
|         | AC Central Plant                | 6.5   | 15  |         | Chairs   | 16.0         | 6                   |
|         | Lifts                           | 6.5   | 15  |         | Office Equipment   | 19.2         | 5                   |
|         | Electric Power Sub Station      | 9.6   | 10  |         | Construction Equipment   | 12.0         | 8                   |
|         | Invertors                       | 19.2  | 5   | 6.      | <b>Computer Software/ Hardware</b>                               |              |                     |
|         | Solar photovoltaic modules      | 9.6   | 10  |         | PC/Laptop/Printer  | 32.43        | 3                   |
|         | Solar power conditioning system | 9.6   | 10  |         | Server, LAN and Networking Components                            | 19.45        | 5                   |
|         | Tube well and Pumps             | 19  | 5   |         | Projector, Video Conference Equipments                           | 19.20        | 5                   |
|         | Fire Alarm System               | 6.52  | 15  |         | Software*  | 33.33        | 3                   |
|         | Fire Fighting System            | 9.5   | 10  | 7.      | <b>Vehicles</b>  | 13.75        | 7                   |
|         | Chilling Plant                  | 9.6   | 10  | 8.      | <b>Library Books</b>   | 100          | 1                   |
|         | Rain Harvesting System          | 19.20   | 5   |         |  |              |                     |
|         | Building Management System      | 6.5   | 15  |         |  |              |                     |
|         | Hydraulic Access Control System | 6.5   | 15  |         |  |              |                     |
|         | Roads                           | 9.6   | 10  |         |  |              |                     |
|         | External Lighting               | 9.6   | 10  |         |  |              |                     |

\* Software individually costing up to ₹ 5.00 Lakhs is fully amortized during the year of its acquisition.

ii) The Capital work in progress comprises cost of Property Plant and Equipment that are not yet ready for their intended use at the balance sheet date, the details of which are as under :

(₹ in Lakhs)

| Particulars   | 31 March 2019   | 31 March 2018   |
|---|-----------------|-----------------|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date | 3,366.97        | 2,340.79        |
| <b>Total</b>  | <b>3,366.97</b> | <b>2,340.79</b> |

**Note : 44**

The details of revenue are as below:

(₹ in Lakhs)

| Particulars             | 31 March 2019      | 31 March 2018      |
|-------------------------|--------------------|--------------------|
| Revenue from Operations | 2,47,579.84        | 1,82,431.33        |
| Other Income            | 22,231.16          | 17,617.91          |
| <b>Total Revenue</b>    | <b>2,69,811.00</b> | <b>2,00,049.24</b> |

**Note : 45**
**Disaggregate revenue**

The table below presents disaggregated revenues from contracts with customers disaggregated by nature of services and primary geographical region of Parent company. The Parent Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

(₹ in Lakhs)

| Particulars                            | 31 March 2019      | 31 March 2018      |
|--|--------------------|--------------------|
| <b>Revenue by nature of services</b>   |                    |                    |
| Consultancy and engineering projects   | 1,34,946.97        | 1,37,929.23        |
| Turnkey projects                       | 1,09,486.88        | 40,829.02          |
| <b>Total</b>                           | <b>2,44,433.85</b> | <b>1,78,758.25</b> |
| <b>Revenues by geographical region</b> |                    |                    |
| India                                  | 2,26,449.10        | 1,56,174.30        |
| Nigeria                                | 11,362.72          | 13,262.59          |
| United Arab Emirates (UAE)             | 1,068.35           | 1,283.97           |
| Algeria                                | 2,320.37           | 3,653.28           |
| Oman                                   | 1,028.43           | 1,783.48           |
| Others                                 | 2,204.88           | 2,600.63           |
| <b>Total</b>                           | <b>2,44,433.85</b> | <b>1,78,758.25</b> |

**Trade receivables and Contract Balances of Parent Company**

The following table provides information about Trade receivable, Contract assets and Contract Liabilities from Contract with Customers:

(₹ in Lakhs)

| Particulars  | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Trade Receivables (Note No. 14) – Net of Allowance for expected credit losses                    | 41,414.56     | 54,492.59     |
| Contract Assets ( Unbilled Revenue) (Note No. 9 B) – Net of Allowance for expected credit losses | 42,302.97     | 31,589.06     |
| Contract Liabilities ( Income Received in Advance) (Note No. 21 B)                               | 1,11,832.35   | 88,410.93     |

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Trade receivable and unbilled revenue are presented net of impairment in the Balance Sheet.

Revenues in excess of Invoicing is recorded as unbilled revenue (contract assets) and is classified as a financial asset. Revenue recognition for Lump sum services and Turnkey contracts is based on percentage of completion method based on cost progress. Invoicing to the clients is based on milestones as defined in the contract. Revenue from Cost plus and rate plus jobs are recognized when the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Invoicing in excess of earnings are classified as Income received in advance (contract liabilities) and is classified as other current liabilities.

During the year ended March 31, 2019, ₹ 20,215.90 Lakhs of Contract assets (unbilled revenue) as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2019, the company recognised revenue of ₹ 55,308.00 Lakhs arising from opening Contract liabilities (Income Received in Advance) as of April 1, 2018.

During the year ended March 31, 2019, the company recognised revenue of ₹ 345.34 Lakhs from obligations satisfied in previous periods.

**Remaining performance obligations of Parent Company**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised at the end of

the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Performance obligation estimates are subject to change and are affected by several factors, including termination, changes in the scope of work, adjustment for revenue that has not materialized, and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2019 is ₹11,18,864.00 Lakhs. Out of this, the Company expects to recognise revenue of around 26% within the next one year and the remaining thereafter.

**The revenue recognised with the contracted price of Parent Company is as follows:**

(₹ in Lakhs)

| Particulars  | 31 March 2019 |
|--|---------------|
| <b>Contracted price</b>                              | 2,50,382.20   |
| Reduction towards variable consideration components* | 5,948.35      |
| <b>Revenue recognised</b>                            | 2,44,433.85   |

\* The reduction towards variable consideration comprises of price reduction.

#### **Types of warranties and related obligations**

The Parent company is executing consultancy and engineering services and turnkey contracts. The Parent company is providing provision for estimated liabilities on account of guarantees and warranties etc. in respect of consultancy and engineering services and turnkey contracts executed by the Parent Company. The said obligation covers performance as well as defect liability period defined in the respective contracts.

For turnkey contracts, the estimated liability on account of contractual obligations is provided at 1% of revenue recognised based on risk assessment made by the management. For consultancy and engineering services contracts the estimated liability on account of contractual obligations is provided as per assessment of probable liability made by the management based on liability clauses in respective contracts

## **Note : 46**

### **Brief description of the Group's joint ventures**

#### **a) TEIL Projects Limited ('TEIL')**

A joint venture with Tata Projects Limited was formed in the financial year 2008-09 for pursuing projects on engineering procurement and construction basis (EPC Projects) in selected sectors such as oil and gas, fertilizers, steel, railways, power and infrastructure.

TEIL has been formed in this regard having its Registered Office at New Delhi has an Authorized capital of ₹ 1,500 Lakhs (Previous year 31 March 2018: ₹ 1,500 lakhs) and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2018: ₹ 1,100 lakhs).

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00 lakhs (previous years: 31 March 2018 ₹ 550.00 lakhs) are held by the Group, being 50% of paid-up capital of TEIL.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

Till 31 March 2018, the TEIL had negative 'other equity' to the tune of ₹ 1,080.01 Lakhs. The Group's share of negative 'other equity' ₹ 540.05 Lakhs has been accounted for in investments using equity method.

During the current financial year 2018-19, based on liquidator statement, TEIL had a net loss of ₹ 1.90 Lakhs. The Group's share of loss of ₹ 0.95 Lakhs has been accounted as share of loss in joint venture entities.

#### **b) Jabal Elliot Company Limited ('Jabal')**

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure and Engineering Services Limited, Mumbai was formed during the financial year 2011-12 for execution of contracts in Saudi Arabia in the field of oil and gas, non-ferrous metallurgy, infrastructure projects etc.

The joint venture company namely "Jabal Elliot Company Limited" was registered with Dammam Commercial registry, Kingdom of Saudi Arabia. Jabal was formed for pursuing its business interests has an initial capital of SR. 15,000,000, out of which one third i.e. SR. 5,000,000 (Equivalent Indian ₹ 599.00 Lakhs) was contributed by the Group as its share.

Till 31 March, 2017, Jabal had incurred losses to the tune of SR 5,388,789, of which the Group's share of SR 1,669,470 (equivalent Indian ₹ 202.62 Lakhs at historical conversion rate) which has been accounted for in investments using equity method.

Despite all around efforts, Jabal could not secure any EPC business (except one small order of engineering) due to extremely challenging environment coupled with the preconditions of deployment of large work force in KSA to secure business.

In the absence of any business and to arrest further losses of capital the JV partners decided to dissolve Jabal and accordingly the Board

of Directors of the Company in their meeting held on 30 January 2015 passed the resolution to initiate action for dissolution and liquidation of Jabal.

During the current financial year the joint venture company Jabal Elliot Company Limited was formally liquidated and licence was cancelled on 14 August 2018. In view of process of dissolution, the part capital of SR 3,308,713.33 (equivalent ₹ 549.85 Lakhs) had already been repatriated in earlier years.

**c) Ramagundam Fertilizers and Chemicals Limited ('RFCL')**

The Company has, along with National Fertilizers Limited (NFL) and Fertilizer Corporation of India Limited (FCIL) incorporated a joint venture for setting up and operation of a gas based urea and ammonia complex in February 2015 namely Ramagundam Fertilizers and Chemicals Limited ('RFCL') having registered office in Delhi.

The Company has Authorized share capital of ₹150,000 Lakhs consisting 15,000 Lakhs shares of face value of ₹ 10 each.

The Shareholding of the Company, on commencement of commercial production of the project shall be in the following proportion:

National Fertilizers Limited (NFL): 26%

Engineers India Limited (EIL): 26%

The Fertilizer Corporation of India Limited (FCIL): 11%

State Government of Telangana: 11%

GAIL (India) Limited: 14.30%

HT Ramagundam: 3.90%

Danish Agribusiness Fund: 3.90%

IFU: 3.90%

Shareholding of 11% by FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of usable assets and other items on the land at Ramagundam to the Company.

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the company in regard to facility area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to RFCL.

In terms of Shareholders agreement (SHA), FCIL is to be issued equity shares equal to 11% of equity portion of the capital expenditure of the project at the time of commencement of commercial production of the project. The estimated equity portion towards project cost on the date of execution of lease deed was ₹ 1,31,357.00 Lakhs. Therefore, RFCL's estimated issuance of equity shares of ₹ 14,449.27 Lakhs (11% of ₹ 1,31,357.00 Lakhs) in a phased manner at par value as a consideration towards award of right and concession to RFCL.

RFCL has allotted equity shares 2,32,70,135 share ( ₹ 2,327.01 Lakhs) (Previous year: 9,25,16,291 shares of ₹ 9,251.63 Lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

The paid up capital by Joint Venture Partners as on 31 March 2019 is as under:

(in Lakhs)

| Shareholder                   | 31 March 2019                                 |                       | 31 March 2018                                 |                       |
|-------------------------------|---|-----------------------|---|-----------------------|
|                               | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital |
| EIL                           | 2,736.90                                      | ₹ 27,369.00           | 2,186.90                                      | ₹ 21,869.00           |
| NFL                           | 2,736.90                                      | ₹ 27,369.00           | 2,186.90                                      | ₹ 21,869.00           |
| FCIL                          | 1,157.96                                      | ₹ 11,579.64           | 925.26  | ₹ 9,252.63            |
| State Government of Telangana | 821.16  | ₹ 8,211.58            | 722.10  | ₹ 7,221.00            |
| GAIL (India) Limited          | 1,505.30                                      | ₹ 15,052.95           | -   | -                     |
| Others                        | 1,231.60                                      | ₹ 12,316.05           | -   | -                     |
| <b>Total</b>                  | <b>10,189.82</b>                              | <b>₹ 1,01,898.22</b>  | <b>6,021.16</b>                               | <b>₹ 60,211.63</b>    |

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

| Particulars   | 31 March 2019      | 31 March 2018      |
|---|--------------------|--------------------|
| Cash and cash equivalents   | 14,628.01          | 277.09             |
| Other Current assets  | 10,826.48          | 1,303.92           |
| <b>Total Current assets (A)</b>   | <b>25,454.49</b>   | <b>1,581.01</b>    |
| <b>Non-current assets (B)</b>   | <b>3,88,648.68</b> | <b>1,91,915.42</b> |
| Current financial liabilities (excluding trade payables and provisions)     | 4,209.31           | 5,688.56           |
| Trade payables and provisions   | 20,430.49          | 16,515.13          |
| Other Current liabilities   | 327.17             | 476.42             |
| <b>Total Current liabilities (C)</b>  | <b>24,966.97</b>   | <b>22,680.11</b>   |
| Non current financial liabilities (excluding trade payables and provisions) | 2,86,700.20        | 1,10,451.92        |
| Other Non current liabilities   | 2,427.10           | 593.64             |
| <b>Total Non-current liabilities (D)</b>                                    | <b>2,89,127.30</b> | <b>1,11,045.56</b> |
| <b>Net assets (A+B-C-D)</b>   | <b>1,00,008.90</b> | <b>59,770.76</b>   |
| <b>Net assets recognised in consolidated financial statements</b>           | <b>26,862.39</b>   | <b>21,708.88</b>   |

Summarised Statement of profit and loss

(₹ in Lakhs)

| Particulars                             | 31 March 2019     | 31 March 2018 |
|---|-------------------|---------------|
| Interest income                         | 230.47            | 152.47        |
| Other income                            | 277.44            | 39.58         |
| <b>Total revenue (A)</b>                | <b>507.91</b>     | <b>192.05</b> |
| Other expense                           | 1,764.07          | 195.61        |
| <b>Total expenses (B)</b>               | <b>1,764.07</b>   | <b>195.61</b> |
| Profit before tax (C = A-B)             | (1,256.16)        | (3.56)        |
| Tax expense (D)                         | -                 | -             |
| <b>Loss for the year (E = C-D)</b>      | <b>(1,256.16)</b> | <b>(3.56)</b> |
| Other comprehensive income (F)          | -                 | -             |
| <b>Total comprehensive income (E-F)</b> | <b>(1,256.16)</b> | <b>(3.56)</b> |

**Note : 47****Employee benefits****Disclosure related to Engineers India Limited****Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under:

(₹ in Lakhs)

| Particulars   | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 4,944.75      | 4,851.56      |
| Employees Defined Contributory Superannuation Scheme            | 5,144.10      | 2,700.21      |

In respect of Provident Fund, the Parent Company has a separate irrevocable PF Trust, managing the Provident Fund accumulation of employees. In this regard, Actuarial valuation as on 31 March 2018 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to interest rate guarantee by the Parent Company towards Provident Fund. In terms of said valuation there is no liability towards interest rate guarantee as on 31 March 2019 and 31 March 2018.

### Defined Benefit Plan

Company is having the following Defined Benefit Plans:

- Gratuity (Funded)
- Leave encashment (Funded)
- Post-Retirement Medical Benefits (Funded)
- Long Service Awards (Unfunded)
- Other benefits on Retirement (Unfunded)

### Risks associated with plan provisions

Risks associated with the plan provisions are actuarial risks. These risks are: (i) Investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

|                                    |   |
|------------------------------------|---|
| Investment risk                    | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.   |
| Interest risk (discount rate risk) | A decrease in the bond interest rate (discount rate) will increase the plan liability.  |
| Mortality risk                     | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table.<br>A change in mortality rate will have a bearing on the plan's liability.   |
| Salary risk                        | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.  |
| Medical expense inflation risk     | The present value of the defined benefit plan liability is calculated with the assumption of medical expense inflation increase rate of plan participants in future. Deviation in the rate of increase of medical expense inflation in future for plan participants from the rate of increase in medical expense used to determine the present value of obligation will have a bearing on the plan's liability. |
| Cash allowance variation risk      | The present value of the defined benefit plan liability is calculated with the assumption of cash allowance inflation increase rate of plan participants in future. Deviation in the rate of increase of cash allowance in future for plan participants from the rate of increase in cash allowance used to determine the present value of obligation will have a bearing on the plan's liability.              |

### Disclosures related to funded obligations

#### a) The amounts recognized in the balance sheet

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |                 |
|--|-------------------|-----------------|---------------------------|-----------------|---|-----------------|
|  | 31 March 2019     | 31 March 2018   | 31 March 2019             | 31 March 2018   | 31 March 2019                             | 31 March 2018   |
| Present value of obligations as at the end of year       | 20,527.63         | 20,698.36       | 18,710.62                 | 15,710.21       | 20,870.11                                 | 19,642.27       |
| Fair value of plan assets as at the end of the year      | 20,124.00         | 11,887.44       | 14,201.86                 | 1,3884.63       | 19,518.21                                 | 17,680.45       |
| Funded status  | (403.63)          | (8,810.92)      | (4,508.76)                | (1,825.58)      | (1,351.90)                                | (1,961.82)      |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>403.63</b>     | <b>8,810.92</b> | <b>4,508.76</b>           | <b>1,825.58</b> | <b>1,351.90</b>                           | <b>1,961.82</b> |

**b) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

|  | Gratuity (funded) |                | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |               |
|--|-------------------|----------------|---------------------------|-----------------|---|---------------|
|  | 31 March 2019     | 31 March 2018  | 31 March 2019             | 31 March 2018   | 31 March 2019                             | 31 March 2018 |
| Current service cost                                       | 1,356.31          | 1,377.07       | 3,944.79                  | 2,745.44        | 404.64                                    | 393.93        |
| Past service cost  | -                 | -              | -                         | -               | -   | (318.54)      |
| Interest cost on defined benefit obligation                | 1,593.77          | 1,557.17       | 1,209.69                  | 1,485.35        | 1,512.46                                  | 1,303.78      |
| Interest income on plan assets                             | (915.33)          | (857.70)       | (1,069.12)                | (1,251.29)      | (1,361.40)                                | (936.89)      |
| Re-measurements  | -                 | -              | 423.27                    | (1,154.20)      | -   | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>2,034.75</b>   | <b>2076.54</b> | <b>4,508.63</b>           | <b>1,825.30</b> | <b>555.70</b>                             | <b>442.28</b> |

**c) Expenses recognized in Other comprehensive income**

(₹ in Lakhs)

|  | Gratuity (funded) |                   | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |                 |
|--|-------------------|-------------------|---------------------------|---------------|---|-----------------|
|  | 31 March 2019     | 31 March 2018     | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018   |
| Return on plan assets                                    | (285.77)          | (26.81)           | -                         | -             | (100.90)                                  | (280.44)        |
| Actuarial (gains)/loss                                   | (237.77)          | (2,135.36)        | -                         | -             | 896.93                                    | 1,799.92        |
| <b>Expenses recognized in other comprehensive income</b> | <b>(523.54)</b>   | <b>(2,162.17)</b> | <b>-</b>                  | <b>-</b>      | <b>796.03</b>                             | <b>1,519.48</b> |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

(₹ in Lakhs)

|   | Gratuity (funded) |                  | Leave encashment (funded) |                  | Post-retirement medical benefits (funded) |                  |
|---|-------------------|------------------|---------------------------|------------------|---|------------------|
|   | 31 March 2019     | 31 March 2018    | 31 March 2019             | 31 March 2018    | 31 March 2019                             | 31 March 2018    |
| Present value of obligations as at beginning of year  | 20,698.36         | 21,042.81        | 15,710.21                 | 20,072.27        | 19,642.27                                 | 17,618.70        |
| Interest cost   | 1,593.77          | 1,557.17         | 1,209.69                  | 1,485.35         | 1,512.46                                  | 1,303.78         |
| Current service cost                                  | 1,356.31          | 1,377.07         | 3,944.79                  | 2,745.44         | 404.64                                    | 393.93           |
| Actuarial (gains)/losses arising from                 |                   |                  |                           |                  |   |                  |
| Changes in demographic assumptions                    | -                 | -                | -                         | -                | -   | -                |
| Changes in financial assumptions                      | 159.85            | (482.93)         | 92.60                     | (231.81)         | 266.13                                    | 331.17           |
| Experience adjustments                                | (397.61)          | (1,652.43)       | 334.65                    | (904.79)         | 630.80                                    | 1,468.75         |
| Past service cost                                     | -                 | --               | -                         | --               | -   | (318.54)         |
| Benefits paid   | (2,883.05)        | (1,143.33)       | (2,581.32)                | (7,456.25)       | (1,586.19)                                | (1,155.52)       |
| <b>Present value of obligations as at end of year</b> | <b>20,527.63</b>  | <b>20,698.36</b> | <b>18,710.62</b>          | <b>15,710.21</b> | <b>20,870.11</b>                          | <b>19,642.27</b> |



**e) Reconciliation of opening and closing balances of fair value of plan assets**

(₹ in Lakhs)

|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Fair value of plan assets as on beginning of year   | 11,887.44         | 11,590.58     | 13,884.63                 | 16,909.34     | 17,680.45                                 | 12,660.71     |
| Interest income   | 915.33            | 857.70        | 1,069.12                  | 1,251.29      | 1,361.40                                  | 936.89        |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense | 285.77            | 26.81         | 3.98                      | 17.59         | 100.90                                    | 280.44        |
| Contributions from the employer   | 9,918.51          | 555.68        | 1,825.45                  | 3162.66       | 1,961.65                                  | 4,957.93      |
| Benefits paid   | (2,883.05)        | (1,143.33)    | (2,581.32)                | (7,456.25)    | (1,586.19)                                | (1,155.52)    |
| Fair value of plan assets at the end of year  | 20,124.00         | 11,887.44     | 14,201.86                 | 13884.63      | 19,518.21                                 | 17,680.45     |

**f) Actuarial Assumptions**

|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Discount rate                           | 7.60%             | 7.70%         | 7.60%                     | 7.70%         | 7.60%                                     | 7.70%         |
| Expected rate of future salary increase | 9.00%             | 9.00%         | 9.00%                     | 9.00%         | -   | -             |
| Increase in compensation levels         | -                 | -             | -                         | -             | 8.50%                                     | 8.50%         |
| Retirement age                          | 60 years          | 60 years      | 60 years                  | 60 years      | -   | -             |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

**g) Maturity profile of defined benefit obligation**

(₹ in Lakhs)

|  | Gratuity (funded) |                  | Leave encashment (funded) |                  | Post-retirement medical benefits (funded) |                  |
|--|-------------------|------------------|---------------------------|------------------|---|------------------|
|  | 31 March 2019     | 31 March 2018    | 31 March 2019             | 31 March 2018    | 31 March 2019                             | 31 March 2018    |
| Weighted average of the defined benefit obligation | 15 years          | 14 years         |                           |                  |   |                  |
| Duration of defined benefit obligation             |                   |                  |                           |                  |   |                  |
| Duration (years)                                   |                   |                  |                           |                  |   |                  |
| 1  | 2,752.18          | 2,890.39         | 2,605.03                  | 2,888.94         | 1,152.47                                  | 976.11           |
| 2  | 2,158.06          | 2,378.44         | 2,082.69                  | 2,316.70         | 1,083.32                                  | 972.78           |
| 3  | 1,459.76          | 1,912.35         | 1,430.89                  | 1,884.76         | 1,028.88                                  | 958.92           |
| 4  | 1,440.23          | 1,273.10         | 1,323.05                  | 1,340.38         | 962.13                                    | 948.49           |
| 5  | 1,316.47          | 1,255.79         | 1,136.97                  | 1,215.29         | 900.15                                    | 906.68           |
| Above 5  | 11,400.93         | 10,988.29        | 10,131.99                 | 6,064.14         | 15,743.16                                 | 14,879.29        |
| <b>Total</b>                                       | <b>20,527.63</b>  | <b>20,698.36</b> | <b>18,710.62</b>          | <b>15,710.21</b> | <b>20,870.11</b>                          | <b>19,642.27</b> |
| Duration of defined benefit payments               |                   |                  |                           |                  |   |                  |
| Duration (years)                                   |                   |                  |                           |                  |   |                  |
| 1  | 2,854.84          | 2,999.61         | 2,702.21                  | 2,998.10         | 1,195.46                                  | 1,013.00         |
| 2  | 2,408.70          | 2,658.37         | 2,324.57                  | 2,589.37         | 1,209.14                                  | 1,087.27         |
| 3  | 1,753.13          | 2,302.01         | 1,718.45                  | 2,268.80         | 1,235.65                                  | 1,154.31         |
| 4  | 1,861.13          | 1,650.51         | 1,709.70                  | 1,737.73         | 1,243.30                                  | 1,229.66         |
| 5  | 1,830.48          | 1,753.43         | 1,580.90                  | 1,696.88         | 1,251.61                                  | 1,265.98         |
| Above 5  | 35,412.75         | 35,300.01        | 20,301.68                 | 14,091.57        | 89,215.56                                 | 86,426.98        |
| <b>Total</b>                                       | <b>46,121.03</b>  | <b>46,663.94</b> | <b>30,337.51</b>          | <b>25,382.45</b> | <b>95,350.72</b>                          | <b>92,177.20</b> |

## h) Major Categories of Plan Assets (as percentage of total plan assets)

|                         | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|-------------------------|-------------------|---------------|---------------------------|---------------|---|---------------|
|                         | 31 March 2019     | 31 March 2018 | 31 March 2019             | 31 March 2018 | 31 March 2019                             | 31 March 2018 |
| Fund managed by insurer | 100%              | 100%          | 100%                      | 100%          | 100%                                      | 100%          |

## i) Sensitivity analysis

(₹ in Lakhs)

| Sensitivity analysis in respect of gratuity |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars                                 | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate        | +/-1%                | +/-1%         | 1,743.40                               | 1,703.27      | 1,494.68                               | 1,458.17      |
| Expected rate of future salary increase     | +/-1%                | +/-1%         | 303.97                                 | 331.64        | 350.77                                 | 381.77        |

(₹ in Lakhs)

| Sensitivity analysis in respect of leave encashment |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                | +/-1%                | +/-1%         | 983.15                                 | 802.76        | 883.76                                 | 722.27        |
| Expected rate of future salary increase             | +/-1%                | +/-1%         | 960.53                                 | 785.07        | 880.65                                 | 720.36        |

(₹ in Lakhs)

| Sensitivity analysis in respect of post-retirement medical benefits |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                                | +/-1%                | +/-1%         | 3,034.18                               | 2,863.96      | 2,412.40                               | 2,279.93      |
| Expected rate of future salary increase                             | +/-1%                | +/-1%         | 2,603.31                               | 2,474.58      | 2,086.81                               | 1,987.16      |

\*Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (f) above, where assumptions for prior period are given.

**Disclosures related to unfunded obligations**
**a) The amounts recognized in the balance sheet**

(₹ in Lakhs)

|  | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|---------------|---|---------------|
|  | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Present value of obligations as at the end of year | 97.52                         | 601.67        | 259.04                                  | 268.85        |
| Funded status                                      | (97.52)                       | (601.67)      | (259.04)                                | (268.85)      |
| Net (asset)/liability recognized in balance sheet  | 97.52                         | 601.67        | 259.04                                  | 268.85        |

**b) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

|  | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|---------------|---|---------------|
|  | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Current service cost                                       | 8.16                          | 38.30         | 13.15                                   | 13.43         |
| Past Service Cost  | (495.76)                      | -             | -                                       | -             |
| Interest cost  | 46.33                         | 46.35         | 20.70                                   | 20.70         |
| Re-measurements  | (51.59)                       | 9.51          | -                                       | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>(492.86)</b>               | <b>94.16</b>  | <b>33.85</b>                            | <b>34.13</b>  |

**c) Expenses recognized in other comprehensive income**

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Return on plan assets                             | -                             | -             | -                                       | -             |
| Actuarial (gains)/losses                          | -                             | -             | (7.82)                                  | (6.17)        |
| Expenses recognized in other comprehensive income | -                             | -             | (7.82)                                  | (6.17)        |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Present value of obligations as at beginning of year        | 601.67                        | 626.31        | 268.85                                  | 279.68        |
| Interest cost   | 46.33                         | 46.35         | 20.70                                   | 20.70         |
| Current service cost  | 8.16                          | 38.30         | 13.15                                   | 13.43         |
| Actuarial (gains)/losses arising from                       |                               |               |   |               |
| Changes in demographic assumptions                          | -                             | -             | -                                       | -             |
| Changes in financial assumptions                            | 0.56                          | (10.29)       | 1.96                                    | (5.88)        |
| Experience adjustments                                      | (52.15)                       | 19.80         | (9.78)                                  | (0.29)        |
| Past service cost, including losses/(gains) on Curtailments | (495.76)                      | -             | -                                       | -             |
| Benefits paid   | (11.29)                       | (118.80)      | (35.84)                                 | (38.79)       |
| <b>Present value of obligations as at end of year</b>       | <b>97.52</b>                  | <b>601.67</b> | <b>259.04</b>                           | <b>268.85</b> |

## e) Actuarial Assumptions

|                                 | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---------------------------------|-------------------------------|---------------|---|---------------|
|                                 | 31 March 2019                 | 31 March 2018 | 31 March 2019                           | 31 March 2018 |
| Discount rate                   | 7.60%                         | 7.70%         | 7.60%                                   | 7.70%         |
| Increase in compensation levels | -                             | -             | 5.00%                                   | 5.00%         |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08).

## f) Maturity profile of defined benefit obligation

(₹ in Lakhs)

|  | Long service award (unfunded) |                | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|----------------|---|---------------|
|  | 31 March 2019                 | 31 March 2018  | 31 March 2019                           | 31 March 2018 |
| Weighted average of the defined benefit obligation |                               |                |   |               |
| Duration of defined benefit obligation             |                               |                |   |               |
| Duration (years)                                   |                               |                |   |               |
| 1  | 7.46                          | 101.01         | 38.34                                   | 41.60         |
| 2  | 7.31                          | 65.64          | 30.14                                   | 33.67         |
| 3  | 8.44                          | 51.46          | 17.15                                   | 27.38         |
| 4  | 14.27                         | 46.75          | 18.54                                   | 15.44         |
| 5  | 13.26                         | 56.58          | 17.36                                   | 16.53         |
| Above 5  | 46.78                         | 280.23         | 137.51                                  | 134.23        |
| <b>Total</b>                                       | <b>97.52</b>                  | <b>601.67</b>  | <b>259.04</b>                           | <b>268.85</b> |
| Duration of defined benefit payments               |                               |                |   |               |
| Duration (years)                                   |                               |                |   |               |
| 1  | 7.58                          | 104.82         | 39.77                                   | 43.18         |
| 2  | 8.04                          | 73.37          | 33.65                                   | 37.63         |
| 3  | 10.03                         | 61.94          | 20.59                                   | 32.95         |
| 4  | 18.28                         | 60.61          | 23.96                                   | 20.01         |
| 5  | 18.35                         | 79.00          | 24.14                                   | 23.08         |
| Above 5  | 104.41                        | 675.26         | 435.16                                  | 427.38        |
| <b>Total</b>                                       | <b>166.69</b>                 | <b>1055.00</b> | <b>577.27</b>                           | <b>584.23</b> |

## g) Sensitivity analysis

(₹ in Lakhs)

| Sensitivity analysis in respect of long service award |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                  | +/-1%                | +/-1%         | 5.98                                   | 35.77         | 5.39                                   | 31.82         |

(₹ in Lakhs)

| Sensitivity analysis in respect of other benefits of retirement |                      |               |  |               |  |               |
|---|----------------------|---------------|--|---------------|--|---------------|
| Particulars   | Change in Assumption |               | Increase in defined benefit obligation |               | Decrease in defined benefit obligation |               |
|   | 31 March 2019        | 31 March 2018 | 31 March 2019                          | 31 March 2018 | 31 March 2019                          | 31 March 2018 |
| Increase/(Decrease) in discount rate                            | +/-1%                | +/-1%         | 21.40                                  | 20.75         | 18.31                                  | 17.79         |
| Expected rate of future salary increase                         | +/-1%                | +/-1%         | 21.75                                  | 21.11         | 18.89                                  | 18.37         |

**\*Changes in Defined benefit obligation due to 1 % Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (e) above, where assumptions for prior period, if applicable, are given.

#### **Disclosure related to Certification Engineers International Limited ('CEIL')**

##### **Defined contribution plan**

The amount recognised as an expense in defined contribution plan is as under:

(₹ in Lakhs)

| Particulars   | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 119.04        | 93.91         |
| Contributory National Pension System (NPS)                      | 306.94        | -             |

##### **Defined Benefit Plan**

Defined Benefit Plans are as follows:

- Gratuity (funded)
- Leave encashment (unfunded)
- Long service awards (unfunded)

In this regard, actuarial valuation as on 31 March 2019 was carried out by actuary in respect of all three plans, and the details are as under:

##### **Risks associated with plan provisions**

|               |   |
|---------------|---|
| Inherent risk | The plan is of a final salary defined benefit in nature which is sponsored by the CEIL and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the CEIL that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks |
|---------------|---|

##### **Disclosures related to funded obligations**

###### **a) The amounts recognized in the balance sheet**

(₹ in Lakhs)

|  | Gratuity (funded) |               | Leave encashment (unfunded) |               | Long service awards (unfunded) |               |
|--|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|  | 31 March 2019     | 31 March 2018 | 31 March 2019               | 31 March 2018 | 31 March 2019                  | 31 March 2018 |
| Present value of obligations as at the end of year       | 331.02            | 296.35        | 493.62                      | 390.83        | 18.90                          | 17.97         |
| Fair value of plan assets as at the end of the year      | 353.61            | 182.81        | -                           | -             | -                              | -             |
| Amount Not Recognised due to asset limit                 | 1.08              | -             | -                           | -             | -                              | -             |
| Funded status  | 21.51             | (113.54)      | (493.62)                    | (390.83)      | (18.90)                        | (17.97)       |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>(21.51)</b>    | <b>113.54</b> | <b>493.62</b>               | <b>390.83</b> | <b>18.90</b>                   | <b>17.97</b>  |

## b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

|  | Gratuity<br>(funded) |                  | Leave encashment<br>(unfunded) |                  | Long service awards<br>(unfunded) |                  |
|--|----------------------|------------------|--------------------------------|------------------|-----------------------------------|------------------|
|  | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019               | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Current service cost                                       | 15.05                | 23.70            | 76.96                          | 85.21            | 3.23                              | 2.53             |
| Past service cost  | -                    | -                | -                              | (22.65)          | -                                 | -                |
| Interest on net benefit asset/liability                    | 8.47                 | 7.04             | 29.27                          | 23.33            | 1.28                              | 1.21             |
| Re-measurements gains/losses                               | -                    | -                | 141.02                         | 53.85            | 0.52                              | (0.42)           |
| <b>Expenses recognized in statement of profit and loss</b> | <b>23.52</b>         | <b>30.74</b>     | <b>247.25</b>                  | <b>139.75</b>    | <b>5.03</b>                       | <b>3.32</b>      |

## c) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

|  | Gratuity<br>(funded) |                  | Leave encashment<br>(unfunded) |                  | Long service awards<br>(unfunded) |                  |
|--|----------------------|------------------|--------------------------------|------------------|-----------------------------------|------------------|
|  | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019               | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Actuarial (gains)/loss                                   | -                    | -                | -                              | -                | -                                 | -                |
| Change in financial assumption                           | -                    | (13.15)          | -                              | -                | -                                 | -                |
| Change in demographic assumption                         | (1.08)               | (0.70)           | -                              | -                | -                                 | -                |
| Experience adjustments                                   | 1.30                 | 5.37             | -                              | -                | -                                 | -                |
| Actual return on plan assets                             | (10.57)              | (0.72)           | -                              | -                | -                                 | -                |
| Adjustments to recognise the effect of asset ceiling     | 1.08                 | -                | -                              | -                | -                                 | -                |
| <b>Expenses recognized in other comprehensive income</b> | <b>(9.27)</b>        | <b>(9.20)</b>    | <b>-</b>                       | <b>-</b>         | <b>-</b>                          | <b>-</b>         |

## d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

|   | Gratuity<br>(funded) |                  | Leave encashment<br>(unfunded) |                  | Long service awards<br>(unfunded) |                  |
|---|----------------------|------------------|--------------------------------|------------------|-----------------------------------|------------------|
|   | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019               | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Present value of obligations as at beginning of year  | 296.35               | 270.09           | 390.83                         | 325.98           | 17.97                             | 18.94            |
| Interest cost   | 22.88                | 19.84            | 29.27                          | 23.33            | 1.28                              | 1.21             |
| Current service cost                                  | 15.05                | 23.70            | 76.96                          | 85.21            | 3.23                              | 2.53             |
| Past service cost                                     | -                    | -                | -                              | (22.65)          | -                                 | -                |
| Actuarial (gain)/loss on obligations                  | 0.22                 | (8.48)           | 141.02                         | 53.85            | 0.52                              | (0.42)           |
| Benefit paid  | (3.48)               | (8.81)           | (144.46)                       | (74.89)          | (4.10)                            | (4.30)           |
| <b>Present value of obligations as at end of year</b> | <b>331.02</b>        | <b>296.35</b>    | <b>493.62</b>                  | <b>390.83</b>    | <b>18.90</b>                      | <b>17.97</b>     |

## e) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in Lakhs)

|  | Gratuity<br>(funded) |                  | Leave encashment<br>(unfunded) |                  | Long service awards<br>(unfunded) |                  |
|--|----------------------|------------------|--------------------------------|------------------|-----------------------------------|------------------|
|  | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019               | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Fair value of plan assets as on beginning of year                                | 182.81               | 171.30           | -                              | -                | -                                 | -                |
| Interest on plan assets  | 14.41                | 12.81            | -                              | -                | -                                 | -                |
| Re-measurements due to actual return on plan assets less interest on plan assets | 10.57                | 0.72             | -                              | -                | -                                 | -                |
| Contributions  | 149.29               | 6.79             | -                              | -                | -                                 | -                |
| Benefits paid  | (3.48)               | (8.81)           | -                              | -                | -                                 | -                |
| <b>Fair value of plan assets at the end of year</b>                              | <b>353.61</b>        | <b>182.81</b>    | <b>-</b>                       | <b>-</b>         | <b>-</b>                          | <b>-</b>         |

**f) Actuarial Assumptions**

|   | Gratuity<br>(funded) |                  | Leave encashment<br>(unfunded) |                  | Long service awards<br>(unfunded) |                  |
|---|----------------------|------------------|--------------------------------|------------------|-----------------------------------|------------------|
|   | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019               | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Discount rate                           | 7.80%                | 7.80%            | 7.80%                          | 7.80%            | 7.80%                             | 7.80%            |
| Expected rate of future salary increase | 9.00%                | 9.00%            | 9.00%                          | 9.00%            | 9.00%                             | 9.00%            |
| Retirement age                          | 60 years             | 60 years         | 60 years                       | 60 years         | 60 years                          | 60 years         |

4) Mortality rates inclusive of provision for disability -100% of IALM (2012 –14)

5) Rates of leaving service at specimen ages are as shown below:-

| Age (Years) | Rates (p.a.) |
|-------------|--------------|
| 21 – 30     | 0%           |
| 31 – 40     | 0.78%        |
| 41 – 50     | 1.3%         |
| 51 – 59     | 0%           |

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

**g) Maturity profile of defined benefit obligation**

(₹ in Lakhs)

|  | Gratuity<br>(funded) |                  | Leave encashment<br>(Earned leave)<br>(unfunded) |                  | Leave encashment<br>(Half Pay Leave)<br>(unfunded) |                  | Long service<br>awards (unfunded) |                  |
|--|----------------------|------------------|--|------------------|--|------------------|-----------------------------------|------------------|
|  | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019                                 | 31 March<br>2018 | 31 March<br>2019                                   | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Weighted average of the defined benefit obligation | 14.17 Years          | 14.38 years      | 9.53Years  | 9.51 years       | 7.61 years   | 7.82 years       | 5.89 Years                        | 5.46 years       |
| Duration of defined benefit obligation             |                      |                  |  |                  |  |                  |                                   |                  |
| Duration (years)                                   |                      |                  |  |                  |  |                  |                                   |                  |
| 1  | 4.48                 | 6.06             | 26.14  | 22.06            | 11.98  | 9.17             | 0.73                              | 3.00             |
| 2  | 24.34                | 6.35             | 38.02  | 22.00            | 12.25  | 9.31             | 2.82                              | 0.66             |
| 3  | 5.10                 | 25.94            | 26.12  | 34.87            | 11.73  | 9.46             | 0.84                              | 2.35             |
| 4  | 5.08                 | 6.64             | 26.47  | 21.30            | 12.00  | 8.97             | 5.03                              | 0.75             |
| 5  | 5.35                 | 6.38             | 26.96  | 21.20            | 12.27  | 9.12             | 2.42                              | 4.40             |
| 6  | 5.98                 | 6.08             | 27.68  | 21.16            | 12.57  | 9.30             | 0.61                              | 2.04             |
| 7  | 6.33                 | 6.39             | 28.31  | 21.52            | 12.86  | 9.48             | 2.16                              | 0.55             |
| 8  | 7.00                 | 6.57             | 29.05  | 21.84            | 13.16  | 9.68             | 0.72                              | 1.79             |
| 9  | 26.21                | 6.89             | 30.48  | 22.21            | 13.47  | 9.88             | 4.14                              | 0.64             |
| Above 10   | 1101.22              | 1023.18          | 669.20   | 534.60           | 138.27   | 114.35           | 11.64                             | 13.20            |

**h) Major Categories of Plan Assets (as percentage of total plan assets)**

|                         | Gratuity<br>(funded) |                  | Leave encashment<br>(unfunded) |                  | Long service awards<br>(unfunded) |                  |
|-------------------------|----------------------|------------------|--------------------------------|------------------|-----------------------------------|------------------|
|                         | 31 March<br>2019     | 31 March<br>2018 | 31 March<br>2019               | 31 March<br>2018 | 31 March<br>2019                  | 31 March<br>2018 |
| Fund managed by insurer | 100%                 | 100%             | -                              | -                | -                                 | -                |



**I) Sensitivity analysis****Gratuity (funded)**

(₹ in Lakhs)

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -6.78%        | -6.87%        | 1.74%                  | 2.53%         |
| Impact of decrease in 50 bps on defined benefit obligation | 7.42%         | 7.54%         | -2.20%                 | -3.20%        |

**Leave encashment (Earned Leave) (unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -4.59%        | -4.58%        | 4.87%                  | 4.86%         |
| Impact of decrease in 50 bps on defined benefit obligation | 4.95%         | 4.94%         | -4.57%                 | -4.56%        |

**Leave encashment (Half Pay Leave) (Unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -3.69%        | -3.79%        | 3.86%                  | 3.97%         |
| Impact of decrease in 50 bps on defined benefit obligation | 3.93%         | 4.04%         | -3.67%                 | -3.77%        |

**Long service awards (unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2019 | 31 March 2018 | 31 March 2019          | 31 March 2018 |
| Impact of increase in 50 bps on defined benefit obligation | -2.65%        | -2.56%        | -2.51%                 | -2.81%        |
| Impact of decrease in 50 bps on defined benefit obligation | 2.78%         | 2.68%         | 2.60%                  | 2.57%         |

**Note : 48**

The wage revision in respect of Board level and below Board level executives applicable w.e.f. 01.01.2017 has been implemented in financial year 2017-18. For unionized staff, wage revision liability has been provided for on estimated basis in the books of accounts.

**Note : 49**

The Group has entered into Production Sharing Contracts with Government of India along with other partners for Exploration and Production of Oil and Gas. The Group is a non-operator and is having following participating interest in the ventures. The Group would share Expense/Income/Assets/Liabilities of the ventures on the basis of its percentage in the production sharing contracts. The detail of the Group's interest in blocks is as under:

| Block No.      | Participating Interest |
|----------------|------------------------|
| CB-ONN-2010/11 | 20%                    |
| CB-ONN-2010/08 | 20%                    |

Based on audited financial statements of Block No. CB-ONN-2010/08 and unaudited available information for CB-ONN-2010/11 the revenue expenditure and capital expenditure has been accounted for in financial statements is as follows:-

(₹ in Lakhs)

| Particulars         | 31 March 2019 | 31 March 2018 |
|---------------------|---------------|---------------|
| Revenue expenditure | 251.19        | 681.37        |
| Drywell written off | 1,542.66      | 1,961.77      |
| Capital expenditure | 532.56        | 1,043.54      |

In Block No. CB-ONN-2010/08 and CB-ONN-2010/11 one of the consortium members has defaulted in its obligation towards cash calls. In accordance with joint operating agreement the lead operator has raised default cash calls and as such proportionate share amounting to ₹ 865.11 Lakhs (previous year: 31 March 2018 : ₹ 791.40 Lakhs) in respect of same has been paid and accounted for as other current asset.

## Note – 50

### Segment reporting

In line with Indian Accounting Standard (Ind AS108) “Operating Segments”, the Group has (segmented) identified its business activity into two business segment i.e. Consultancy and Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segments. Segment results are given below:

(₹ in Lakhs)

| Particulars                                   | 31 March 2019      | 31 March 2018      |
|---|--------------------|--------------------|
| <b>Segment revenue</b>                        |                    |                    |
| Consultancy and engineering projects          | 1,38,092.96        | 1,41,602.31        |
| Turnkey projects                              | 1,09,486.88        | 40,829.02          |
| <b>Total</b>                                  | <b>2,47,579.84</b> | <b>1,82,431.33</b> |
| <b>Segment profit</b>                         |                    |                    |
| Consultancy and engineering projects          | 40,063.03          | 44,513.10          |
| Turnkey projects                              | 6,278.82           | 7,536.97           |
| <b>Total (a)</b>                              | <b>46,341.85</b>   | <b>52,050.07</b>   |
| Interest                                      | 123.21             | 58.47              |
| Other un-allocable expenditure *              | 11,027.43          | 11,700.16          |
| <b>Total (b)</b>                              | <b>11,150.64</b>   | <b>11,758.63</b>   |
| <b>Other income (c)</b>                       | <b>22,231.16</b>   | <b>17,617.91</b>   |
| Profit before tax (a-b+c)                     | 57,422.37          | 57,909.35          |
| Income Tax Expense                            | 20,128.54          | 19,574.83          |
| <b>Profit after Tax</b>                       | <b>37,293.83</b>   | <b>38,334.52</b>   |
| Less: Share of Loss in joint venture entities | (338.35)           | (3.52)             |
| <b>Profit for the Year</b>                    | <b>36,955.48</b>   | <b>38,331.00</b>   |
| <b>Capital employed**</b>                     | <b>2,34,731.83</b> | <b>2,34,122.25</b> |

\* Includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹ 1,793.85 Lakhs ( previous year : ₹ 2,643.14 Lakhs).

\*\* Property Plant and Equipment and other assets used in the Company’s business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

**Geographical information with respect to segment revenue of Parent Company**

(₹ in Lakhs)

| Country Name               | Consultancy and engineering projects |                   | Turnkey projects   |                  |
|----------------------------|--------------------------------------|-------------------|--------------------|------------------|
|                            | 31 March 2019                        | 31 March 2018     | 31 March 2019      | 31 March 2018    |
| India                      | 1,16,962.22                          | 115,345.28        | 1,09,486.88        | 40,829.02        |
| Nigeria                    | 11,362.72                            | 13,262.59         | -                  | -                |
| United Arab Emirates (UAE) | 1,068.35                             | 1,283.97          | -                  | -                |
| Algeria                    | 2,320.37                             | 3,653.28          | -                  | -                |
| Oman                       | 1,028.43                             | 1,783.48          | -                  | -                |
| Others                     | 2,204.88                             | 2,600.63          | -                  | -                |
| <b>Total</b>               | <b>1,34,946.97</b>                   | <b>137,929.23</b> | <b>1,09,486.88</b> | <b>40,829.02</b> |

**Segment revenue with major customers of Parent Company**

During the year 31 March 2019, ₹ 52,719.57 Lakhs (previous year 31 March 2018: ₹ 42,387.44 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from three (previous year 31 March 2018: two) customers.

During the year 31 March 2019, ₹ 1,01,233.16 Lakhs (previous year 31 March 2018: ₹ 37,959.27 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from two (previous year 31 March 2018: three) customers.

**Note – 51**

The financial year 2017-18 includes variation orders / settlement of price reduction in Consultancy & Engineering Projects and Turnkey Projects. The cumulative impact for year ended 31 March 2018 was ₹ 10,759.64 Lakhs and ₹ 10,262.92 Lakhs on Turnover and Operating profit respectively.

**Note – 52**

The Group in the month of April 2016 terminated a contract, consequent to receipt of findings of investigating agency that certificate submitted by the contractor for qualifying the contract was bogus. The facts in this regard including lodging of claim, subsequent to termination of contract had been disclosed in the annual account of the previous financial years 2015-16, 2016-17 and 2017-18.

Subsequent to the termination of contract, the Group is completing the project at the risk and cost of contractor in terms of provisions of the contract. In the previous year, the contractor had gone into arbitration and had submitted arbitration notice and as such Arbitral Tribunal had been constituted. Contractor had filed its statement of claim amounting to ₹ 40,960.75 Lakhs. EIL had also filed its reply along with its counter claim and application to implead the parent company of contractor, decision on which was pending with the Arbitral Tribunal. Meanwhile, during the current year a third party creditor of the contractor has filed an application with NCLT under Insolvency and Bankruptcy Code (IBC) and Insolvency Resolution Professional (IRP) has been appointed and hence arbitration proceedings have been stayed sine die. EIL has filed its claim against the contractor with the IRP. The management does not consider any possible obligation on this account requiring future probable outflow of resources of the Group.

**Note – 53****Disclosure relating to AOP**

The Group is having investment in Petroleum India International (PII), an Association of Person (AOP). PII, since financial year 2010-11 has ceased its business activities and is in the process of dissolution.

The process of dissolution is not completed.

Since, the dissolution of PII is not completed, Management Committee of PII in their 57th Meeting held on 18 February 2016 at BPCL, Mumbai decided to return all monies forthwith except for retaining some amount to the members of PII. It was also decided that in case there is subsequent demand received, the members shall return the money in proportion to their share. It was also decided that corpus fund of PII shall be restored to ₹ 5.00 Lakhs per member being original seed capital at the time of formation of PII.

During the year Group has received ₹ 47.51 Lakhs as its share out of total amount of ₹ 500.01 Lakhs distributed to its members. Due to above decision, Group has till date received an amount of ₹ 1,397.51 Lakhs (Previous Year 31 March 2018: ₹ 1,350.00 Lakhs) as its share out of total amount of ₹ 14,636.01 Lakhs (Previous Year 31 March 2018: ₹ 14,136.00 Lakhs) distributed to its members.

## Note – 54

In terms of Indian Accounting Standard (Ind AS 37) “Provisions, contingent liabilities and contingent assets”, the requisite disclosures are as under:

The movement in provisions are as under:

(₹ in Lakhs)

| S.No. | Particulars                          | Class of provision      |                  |                 |               |
|-------|--------------------------------------|-------------------------|------------------|-----------------|---------------|
|       |                                      | Contractual obligations |                  | Expected losses |               |
|       |                                      | 31 March 2019           | 31 March 2018    | 31 March 2019   | 31 March 2018 |
| 1     | Opening balance                      | 33,460.89               | 27,057.38        | 374.18          | 713.28        |
| 2     | Additional provision during the year | 10,345.03               | 8,773.02         | 769.27          | 257.04        |
| 3     | Provision used during the year       | 9.95                    | -                | 127.36          | 401.39        |
| 4     | Provision reversed during the year   | 4,427.83                | 2,369.51         | -               | 194.75        |
| 5     | <b>Closing balance</b>               | <b>39,368.14</b>        | <b>33,460.89</b> | <b>1,016.09</b> | <b>374.18</b> |

Nature of provision

### a) Contractual Obligations:

Contractual obligations represent provision for estimated liabilities on account of guarantees and warranties etc. in respect of consultancy and engineering services and turnkey contracts executed by the Group. The said obligation covers performance as well as defect liability period defined in the respective contracts.

For turnkey contracts, the estimated liability on account of contractual obligations is provided at 1% of revenue recognised based on risk assessment made by the management. For consultancy and engineering services contracts the estimated liability on account of contractual obligations is provided as per assessment of probable liability made by the management based on liability clauses in respective contracts.

### b) Expected Losses:

For each contracts, at reporting date, total contract cost and total contract revenue are estimated. In respect of contracts, where it is probable that total estimated contract cost will exceed the estimated total contract revenue, the expected loss is recognised as an expense in the statement of Profit and Loss.

c) The disclosure in respect of contingent liabilities is given as per note no. 40.

## Note – 55

Details of loans given, investment made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

a) Loans given- Nil

b) Investments done are given in the joint venture note. No. 7.

## Note – 56

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the Group is given below:

(₹ in Lakhs)

| S. No. | Particulars   | 31 March 2019 | 31 March 2018 |
|--------|---|---------------|---------------|
| i      | Amount due and payable at the year end  |               |               |
|        | - Principal   | 4,426.30      | 1,020.56      |
|        | - Interest on above Principal   | -             | -             |
| ii     | The amount of interest paid along with the amounts of the payment after the due date    | -             | -             |
| iii    | The amount interest due and payable for principals already paid                         | -             | -             |
| iv     | The amount of interest accrued and remaining unpaid at the year end                     | -             | -             |
| v      | The amount of interest which is due and payable which is carried forward from last year | -             | -             |

**Note – 57**

In terms of DPE Guidelines, on increase of Dearness allowance to the tune of 50%, the gratuity ceiling shall enhance by 25%. Superannuation benefits which includes Gratuity, Post-Superannuation Medical Scheme, Provident Fund and Defined Contribution Superannuation Scheme are to be met from 30% of Basic pay plus Dearness allowance. The parent company has recognised the proportionate increase in gratuity ceiling corresponding to Dearness allowance as on 31 March 2019 based on actuarial valuation. To the extent of the impact of such an increase of ₹ 681.03 Lakhs, the corresponding Defined Contribution Superannuation Scheme to the employees has been reduced to meet the Superannuation benefits within 30% of Basic Pay plus Dearness allowance as per DPE Guidelines.

**Note – 58**

Remuneration to Chairman and Managing Director and full time Directors are as per their appointment letters from the Ministry of Petroleum and Natural Gas, Government of India, New Delhi. They are also allowed to use the staff car for private journeys up to a ceiling of 1000 kms per month.

**Note – 59**

The statement of profit and loss account includes research and development expenditure of ₹ 1,852.84 Lakhs (previous year 31 March 2018: ₹ 1,323.22 Lakhs).

**Note – 60**

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) "Impairment of Assets".

**Note – 61**

The working capital and non-fund based facilities from banks are secured by hypothecation of stocks, book debts and other current assets of the Group, both present and future.

**Note – 62**

For lump-sum services and turnkey contracts, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction schedules for delay as on reporting date are assessed by the management and relied upon by the auditors.

**Note – 63**

The balances of trade receivables, loans and advances, customer's advances, retention money, security deposits receivable/payable and trade payables are subject to confirmation and reconciliation.

**Note – 64**

Government of India, has sold 1,25,738 equity shares of the company to BHARAT 22 ETF. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 52.02 % to 52.00%.

**Note – 65**

During the year, the Group proposed to sale its old obsolete computers ('Assets'). The outstanding balance has been classified as Assets held for sale.

**Note – 66**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to the figures of the current year.

## Note – 67

Additional disclosure required under Schedule III of the Companies Act 2013 of the entities consolidated as subsidiaries and joint ventures –

| Name of the Enterprise                                      | Net Assets i.e. total assets minus total liabilities |                     | Share in Profit or loss             |                     | Share in other comprehensive income |                     | Share in total comprehensive income |                     |
|---|--|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
|   | As % of Consolidated net assets                      | Amount (₹ in lakhs) | As % of Consolidated profit or loss | Amount (₹ in lakhs) | As % of Consolidated profit or loss | Amount (₹ in lakhs) | As % of Consolidated profit or loss | Amount (₹ in lakhs) |
| <b>Parent Company</b>                                       |  |                     |                                     |                     |                                     |                     |                                     |                     |
| Engineers India Limited                                     | 85.44  | 2,00,543.07         | 102.76                              | 37,979.33           | 104.35                              | (157.75)            | 102.76                              | 37,821.58           |
| <b>Subsidiaries:</b>  |  |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Indian:</b>  |  |                     |                                     |                     |                                     |                     |                                     |                     |
| Certification Engineers International Limited               | 3.12   | 7,317.37            | (1.85)                              | (685.50)            | (4.35)                              | 6.57                | (1.84)                              | (678.93)            |
| <b>Joint Ventures (Investment as per the equity method)</b> |  |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Indian:</b>  |  |                     |                                     |                     |                                     |                     |                                     |                     |
| Ramagundam Fertilizers and Chemicals Limited                | 11.44  | 26,862.39           | (0.91)                              | (337.40)            | -                                   | -                   | (0.92)                              | (337.40)            |
| TEIL Projects Limited                                       | -  | 9.00                | -                                   | (0.95)              | -                                   | -                   | -                                   | (0.95)              |

## Note – 68

**SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ASSOCIATES/ JOINT VENTURE AS PER COMPANIES ACT, 2013**

| Part "A": Subsidiaries |   |  |
|------------------------|---|--|
| 1                      | Sl. No.   | 1  |
| 2                      | Name of Subsidiary  | <b>Certification Engineers International Limited</b> |
| 3                      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 31st March, 2019                                     |
| 4                      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR - ₹  |
| 5                      | Share capital   | 9 Lakh equity shares of ₹ 100 each                   |
| 6                      | Reserves & Surplus  | ₹ 6,773.93 Lakhs                                     |
| 7                      | Total assets  | ₹ 8,875.72 Lakhs                                     |
| 8                      | Total Liabilities   | ₹ 1,201.79 Lakhs                                     |
| 9                      | Investments   | -  |
| 10                     | Turnover  | ₹ 5,291.40 Lakhs                                     |
| 11                     | Profit before taxation  | ₹ 1,320.80 Lakhs                                     |
| 12                     | Provision for taxation  | ₹ 384.94 Lakhs                                       |
| 13                     | Profit after taxation   | ₹ 935.86 Lakhs                                       |
| 14                     | Proposed Dividend   | ₹ 350.00 Lakhs                                       |
| 15                     | % of shareholding   | 100%   |

Name of Subsidiaries which are yet to commence operations:- Nil

Name of Subsidiaries which have been liquidated or sold during the year: - Nil

| Part "B": Associates and Joint Ventures   |   |  |  |
|---|---|--|--|
| Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures |   |  |  |
|   | Name of Associates/Joint Ventures   | TEIL Projects Limited                              | Ramagundam Fertilizers and Chemicals Limited         |
| 1   | Latest audited Balance Sheet Date   | Liquidator Statement as on 31 March 2019           | Audited 31 March 2019                                |
| 2   | Shares of Associate/Joint Ventures held by the company on the year end                          |  |  |
|   | No.   | 55,00,000 Equity shares of ₹ 10 each fully paid up | 273,690,002 Equity shares of ₹ 10 each fully paid up |
|   | Amount of Investment in Associates/ Joint Venture   | ₹ 550.00 Lakhs                                     | ₹ 27,369.00 Lakhs                                    |
|   | Extent of Holding %   | 50.00%   | 26.86%   |
| 3   | Description of how there is significant influence   | Due to Control                                     | Due to Control                                       |
| 4   | Reason why the associate/joint venture is not consolidated                                      | N.A  | N.A  |
| 5   | Net worth attributable to shareholding as per latest audited Balance Sheet/Liquidator Statement | ₹ 9.00 Lakhs                                       | ₹ 26,862.39 Lakhs                                    |
| 6   | Profit/(Loss) for the year:   |  |  |
| i.  | Considered in Consolidation   | ₹ (0.95) Lakhs                                     | ₹ (337.40) Lakhs                                     |
| ii.   | Not Considered in Consolidation   | ₹ (0.95) Lakhs                                     | ₹ (918.76) Lakhs                                     |

Name of Joint Ventures which are yet to commence operations:- Nil

Name of Joint Ventures which have been liquidated or sold during the year:- Jabal Elliot Company Limited

**For Arun K Agarwal and Associates**  
Chartered Accountants  
FRN No. 003917N

**For and on behalf of Engineers India Limited**

Sd/-  
Arun Kumar Agarwal  
**Partner**  
Membership No. 082899

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
R P Batra  
**C.G.M. [F&A]**  
PAN : AHPPB4262M

Sd/-  
Sunil Bhatia  
**Director [Finance] & CFO**  
DIN : 08259936

Sd/-  
J C Nakra  
**Chairman & Managing Director & CEO**  
DIN : 07676468

**Place :** New Delhi  
**Date :** 17 May 2019



## **Comments of the Comptroller and Auditor General of India Under Section 143(6)(b) Read with Section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of Engineers India Limited for the year ended 31 March, 2019**

The preparation of consolidated financial statements of Engineers India Limited for the year ended 31 March 2019 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/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Engineers India Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Engineers India Limited, Certification Engineers International Ltd (Subsidiary) and Ramagundam Fertilizers and Chemicals limited (Joint Venture) for the year ended on that date. Further, section 139(5) and 143 (6) (a) of the Act are not applicable to TEIL Projects Limited (Joint Venture) being private entity, for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



**(Prachi Pandey)**

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-II  
New Delhi

Place: New Delhi  
Date: 22.07.2019



To,  
**M/s Karvy Fintech Private Limited**  
 Unit: (Engineers India Limited)  
 Karvy Selenium Tower B, Plot 31-32  
 Gachibowli, Financial District  
 Nanakramguda,  
 Hyderabad- 500032

### Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

#### General Information:

|   |  |
|---|--|
| Folio No.:  |  |
| Name of the first named Shareholder:                                |  |
| PAN:*   |  |
| CIN / Registration No.: *<br>(applicable to Corporate Shareholders) |  |
| Tel No. with STD Code:  |  |
| Mobile No.:   |  |
| Email Id:   |  |

\* Self Attested copy of the document(s) enclosed

#### Bank Details:

|                      |                    |
|----------------------|--------------------|
| IFSC:<br>(11 digit)  | MICR:<br>(9 digit) |
| Bank A/c Type        | Bank A/c No.:*     |
| Name of the Bank:    |                    |
| Bank Branch Address: |                    |

\* A blank cancelled cheque is enclosed to enable verification of bank details.

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company / RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained by you till I / We hold the securities under the above mentioned Folio No. / Beneficiary account.

Place:  
 Date:

\_\_\_\_\_  
 Signature of Sole / First holder





Regd. Office: Engineers India House, 1, Bhikaji Cama Place, New Delhi - 110066

Tel: 011-26762121, Fax: 011-26178210, E-mail: company.secretary@eil.co.in

Website: <http://www.engineersindia.com>

CIN: L74899DL1965GOI004352

### PROXY FORM

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

|                        |                              |
|------------------------|------------------------------|
| Name of the Member(s): | E-mail ID:                   |
| Registered Address:    | Folio No./ * DP & Client 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/her;
- (2) Name: .....Address: .....  
E-mail Id: .....Signature: ....., or failing him/her;
- (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 54<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 26<sup>th</sup> September, 2019 at 3.00 p.m. at Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below :

| Sl. No.                  | Resolutions  | **For | **Against |
|--------------------------|--|-------|-----------|
| <b>ORDINARY BUSINESS</b> |  |       |           |
| 1.                       | To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2019, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India. |       |           |
| 2.                       | To consider declaration of final dividend on equity shares.  |       |           |
| 3.                       | To appoint a Director in place of Shri Vipin Chander Bhandari (DIN: 07550501), who retires by rotation and being eligible, offers himself for reappointment.   |       |           |
| 4.                       | To appoint a Director in place of Shri Lalit Kumar Vijn (DIN:07261231), who retires by rotation and being eligible, offers himself for reappointment.  |       |           |
| 5.                       | To fix remuneration of Auditors for the financial year 2019-20.  |       |           |
| <b>SPECIAL BUSINESS</b>  |  |       |           |
| 6.                       | To appoint Shri Sunil Bhatia (DIN: 08259936) as Director (Finance) of the Company.   |       |           |
| 7.                       | To re-appoint Dr. (Prof.) Mukesh Khare (DIN: 02029807) as Non-official Independent Director of the Company.  |       |           |
| 8.                       | To re-appoint Mrs. Arusha Vasudev (DIN: 07370575) as Non-official Independent Director of the Company.   |       |           |
| 9.                       | To re-appoint Shri V.K. Deshpande (DIN: 01200938) as Non-official Independent Director of the Company.   |       |           |
| 10.                      | To re-appoint Shri Umesh Chandra Pandey (DIN: 01185085) as Non-official Independent Director of the Company.   |       |           |
| 11.                      | To appoint Shri Sanjeev Kumar Handa (DIN: 07223761) as Director (Projects) of the Company.   |       |           |
| 12.                      | To appoint Shri Bollavaram Nagabhushana Reddy (DIN: 08389048) as Director (Government Nominee) of the Company.   |       |           |
| 13.                      | To appoint Shri M. Arulmurugan (DIN: 08512516) as Non-official Independent Director of the Company.  |       |           |
| 14.                      | To approve alteration of Articles of Association of the Company.   |       |           |

Signed this..... day of..... 2019.

Signature of the Shareholder

Affix  
Revenue  
Stamp

Signature of first proxy holder

Signature of Second proxy holder

Signature of third proxy holder

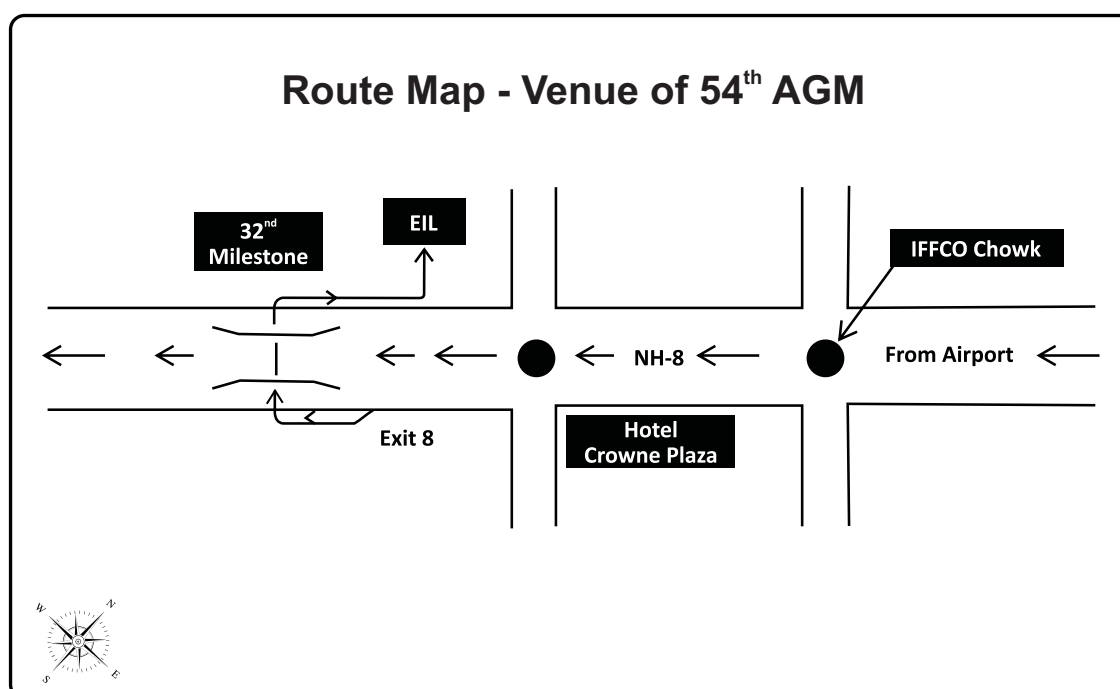
\*Applicable for investors holding shares in electronic form.

**Notes:**

- 1) 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.
- (2) A Proxy need not be a member of the Company.
- (3) For Resolutions, Statement pursuant to Section 102 of the Companies Act, 2013 and Notes, please refer to the Notice of 54<sup>th</sup> Annual General Meeting.
- (4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (5) \*\* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (6) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (7) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



### Route Map - Venue of 54<sup>th</sup> AGM

**Address of Venue :**

Engineers India Limited, EIL Office Complex  
Sector-16 (NH-8), Gurugram, Haryana

**Nearest Landmark :**

32<sup>nd</sup> Milestone

\*Map not to scale





## Notes

## Notes

# Corporate Information

## COMPANY SECRETARY

Suvendu Kumar Padhi

## STATUTORY AUDITORS

M/s Arun K. Agarwal & Associates  
Chartered Accountants, 105, First Floor, South Ex. Plaza-1, 389,  
Masjid Moth, South Extn. Part-II, New Delhi-110049  
Tel. : 011-26251200, 26257400, Fax: 011-26251200

## STOCK EXCHANGES WHERE SHARES OF THE COMPANY ARE LISTED

### **BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

### **National Stock Exchange of India Ltd.**

Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051

## REGISTRAR AND SHARE TRANSFER AGENT

### **M/s Karvy Fintech Private Ltd.**

305, New Delhi House, 27, Barakhamba Road, Connaught Place,  
New Delhi-110 001, Tel No. 011-43681700,  
Fax No. 011-43681710, Email: delhi@karvy.com  
or  
Karvy Selenium Tower-B, Plot No. 31&32 Gachibowli, Financial  
District Nanakramguda, Serilingampally, Hyderabad- 500 032  
Tel No. 040-67162222, Fax No. 040-23001153  
Email: einward.ris@karvy.com,  
Website: www.karvy.com/www.karvycomputershare.com

## REGISTERED & HEAD OFFICE

Engineers India House, 1, Bhikaji Cama Place,  
New Delhi-110 066  
CIN: L74899DL1965GOI004352  
Tel. : 011-26762121, Fax : 011- 26178210, 26194715  
E-mail : eil.mktg@eil.co.in  
Website : www.engineersindia.com

## SUBSIDIARY COMPANY

### **Certification Engineers International Limited**

Engineers India House  
1, Bhikaji Cama Place, New Delhi - 110 066  
CIN: U74899DL1994GOI062371  
Tel. : 011-26762121, Fax : 011- 26174868, 26186245  
E-mail : ceil.del@eil.co.in  
Website: www.certificationengineers.com

## MAIN BANKERS

### **State Bank of India**

Corporate Accounts Group  
11<sup>th</sup> Floor, Jawahar Vyapar, Bhawan, 1, Janpath,  
New Delhi-110 001

### **Indian Overseas Bank**

F-47, Malhotra Building, Janpath, New Delhi - 110 001

### **Corporation Bank**

3, Ansal Chamber - I, Bhikaiji Cama Place, New Delhi - 110 066

### **HDFC Bank Ltd.**

B-6/3, Safdarjung Enclave, DDA Complex, New Delhi - 110 029

# EIL OFFICES

## REGISTERED & HEAD OFFICE

Engineers India House,  
1, Bhikaiji Cama Place, New Delhi-110 066  
CIN: L74899DL1965GOI004352  
Tel. : 011-26762121, Fax : 011- 26178210, 26194715  
E-mail : eil.mktg@eil.co.in Website: www.engineersindia.com

## BRANCH OFFICE

Great Eastern Chambers 5<sup>th</sup> Floor, Plot no. 28, Sector-11  
Belapur C.B.D., Navi Mumbai – 400 614  
Tel. : 022-27560072, 27560032, Fax : 022-27572011, 27563066  
E-mail : eil.bo@eil.co.in

## REGIONAL OFFICES

A.G. Towers (5<sup>th</sup> Floor), 125/1, Park Street Kolkata – 700 017  
Tel. : 0-33-22298995, 22276304, Fax : 0-33-22277692  
E-mail : eil.rok@eil.co.in

4<sup>th</sup> & 5<sup>th</sup> Floor, Meghdhanush Complex, Race Course Road  
Near Transpek Circle, Vadodara – 390 015  
Tel. : 0-265-2340326, 2340368, Fax : 0-265-2340328  
E-mail : eil.rov@eil.co.in

Plot No. F9, SIPCOT IT Park, 1st Main Road, Siruseri, Chennai - 603 103  
Tel: 044-27469401/402; Fax: 044-27469000  
E-mail : eil.roc@eil.co.in

## OVERSEAS OFFICES

17<sup>th</sup> Floor, Business Avenue Tower, Salam Street, P.O.Box 126592, Abu Dhabi, U.A.E  
Tel. : +971-2674010  
E-mail : cooeilad@eiluae.ae

487, Great West Road, Middlesex, London , UK (TW5 OBS)  
Tel. : 0044-208-570-5530(O), Hand phone: 044-7404608246  
E-mail : eillondon@btconnect.com

Apartment 112,  
Milan Apartment Rental  
Piazza Luigi di Savoia 28, Milan - 20124, Italy  
Mobile: 00-39-334-941 1107  
Email: eilmilan@eil.co.in

Room No.1621, 16<sup>th</sup> Floor, V- Capital Mansion,  
333 Xian Xia Road, Near Gubei Road, Shanghai - 200 336, China  
Mobile No. : +86 13917124401; Tel: +86 21 31030084  
E-Mail: eilshanghai@eil.co.in ; eilshanghai1632@yahoo.com



*Delivering Excellence through People*