

No. Secy/906/9/10

03.09.2020

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| <b>The BSE Limited</b><br><b>Phiroze Jeejeebhoy Towers</b><br><b>Dalal Street, Fort</b><br><b>Mumbai – 400 023</b> | <b>The National Stock Exchange of India Limited</b><br><b>Exchange Plaza, 5<sup>th</sup> Floor</b><br><b>Bandra Kurla Complex</b><br><b>Bandra (East), Mumbai-400051</b> |
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**Sub: Notice of 55<sup>th</sup> AGM and Annual Report for the Financial Year 2019-20**

Dear Sir/Madam,

This is in continuation of our letter dated 24.08.2020 and 26.08.2020. Kindly note that 55<sup>th</sup> Annual General Meeting (AGM) of the members of Engineers India Limited will be held on Monday, the 28<sup>th</sup> September, 2020 at 3:00 p.m. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). We are enclosing herewith the Notice of 55<sup>th</sup> Annual General Meeting & Annual Report for the year 2019-20 which is being sent through electronic mode to the Members.

Annual Report containing the Notice is also hosted on the Company's website at the following link <https://engineersindia.com/investors/shareholders-meetings/>.

The above is for your information and records please.

Thanking you,

Very truly yours,

  
Narendra Kumar  
Compliance Officer

Encl: as above



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

## Notice

**NOTICE** is hereby given that the 55<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Monday, the 28<sup>th</sup> September, 2020 at 3.00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2020, together with the Directors' 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 31.03.2020, together with the Directors' Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India be and are hereby received, considered and adopted."

2. To declare final dividend for the financial year ended 31.03.2020 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 of ₹1.55/- per share (on face value of ₹5/- each) on equity share capital of the Company amounting to ₹9794.63 lakhs for the financial year ended 31.03.2020 as recommended by the Board in addition to the payment of interim dividend of ₹3.60/- per share as already declared by the Board and paid accordingly."

3. To appoint a Director in place of Shri Rakesh Kumar Sabharwal (DIN: 07484946), 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 Rakesh Kumar Sabharwal (DIN: 07484946), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Commercial) of the Company."

4. To appoint a Director in place of Shri Sunil Bhatia (DIN:08259936), 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 Sunil Bhatia (DIN:08259936), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Finance) of the Company."

5. To authorize Board of Directors of the Company to fix remuneration of Auditors for the Financial Year 2020-21 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 Auditor General of India, for the Financial Year 2020-21."

### SPECIAL BUSINESS

6. To appoint Shri Sunil Kumar (DIN: 08467559) 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 149,152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Sunil Kumar (DIN: 08467559), who was nominated as Director (Government Nominee) by President of India vide MoP&NG letter No. C-31033/1/2016-CA/FTS:42979 dated 12.12.2019 and appointed as an Additional Director w.e.f. 12.12.2019 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 a 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. 12.12.2019 for a period of three years on co-terminus basis or until further orders, whichever is earlier."

7. To appoint Shri Ashok Kumar Kalra (DIN: 08698203) as Director (HR) 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 Ashok Kumar Kalra (DIN: 08698203), who was nominated as Director (HR) by President of India vide MoP&NG letter No.CA-31018/4/2018-



PNG (23773) dated 04.11.2019 and appointed as an Additional Director w.e.f. 01.03.2020 (date of assumption of charge) by the Board of Directors to hold the post of Director (HR) 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 (HR) of the Company, liable to retire by rotation, to hold office from the date of his assumption of charge of the post (i.e. 01.03.2020) till the date of his superannuation (i.e. 30.09.2023) 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."

8. To appoint Smt. Vartika Shukla, (DIN: 08777885) as Director (Technical) 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, Smt. Vartika Shukla (DIN: 08777885), who was nominated as Director (Technical) by President of India vide MoP&NG letter No. CA-31018/1/2019-PNG (28282) dated 17.04.2020 and appointed as an Additional Director w.e.f. 01.08.2020 (date of assumption of charge) by the Board of Directors to hold the post of Director (Technical) 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 herself in writing proposing her candidature for the office of Director, be and is hereby appointed as Director (Technical) of the Company, liable to retire by rotation, to hold office for a period of five years from the date of her assumption of charge of the post (i.e. 01.08.2020) till the date of her superannuation or until further orders of the Government, whichever is earliest, on such terms & conditions, remunerations and tenure as may be determined by the President of India/ Government of India from time to time."

By order of the Board of Directors

Place: New Delhi  
Date : : 18<sup>th</sup> August , 2020

(S. K. Padhi)  
Company Secretary

Registered Office:  
Engineers India House  
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 8 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. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. Thus the forthcoming AGM will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting vote by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. **Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, Authorised Representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.**
5. In view of present situation and as per MCA directives, Notice along with Annual Report of the Company is being sent through e-mail only to those shareholders whose email-ids are registered with the Company/Depository Participants.
6. Members can also access the Annual Report at the website of the Company/NSE/BSE ([www.engineersindia.com](http://www.engineersindia.com)/[www.nseindia.com](http://www.nseindia.com)/[www.bseindia.com](http://www.bseindia.com)). AGM Notice is also available on the website of CDSL (agency for providing the Remote e-voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com). Kindly note that no request for the physical copy of Annual Report shall be entertained by the Company as per relevant MCA circulars on account of COVID-19 pandemic.
7. The facility for joining the 55<sup>th</sup> AGM by Members through VC/OAVM shall be kept open 15 minutes before the time scheduled to start the Meeting and shall remain open till the expiry of 15 minutes after such scheduled time of the Meeting. Members can join the same by following the procedure mentioned in the Notice. The facility of participation at the 55<sup>th</sup> AGM through VC/OAVM will be made available for 1000 members on first-come-first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first-come first-served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. 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 8<sup>th</sup> October, 2020 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 on record date i.e. the close of business hours on Monday, 14<sup>th</sup> September, 2020;
  - 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 on record date i.e. the close of business hours on Monday, 14<sup>th</sup> September, 2020.
10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April, 1 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act 2020, relevant Circulars and amendments thereof, if any.
  - The Shareholders are requested to update their PAN with M/s Alankit Assignments Limited, Registrar and Transfer Agent of the Company, (in case of shares held in physical mode) and depositories (in case of shares held in Demat mode).
  - Shareholders are requested to note that in case their PAN is not registered/updated by September, 14, 2020 till 11:59 P.M. (IST) tax will be deducted at 20% or applicable rate whichever is higher.
  - For Resident Individual, a yearly declaration in Form 15H/15G as applicable may be submitted (in duplicate in the prescribed form) in case tax for the previous year on Shareholder's estimated total income will be NIL. This shall be submitted along with copy of PAN to avail the benefit of non-deduction of tax at source by email to [virenders@alankit.com](mailto:virenders@alankit.com) by September, 14, 2020 till 11:59 P.M. (IST).
  - For shareholders submitting valid Lower Deduction certificates u/s 197, rates of tax deduction shall be rates as mentioned in the Lower Deduction Certificate. These shall be submitted by Shareholder to [virenders@alankit.com](mailto:virenders@alankit.com) by September, 14, 2020 till 11:59 P.M. (IST).
  - All Non- Resident shareholders other than FPI/FII are required to submit "NO Permanent Establishment (PE) in India declaration" in absence of which TDS shall be deducted as per applicable rates.
  - Non-residents shareholders other than FPI/FII can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents listed below:





1. PAN, if available
2. Tax Residency Certificate (TRC) valid for FY 2020-21 obtained from authorities of the Country where shareholder is Resident
3. Form 10F duly filled
4. Declaration to the effect that:
  - i. Dividend Income is not attributable to any Permanent Establishment (PE) or Fixed Base in India
  - ii. Non-resident is Eligible to claim benefit of DTAA. Shareholder has no reason to believe that his/her claim for the benefits of the DTAA is impaired in any manner
  - iii. Non- Resident receiving Dividend Income is beneficial owner of shares
  - iv. Shareholder is and will continue to remain a tax resident of the country of its residence during the financial year 2020-21.

The aforesaid declaration and documents need to be submitted by the shareholder by September, 14, 2020 till 11:59 P.M (IST).

The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and its completeness to the satisfaction of the Company.

In case the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the aforementioned details/documents by September, 14, 2020 till 11:59 P.M(IST) , the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities.

No claim shall lie against the Company for such taxes deducted.

11. 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 Alankit Assignments Limited, if not updated. 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.

As per MCA Circular No 20/2020 dated May 05, 2020, payment of dividend shall be made through electronic mode only. In the case of non-availability of bank details, the Company shall upon normalization of postal service, dispatch the dividend warrant or Demand Draft to such shareholders by post, which might get delayed in certain areas. Accordingly, all the shareholders, whose

bank details are not updated or receiving dividend in physical mode, are requested to update their bank details to receive dividend through electronic mode.

12. 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 Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110055, India (Tel No.91-11-42541234, Fax No.91-11-42541201, Email:virenders@alankit.com, Website:www.alankit.com for assistance in this regard.
13. 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 case the shares are held by them in electronic form and with Registrar and Share Transfer Agent of the Company in case the shares are held by them in physical form.
14. 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 Registrar and Share Transfer Agent of the Company in case the shares are held in physical form.
15. Members holding shares in physical form in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent of the Company, 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.
16. In case of joint holders, 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 at the AGM.
17. 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. For details of year wise dividend unpaid/unclaimed, Shareholders may refer to our website at <https://engineersindia.com/investors/corporate-governance/>. The Members, whose unclaimed dividends/shares have been transferred 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.
18. All documents referred to in the Notice calling the AGM and the Explanatory Statement are available on the website of the Company for inspection by the Members.

19. Pursuant to the requirements of Corporate Governance, brief resume of the Directors proposed for appointment/re-appointment are annexed with the Notice.
20. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 14/2020 dated April 8, 2020.
21. Since the AGM will be held through VC/OAVM, the route map is not annexed to the Notice.
22. Voting through electronic means/Venue e-voting
  - 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 CDSL, on all the resolutions set forth in this Notice.
  - ii. The Board of Directors has appointed Shri Santosh Kumar Pradhan, Practicing Company Secretary (C.P.No. 7647) as the Scrutinizer to scrutinize Venue e-voting and remote e-voting process in a fair and transparent manner.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Friday, 25<sup>th</sup> September, 2020 at 9.30 a.m (IST) and ends on Sunday, 27<sup>th</sup> September, 2020 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Monday, 21<sup>st</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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|  | For Shareholders holding shares in Demat Form and Physical Form |
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|--|--|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>               |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Engineers India Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES/ COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**



1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [virenders@alankit.com](mailto:virenders@alankit.com).
2. For Demat shareholders , please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [virenders@alankit.com](mailto:virenders@alankit.com).

#### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting (18<sup>th</sup> September, 2020)** mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting (18<sup>th</sup> September, 2020)** mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in). These queries will be replied to by the company suitably during the meeting, if time permits.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions, subject to the availability of time, during the meeting.

#### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as

the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

#### Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### Other Instructions

- i. 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.
- ii. Any person, who acquires shares of the Company and become a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Monday, 21<sup>st</sup> September, 2020 can also request for the soft copy of Annual report/ Notice by sending a request at [virenders@alankit.com](mailto:virenders@alankit.com).
- iii. The Chairman & Managing Director shall, at the 55<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow e-voting during the AGM with the assistance of Scrutinizer, for all those members who have attended 55<sup>th</sup> AGM through VC/OAVM and have not casted their votes by availing the remote e- voting facility.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and venue e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than

forty eight hours 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.

- v. 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 CDSL (agency for providing e-voting platform) at [www.evotingindia.com](http://www.evotingindia.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.
- vi. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 55<sup>th</sup> Annual General Meeting i.e. Monday, 28<sup>th</sup> September, 2020.

#### 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 8 of the accompanying Notice:

##### Item No.6

Shri Sunil Kumar has been appointed as an Additional Director (Government Nominee) on the Board of EIL effective from 12.12.2019 in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/1/2016-CA/FTS:42979 dated 12.12.2019. In terms of Section 161 of the Companies Act, 2013, he holds office up to 55<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 Sunil Kumar as candidature for the office of Director. Shri Sunil Kumar, 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, 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 55<sup>th</sup> Annual General Meeting.

Except Shri Sunil Kumar, 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.7

Shri Ashok Kumar Kalra was appointed as an Additional Director and designated as Director (HR) on the Board of EIL effective from 01.03.2020 (i.e. from the date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/4/2018-PNG (23773) dated 4.11.2019. Pursuant to the provisions under Section 161 of the Companies Act, 2013, he holds office up to the 55<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 Ashok Kumar Kalra, 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 55<sup>th</sup> Annual General Meeting.

Except Shri Ashok Kumar Kalra, 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.8

Smt. Vartika Shukla was appointed as an Additional Director and designated as Director (Technical) on the Board of EIL effective from 01.08.2020 (i.e. from the date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/1/2019-PNG (28282) dated 17.04.2020. Pursuant to the provisions under Section 161 of the Companies Act, 2013, she holds office up to the 55<sup>th</sup> Annual General Meeting of the Company. 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. Smt. Vartika Shukla, 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 55<sup>th</sup> Annual General Meeting.

Except Smt. Vartika Shukla, 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 her as Director of the Company. The Board recommends the resolution for your approval.

By order of the Board of Directors

Place: New Delhi  
Date : : 18<sup>th</sup> August , 2020

(S. K. Padhi)  
Company Secretary

Registered Office:  
Engineers India House  
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)



**ANNEXURE TO THE NOTICE****BRIEF DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT  
AT THE 55<sup>th</sup> ANNUAL GENERAL MEETING****Item No. 3**

|   |  |
|---|--|
| <b>Name</b>   | : Shri Rakesh Kumar Sabharwal  |
| <b>Date of Birth/Age</b>  | : 20.05.1962/58 Years  |
| <b>Date of appointment</b>  | : 27.09.2016   |
| <b>Qualification</b>  | : B.E. Mech. from Punjab Engineering College, MBA from IGNOU, LLB from Delhi University, Certificate in Export Marketing from IIFT   |
| <b>Share holding in EIL</b>   | : 7400 Equity Shares   |
| <b>Experience in specific Functional Areas</b>  | : <p>He has more than 37 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.</p> <p>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.</p> |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : 4  |
| <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. 4**

|  |  |
|--|--|
| <b>Name</b>                                    | : Shri Sunil Bhatia  |
| <b>Date of Birth/Age</b>                       | : 09.06. 1961/59 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> | : <p>In a career spanning over 33 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 &amp; 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.</p> |

|   |   |  |
|---|---|--|
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : | 4  |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers and Chemicals Limited (RFCL)<br>Certification Engineers International Limited (CEIL)  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member-Stakeholders' Relationship Committee-EIL<br>Member-Audit Committee-Certification Engineers International Limited.<br>Member-Audit Committee-Ramagundam Fertilizers and Chemicals Limited. |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None   |

## Item No. 6

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | Shri Sunil Kumar   |
| <b>Date of Birth/Age</b>  | : | 16.08.1970/50 years  |
| <b>Date of appointment</b>  | : | 12.12.2019   |
| <b>Qualification</b>  | : | Bachelor of Technology (Petroleum Energy) from IIT(ISM), Dhanbad, Financial Management from NIFM, Faridabad, Masters in Business Administration from BI, School of Management, Oslo, Norway, Executive European MBA from ESCP-EAP, Paris, France, Masters Diploma in Public Administration from IIPA, New Delhi, Logistic Simulation and Planning from Beijing Jiaotong University, Beijing, China.  |
| <b>Share holding in EIL</b>   | : | NIL  |
| <b>Experience in specific Functional Areas</b>  | : | He is an IRAS Officer (1995 batch) and is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, New Delhi since May, 2019. He is Bachelor of Technology (Petroleum Energy) from IIT(ISM), Dhanbad, Financial Management from NIFM, Faridabad, Masters in Business Administration from BI, School of Management, Oslo, Norway, Executive European MBA from ESCP-EAP, Paris, France, Masters Diploma in Public Administration from IIPA, New Delhi and Logistic Simulation and Planning from Beijing Jiaotong University, Beijing, China. As Joint Secretary (Refineries), he is looking after the matters related to Refineries, Auto Fuel Policy, Petrochemicals, Import/export of crude oil and other petroleum products; Bio Fuels, Renewable Energy and Conservation, Integrated Energy Policy, Climatic Change & National Clean Energy Policy. Before joining MoP&NG, he has worked with Indian Railways in various capacity including Director Finance Expenditure in Railway Board and Chief Project Manager of Accounting Reform Project of Indian Railways. |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : | 4  |
| <b>Directorship held in other Public Companies</b>                                      | : | Hindustan Petroleum Corporation Limited<br>Mangalore Refineries and Petrochemicals 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. 7

|                             |   |   |
|-----------------------------|---|---|
| <b>Name</b>                 | : | Shri Ashok Kumar Kalra  |
| <b>Date of Birth/Age</b>    | : | 23.09.1963/57 years   |
| <b>Date of appointment</b>  | : | 01.03.2020  |
| <b>Qualification</b>        | : | B.Sc. Engg.-Civil from Regional Engineering College (presently NIT) Rourkela in 1985<br>MBA (HR) in 2011. |
| <b>Share holding in EIL</b> | : | 2934  |



|   |  |
|---|--|
| <b>Experience in specific Functional Areas</b>  | : He joined EIL in 1992 with prior experience in various fields of Construction. He has worked at multiple projects in the field of Refineries, Petrochemicals, Pipelines, and Infrastructure etc. After having more than 21 years of overall experience in Projects/ Construction, he has been associated with HR directorate since 2007. He has experience in various facets of HR functions viz. Manpower Planning, Talent Acquisition, Talent Development, Performance Management, Compensation & Benefits, Policy Formulation, Grievance Redressal, Welfare, Administration, Training, Industrial Relations, Talent Retention, Corporate Affairs, etc.<br><br>He has been involved in formulation of HR Vision, Mission & Objectives, Organization Restructuring, Institutionalizing Leadership Development Programme, Implementing Rajbhasha Policy and Transforming HR as a Strategic Partner in the Company's operations. He has extensive contribution in digitization of HR Processes & Policies, Corporate Planning, Corporate Branding and CSR. He is a certified Work place coach and a Mentor. |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : -  |
| <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>   | : Smt. Vartika Shukla   |
| <b>Date of Birth/Age</b>  | : 14.02.1966/54 years   |
| <b>Date of appointment</b>  | : 01.08.2020  |
| <b>Qualification</b>  | : B. Tech. (Chemical Engg.), IIT Kanpur, Certification-Executive General Management Programme), IIM Lucknow   |
| <b>Share holding in EIL</b>   | : 1400 shares   |
| <b>Experience in specific Functional Areas</b>  | : She possesses over 32 years of extensive consulting experience comprising Design, Engineering and Implementation of complexes in Refining, Gas Processing, Petrochemicals, Fertilizers etc. She has led to the successful completion of many prestigious projects for clients in Oil & Gas and Petrochemical Industry both in India and Overseas.<br><br>Smt. Shukla has a wide spectrum of experience across diverse functions of the Technical Directorate. She has steered Process Design, R&D and the entire functions of Engineering i.e., Piping, Equipment, Instrumentation, Electrical, Structural etc. She has been steering several new Initiatives in the areas of BioFuels, Digitalization, Energy Efficiency, Make In India and StartUp Initiative of EIL. She is credited with forging several Collaborative Partnerships for expanding the Technology Portfolio of EIL.<br><br>Smt. Shukla is an active member of prominent industry forums like FIPI, CII and FICCI and has served on the Editorial Board of FIPI Journal. In recognition of her outstanding contribution to the Oil and Gas Sector, Smt. Shukla has been bestowed with several prestigious accolades namely, first PETROFED Woman Executive Award, SCOPE Excellence Award and MoP&NG Innovation Award with her team. |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : -   |
| <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.

Note: For other relevant details in respect of above Directors, kindly refer Corporate Governance Report which forms part of this Annual Report.



**ENGINEERS  
INDIA LIMITED**

**Engineering  
Excellence with  
Sustainable  
Endeavours**

**55<sup>th</sup>  
ANNUAL REPORT  
2019-20**





A large, stylized leaf graphic in shades of gray, with a white interior space for text. The leaf has a thick outline and several smaller leaf shapes branching off from its main body.

## Our Vision

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

## 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.

## 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
  - Water & Waste Water Management
  - Ports
- Over 2400 highly experienced professionals and technical workforce.
- In-house and collaborative R&D support with 31 'Live' patents.
- Expanding overseas presence in Middle East, Africa and South & Central Asia.
- Zero debt firm with track record of healthy earnings and consistent dividend payout.

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# Chairman's Statement



**J. C. Nakra**

Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to present to you the performance of your Company during the 55<sup>th</sup> year of its service to the Nation.

While the year was full of challenges both on operational and business fronts, I would like to inform that EIL, with its dedicated manpower and unflinching commitment towards sustainable growth, has maintained its position as India's leading engineering consultancy company and continues to contribute towards the development of hydrocarbon and infrastructure sector in the country.

The entire world continues to face an unprecedented health crisis in the form of the COVID-19 pandemic. The outbreak has disrupted supply chains across all sectors and hampered economic activities globally. This pandemic is also adversely impacting the future demand projections which will have direct impact on short term business plans of corporates. Your Company, on its part has taken number of pre-emptive measures which resulted in achieving satisfactory level of efficiency and productivity during these times.

With Government of India push towards reviving the economy with stimulus package close to 10% of GDP and other proactive steps,

we are confident that consumer sentiments will improve and new investments will boost the economy especially in Hydrocarbon sector which will give impetus to the growth of your Company as well.

Despite the challenging business environment and stiff competition, EIL has posted a good financial and operational performance in FY 2019-20 in terms of revenue from operations and business secured.

On the financial front, your Company has registered an Annual Turnover from operations of ₹ 3,203 crores. Profit Before Tax (PBT) and Profit After Tax (PAT) during the year were ₹ 675 Crores and ₹ 430 Crores, respectively. As compared to previous financial year 2018-19, the topline of your Company for FY 2019-20 has grown by 30%, while PBT and PAT have grown by 19% and 16% respectively.

During the fiscal year 2019-20, your Company has secured new business worth ₹ 1,617 Crores. This includes business worth ₹ 812 crores from domestic consultancy and overseas business worth ₹ 805 crores.

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

In the upstream segment, EIL secured assignments for PMC Services for Installation of Gas Turbine Compressor at Gandhar; Technical Feasibility Study for Successful Operation of LP Compressors at GGS-4 Lakhmani & GCP Lakwa and Additional work under ongoing EPCM Services contract for Western Gateway Project Early Production facilities.

In the midstream segment, EIL secured assignments for providing EPCM Services for Crude Oil Terminal (COT) at Paradip; Paradip-Numaligarh Crude Oil Pipeline (PNCPL) and NRL-Siliguri Product Pipeline (NSPPL); Consultancy Services for Design, Engineering and Technical Studies, Supervision & Assistance for Crude Handling Facilities Project in Gulf of Kutch off Vadinar, Gujarat; Primary PMC Services for Balance Jobs of Dabhol LNG Terminal; PMC Services for Chhara LNG Terminal and PMC Services for LPG Cavern at Mangalore.

In the downstream hydrocarbon sector, assignments secured include Phase 1 of Overall Project Management and EPCM Services for 15 MMTPA to 25 MMTPA Capacity Expansion of Panipat Refinery (P-25 Project) of IOCL; EPCM services for 60 KTPA Polypropylene Plant at GAIL, Pata; PMC Services for Petro Resid Fluid Catalytic Cracker Unit along with Sulphur Recovery Unit & Associated Facilities including Utilities & Offsites at Mumbai Refinery of BPCL at Rasayani; Study for Capacity Expansion of IOCL's Paradip Refinery from 15 MMTPA to 25 MMTPA; EPCM consultancy services for setting up of Hydrogenated Pyrolysis Gasoline-2, Butene-1 and Pressure Swing Adsorption (PSA) units at Lepetkata for BCPL and various other small assignments including several variation orders.

In the Infrastructure segment, EIL secured assignment from Petronet LNG for Owner's Engineer (OE) services for Construction of PLL's new Office Building Complex at Dwarka, in Delhi; additional work order from UIDAI for PMC Services for Construction of Data Centre, Office Complex & Residential Complex; an assignment from Department of Civil Aviation, Government of Goa for Technical Assistance related to Environmental Clearance for Mopa Airport and assignment from Airport Authority of India (AAI) for assessment of completion cost of assets occupied by AAI at Kempegowda International Airport (BIAL), Bengaluru.

In the metallurgy segment, EIL secured assignments for Consultancy Services & Construction Management for addition of 11<sup>th</sup> Rectifier Group between Potline-3 & Line- 4 at NALCO's Smelter Plant at Angul in Odisha; Study report of Jhamarkotra Rock Phosphate Mine, Udaipur, Rajasthan and few other assignments including additional work under ongoing contract for Study of High Rise Structures Stability for Aditya Aluminium Plant.

In the International markets, this year EIL had a major breakthrough in Mongolia by securing first ever PMC consulting assignment for setting up a grass root refinery project under Line of Credit funding by Government of India to Government of Mongolia. This project will provide a unique opportunity to support Government's 'Make In India' and 'Atmanirbhar Bharat' initiatives.

Other jobs secured in overseas markets include Front End Engineering & Design (FEED) Services, PMC Services, Engineering and Training Services from clients like BAPCO, ADNOC and additional work orders from Dangote. EIL is also pursuing opportunities in other territories as well to augment its international footprint.

This year, number of critical projects were completed by your Company. We are making good progress in other ongoing projects.

It's a matter of pride for your Company that during the year, all the BS-VI fuel quality upgradation projects were completed and Oil Marketing Companies could achieve the target of supply of BS-VI specification Gasoline and Diesel from 1<sup>st</sup> April 2020 onwards, across the country. Other units in these refineries not linked to BS-VI timelines are under final stage of completion.

In the refinery segment, EIL successfully commissioned DCU, CGOT & LPG Treating unit for Distillate Yield Improvement Project at IOCL, Haldia Refinery, West Bengal and completed PFR for West Coast

Refinery of RRPCL (Ratnagiri Refinery & Petrochemicals Corporation Limited) and DFR, Licensor Selection and BDEP for few process units of Cauvery Basin Refinery project of Chennai Petroleum Corporation Limited (CPCL) at Nagapattinam, Tamil Nadu.

During the year, major overseas projects completed include PMC Services for Al Dabbiya ASR Gas Development Project of ADNOC Onshore, UAE; 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; PMC Services for Hail Full Field Development Project of M/s ADOC, Japan, among many others.

During the year, the major assignments completed in the Infrastructure segment include PMC Services for Development of IIT Patna Campus, Bihar; PMC Services for Establishing Cold Storage Facility at Guntur, Andhra Pradesh; Consultancy Services for Review of Tender Documents for Construction of PLL's Office Building Complex at Dwarka Delhi, and Consultancy Services for Third Party Assessment for Dept. of Information Technology & Communication (DoIT&C), Rajasthan.

Good progress has been achieved in various assignments for Clients like Govt of Odisha for AMRUT Scheme; Central University of Punjab; Pune Municipal Corporation, Maharashtra; PMC Services for Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad, Haryana; Engineering PMC for Development of Tourist Infrastructure Facilities in and around Khajuraho Group of Temples, Madhya Pradesh; Independent Engineering Services for Development and Expansion of IGI Airport at Delhi for AAI, among various others.

In the Petchem segment, EIL competed Study for installation of Flare Recovery Unit, Lower Explosive Limit (LEL) detector Adequacy check, Improvement of Utility System at GAIL, Vijapur, Madhya Pradesh; Evaluation of suitability of new site for re-locating Ratnagiri Refinery and Petrochemicals Limited, Maharashtra and Process development and BDEP preparation of Carbonation Process for Alkaline Waste water at GAIL, Pata, Uttar Pradesh.

Significant progress has been made in various petrochemical projects, including Propylene Derivative Petrochemical Plant (PDPP) of BPCL, Kochi Refinery, Kerala; LEPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited, Namrup; Licensor Selection and Pre-project activity for Andhra Pradesh Petrochemical complex at Kakinada for GAIL/ HPCL, and Polymer Addition project of HMEL at Guru Gobind Singh Refinery (GGSR) at Bathinda.

Your Company has established an outstanding track record in design, engineering and execution of cross-country pipelines. Pipeline projects in progress include DFR for Additional Crude Unloading, Storage & Transportation Facilities at Mundra, Gujarat of HMPL; DFR, QRA/RRA for Revamp of LPG Import Facility at Uran for BPCL; PMC services for 18" x 45 km Re-routing of Mumbai-Manmad Pipeline for BPCL; PMC services for capacity augmentation of Jamnagar-Loni LPG Pipeline for GAIL and EPCM services for laying of 16" x 4.2 km pipeline from H<sub>2</sub>SO<sub>4</sub> Tank of IOCL Haldia Refinery to existing IOCL jetty, besides other assignments.

Your Company is leveraging its capabilities to tap significant business opportunities presented by the Fertilizer sector also. As part of strategic investment in Fertilizer sector, EIL has taken 26% equity stakes in a JV Company M/s Ramagundam Fertilizers & Chemicals Limited (RFCL) along with NFL and FCIL to revive the erstwhile Fertilizer plant of FCIL at Telangana. EIL is executing this project on EPCM Mode. Pre-commissioning activities are in advance stage of completion and project is expected to be commissioned by Q3 FY 2021.



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

In the Alternate Fuels segment, your Company is providing EPCM services for Assam Bio Refinery Project of M/s Assam Bio Refinery Pvt. Ltd, the first of its kind plant in India. Design, Engineering and Procurement activities for the project are in progress.

EIL takes pride in being a technology-driven company and being one of the few engineering consultancy organizations that have a dedicated Research and Development Division boasting of developing more than 35 commercialized process technologies. During this fiscal, the Company filed five new patents and four patents filed earlier were granted this year. With this, the number of 'Live' granted patents stands at 31.

Your Company continued to make advances in providing high-tech IT enabled services to its mainstream activities by developing/ implementing IT solutions to deliver better quality services with emphasis on increased efficiency and improved productivity.

In March 2020, the COVID-19 pandemic and resultant Lockdown demanded "work-from-home" concept. Support teams were mobilized to provide hand-holding to users to adapt to new way of working. Online system was developed to integrate the existing procedures which helped in seamless data flow for engineering activities, HR-systems, F&A system as well as procurement system.

Automation and achieving a paper-less office were other focus areas. A new Integrated Invoice Portal has been implemented and integrated with Bill tracking System (for In-house & LSTK) and Vendor Accounting System. This Portal provides e-uploading of Vendor Invoices to expedite/ view Status of Invoice payments. Integration of MSME payment status reporting has been implemented as a part of this system.

Your Company has kept sustainability at the heart of its business philosophy and strives for compliance to environmental regulations, norms and sustainable development goals which make your Company a responsible organization, transparent to all its stakeholders by addressing the local and global issues. Right from conceptualization to plant commissioning and subsequently, the commercial operation, sustainability is inbuilt in our thoughts and actions.

EIL transitioned its Health and Safety Management System from OHSAS 18001 to ISO 45001:2018. Now, EIL HSE Management System is certified with ISO 45001:2018 (Occupational Health and Safety Management System) and ISO 14001:2015 (Environmental Management system). 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.

Human resources are vital for any organisation to achieve sustainable performance in this dynamic environment. The Company values its human resources and is committed to provide them with an enabling environment which motivates, facilitates their growth and rewards them for their contributions. To ensure an enabling work culture and an engaged work force, employee-centric policies and development initiatives have been adopted from time to time.

As on March 31 2020, EIL has 2,806 employees, including 2,409 professionally qualified employees. Approximately 3.31% of our employees are located outside India, functioning in international work environments.

EIL's CSR policy aims at creating a sustainable environment through its activities for community and environment. Budgetary allocation for the projects has been done in line with Govt. guidelines.

Across states, EIL is involved in development of Infrastructure as well as their maintenance under 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, with special emphasis on the CSR theme announced by the Government each year and the Aspirational districts.

Your Company supported the setting up of permanent campus of Skill Development Institute at Bhubaneswar and providing operational fund to Skill Development Institutes at Ahmedabad, Bhubaneswar, Kochi, Guwahati, Raebareli and Vishakhapatnam.

During the year, EIL came forward to provide much needed succour to its countrymen during times of natural disaster and pandemic. In the aftermath of devastation caused by Cyclone Fani, EIL contributed to the cyclone relief fund to rebuild education, community & health infrastructure in the affected regions. EIL also contributed to PM CARES fund to support the Government in its fight against COVID-19.

Your Company has been continuously engaged in the process of creating an ecosystem conducive to the growth of Indian industry by promoting import substitution and self-reliance, under the aegis of Ministry of Petroleum & Natural Gas. The indigenous component in the capital goods industry catering to the refinery segment was about 10-15% in late seventies/ early eighties. This rose to the current level of 85-90%. Similarly, in the petrochemical and gas processing sector, the indigenous component has grown from almost negligible to close to 60%. This has been the power of EIL's contribution to the indigenization efforts of the Government by supporting and developing capabilities and capacities of Indian manufacturers.

As part of Make In India and Atmanirbhar Bharat campaigns, various initiatives are being taken by EIL, like encouragement to indigenous manufacturers to enhance their product portfolio and manufacturing capabilities and capacity in collaboration with their foreign principals. EIL has also introduced certain new policies in Vendors Enlistment System for ease of registration of vendors.

During the FY 2019-20, your Company won multiple awards and honours at national level, once again showcasing the spirit and dedication of 'Team EIL'.

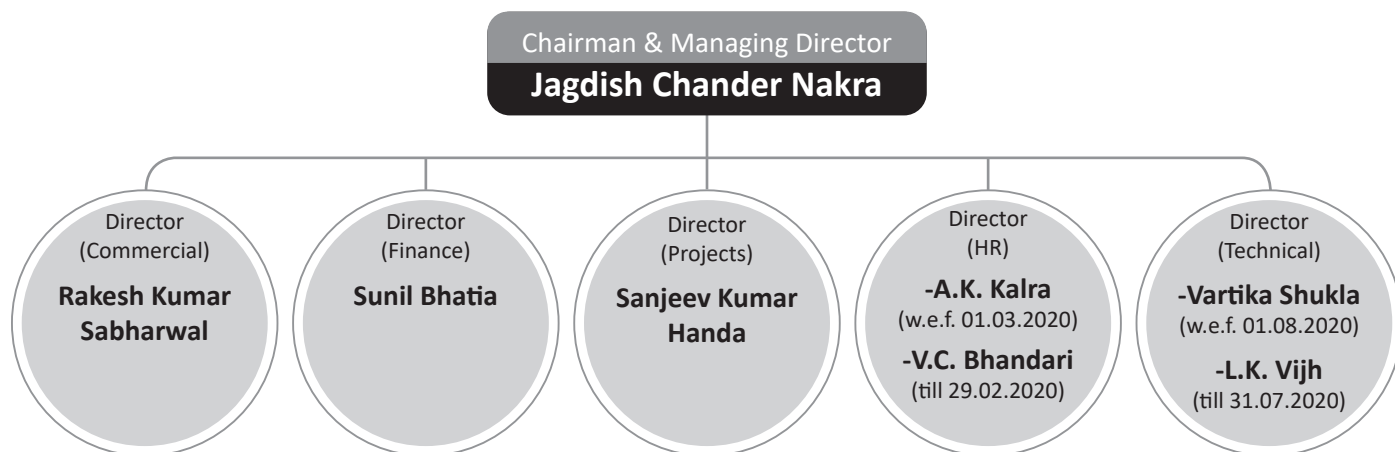
The major awards include Corporate Awards 2019 in 'Best Growth Performance - Engineering Projects/ Capital Goods category' by Dun & Bradstreet, First Prize in the 'Energy Efficient Technology Provider and Impact created' category in 3<sup>rd</sup> National Energy Efficiency Circle Competition by CII, Special Commendation in the category 'R&D Company of the Year' during Downstream India Excellence Award 2019, 'Industry Excellence Award 2019' by the Institution of Engineers (India) and 7<sup>th</sup> PSU Awards in four categories – 'Research and Innovation, Strategic Investment, Leadership and HR Excellence' by Governance Now.

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 compliances 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



## Non-Executive Directors

|   |  |   |
|---|--|---|
| <b>Ashish Chatterjee</b><br>Director (Govt. Nominee)<br>(till 12.12.2019)                 | <b>B.N. Reddy</b><br>Director (Govt. Nominee)                                      | <b>Sunil Kumar</b><br>Director (Govt. Nominee)<br>(w.e.f. 12.12.2019)                       |
| <b>Dr. (Prof.) Mukesh Khare</b><br>Non-official Independent Director<br>(till 19.11.2019) | <b>Arusha Vasudev</b><br>Non-official Independent Director<br>(till 19.11.2019)    | <b>Vikas Khushalrao Deshpande</b><br>Non-official Independent Director<br>(till 19.11.2019) |
| <b>Umesh Chandra Pandey</b><br>Non-official Independent Director<br>(till 19.11.2019)     | <b>Shazia Ilmi Malik</b><br>Non-official Independent Director<br>(till 30.01.2020) |   |
| <b>Chaman Kumar</b><br>Non-official Independent Director                                  | <b>Rajesh Kumar Gogna</b><br>Non-official Independent Director                     | <b>M. Arulmurugan</b><br>Non-official Independent Director                                  |

**Company Secretary**

**Suvendu Kumar Padhi**



# Brief Profiles of the Directors



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

Shri J.C. Nakra is the Chairman & Managing Director of our Company. In a career spanning over 39 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 R.K. Sabharwal**  
Director (Commercial)

Shri R.K. Sabharwal is the Director (Commercial) of our Company. He has more than 37 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 Sunil Bhatia**  
Director (Finance)

Shri Sunil Bhatia is the Director (Finance) of our Company. In a career spanning over 33 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**  
Director (Projects)

Shri Sanjeev Kumar Handa is the Director (Projects) of our Company. A Chemical Engineering graduate from DCET, Panjab University, Chandigarh, he joined EIL as Management Trainee in year 1983. He has over 37 years of extensive design & engineering experience across entire Hydrocarbon value chain & has handled many major Grass Root as well as Brown Field Revamps from concept to commissioning. His varied experience includes Process Design, Detail Engineering & Project Management in areas of Refineries, Petrochemicals, Oil & Gas processing, Fertilisers as well as Storage Terminals. He has wide experience in critical areas of project execution ranging from concept to commissioning. These include project conceptualisation, feasibility studies, technology selection, design & engineering as well as project management. He specialises in execution of revamp projects due to his involvement in multiple revamp projects involving capacity expansion, yield & energy improvement as well as upgradation. He has widely traveled & worked closely with various licensors & international engineering consultants.

He is responsible for functioning of the Project Directorate of EIL comprising of six Project Verticals, Project Control & Planning, Cost Engineering as well as Construction Division. With an aim to ensure timely execution of the Projects undertaken by EIL, he oversees & monitors the progress of various Projects under execution at multiple sites for a number of clients, both domestic as well as overseas.

Shri SK Handa is also on the Board of Ramagundam Fertilisers & Chemicals Limited (RFCL) as nominee of EIL. Previously, he has served as Part time Director on the Board of EIL's wholly owned subsidiary, Certification Engineers International Limited (CEIL) for over three years.



**Shri A. K. Kalra**  
Director (HR)

Shri A. K. Kalra is the Director (HR) of our Company. He is a Civil Engineering Graduate from Regional Engineering College (Presently NIT) Rourkela-1985 batch and acquired post graduate qualification of MBA (HR) in 2011.

He joined EIL in 1992 with prior experience in various fields of Construction. He has worked at multiple projects in the field of Refineries, Petrochemicals, Pipelines, Infrastructure etc. After having more than 21 years of overall experience in Projects/Construction, he has been associated with HR Directorate since 2007.

He has experience in various facets of HR functions viz. Manpower Planning, Talent Acquisition, Talent Development, Performance Management, Compensation & Benefits, Policy formulations, Grievance Redressal, Welfare, Administration, Training, Industrial Relations, Talent Retention, Corporate Affairs etc.

He has been involved in Formulation of HR Vision, Mission & Objectives, Organization Restructuring, Institutionalizing Leadership Development Programme, Implementing Rajbhasha Policy and Transforming HR as a Strategic Partner in the Company's operations.

He has extensive contribution in digitization of HR Processes & Policies, Corporate Planning, Corporate Branding and CSR. He is a certified Work Place Coach and a Mentor.



**Smt. Vartika Shukla**  
Director (Technical)

Smt. Vartika Shukla is the Director (Technical) of our Company. She graduated in Chemical Engineering from Indian Institute of Technology, Kanpur in 1988 and is certified with an Executive General Management Program from IIM (Lucknow). Smt. Shukla started her career as a Management Trainee in EIL's Process Division in 1988. She possesses over 32 years of extensive consulting experience comprising Design, Engineering and Implementation of complexes in Refining, Gas Processing, Petrochemicals, Fertilizers etc. She has led to the successful completion of many prestigious projects for clients in Oil & Gas and Petrochemical Industry both in India and Overseas.

Smt. Shukla has a wide spectrum of experience across diverse functions of the Technical Directorate. She has steered Process Design, R&D and the entire functions of Engineering i.e., Piping, Equipment, Instrumentation, Electrical, Structural etc. She has been steering several new Initiatives in the areas of BioFuels, Digitalization, Energy Efficiency, Make In India and StartUp Initiative of EIL. She is credited with forging several Collaborative Partnerships for expanding the Technology Portfolio of EIL.

Smt. Shukla is an active member of prominent industry forums like FIPI, CII and FICCI and has served on the Editorial Board of FIPI Journal. In recognition of her outstanding contribution to the Oil and Gas Sector, Smt. Shukla has been bestowed with several prestigious accolades namely, first PETROFED Woman Executive Award, SCOPE Excellence Award and MoP&NG Innovation Award with her team.



**Shri B.N. Reddy**  
Government Nominee Director

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.



**Shri Sunil Kumar**  
Government Nominee Director

Shri Sunil Kumar is a Government Nominee Director of our Company. He is an IRAS Officer (1995 batch) and is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, New Delhi since May, 2019. He is Bachelor of Technology (Petroleum Energy) from IIT(ISM), Dhanbad, Financial Management from NIFM, Faridabad, Masters in Business Administration from BI, School of Management, Oslo, Norway, Executive European MBA from ESCP-EAP, Paris, France, Masters Diploma in Public Administration from IIPA, New Delhi and Logistic Simulation and Planning from Beijing Jiaotong University, Beijing, China. As Joint Secretary (Refineries), he is looking after the matters related to Refineries, Auto Fuel Policy, Petrochemicals, Import/export of crude oil and other petroleum products; Bio Fuels, Renewable Energy and Conservation, Integrated Energy Policy, Climatic Change & National Clean Energy Policy. Before joining MoP&NG, he has worked with Indian Railways in various capacities including Director Finance Expenditure in Railway Board and Chief Project Manager of Accounting Reform Project of Indian Railways.



**Shri Chaman Kumar**  
Non-official Independent Director

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. He was Independent External Monitor for Central Coalfields Ltd., a subsidiary of Coal India Limited, from November, 2013 to 13<sup>th</sup> March, 2019. 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 Rajesh Kumar Gogna**  
Non-official Independent Director

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 M. Arulmurugan**  
Non-official Independent Director

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 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/<br>YEARS                     | 2010-11     | 2011-12     | 2012-13     | 2013-14     | 2014-15     | 2015-16**   | 2016-17     | 2017-18     | 2018-19     | 2019-20     |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>A OPERATING STATISTICS</b>             |             |             |             |             |             |             |             |             |             |             |
| Turnover*                                 | 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 | 3,20,305.08 |
| Other Income                              | 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   | 25,803.46   |
| Expenditure                               | 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 | 2,78,557.64 |
| Prior Period Adjustments (Net)            | 577.45      | 191.57      | 427.75      | 277.07      | 818.15      | -           | -           | -           | -           | -           |
| Profit before Tax                         | 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   | 67,550.90   |
| Tax                                       | 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   | 21,886.97   |
| Deffered Tax (Assets)/Liability           | (3,411.63)  | (3,862.33)  | (2,210.82)  | 550.06      | (90.19)     | 2,433.86    | (3,957.89)  | (3,179.42)  | 871.04      | 2,639.56    |
| Profit after Tax                          | 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   | 43,024.37   |
| Other Comprehensive Income                | -           | -           | -           | -           | -           | (225.53)    | (2,323.06)  | 459.61      | (157.75)    | (3,057.73)  |
| Total Comprehensive income for the year   | -           | -           | -           | -           | -           | 27,393.86   | 30,180.63   | 38,246.85   | 36,849.27   | 39,966.64   |
| Dividend including Dividend Tax           | 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   | 33,005.42   |
| <b>B FINANCIAL POSITION</b>               |             |             |             |             |             |             |             |             |             |             |
| CAPITAL EMPLOYED                          | 1,44,211.97 | 1,84,404.51 | 2,23,754.64 | 2,46,176.04 | 2,56,790.09 | 2,75,700.66 | 2,77,595.99 | 2,26,787.27 | 2,27,584.52 | 2,34,545.74 |
| NON CURRENT ASSETS                        | 35,989.93   | 45,193.81   | 57,767.66   | 55,007.63   | 58,394.32   | 66,011.19   | 78,919.19   | 87,425.20   | 93,641.51   | 1,06,313.21 |
| CURRENT ASSETS                            | 3,10,934.04 | 3,29,212.37 | 3,26,699.21 | 3,20,034.01 | 3,33,200.35 | 3,43,027.81 | 3,52,940.92 | 3,55,606.38 | 3,74,807.32 | 3,96,567.75 |
| EQUITY & LIABILITIES                      |             |             |             |             |             |             |             |             |             |             |
| i) Share Capital                          | 16,846.84   | 16,846.84   | 16,846.84   | 16,846.84   | 16,846.84   | 16,846.84   | 33,693.67   | 31,595.58   | 31,595.58   | 31,595.58   |
| ii) Other Equity                          | 1,27,365.13 | 1,67,557.67 | 2,06,907.80 | 2,29,329.20 | 2,39,943.25 | 2,58,853.82 | 2,43,902.32 | 1,95,191.69 | 1,95,988.94 | 2,02,950.16 |
| NON CURRENT LIABILITIES                   | 2,101.85    | 2,515.21    | 2,479.95    | 2,192.55    | 1,968.61    | 2,365.20    | 2,105.00    | 2,239.28    | 851.18      | 1,442.28    |
| CURRENT LIABILITIES                       | 2,00,610.15 | 1,87,486.46 | 1,58,232.28 | 1,26,673.05 | 1,32,835.97 | 1,30,973.14 | 1,52,159.12 | 2,14,005.03 | 2,40,013.13 | 2,66,892.94 |
| <b>C RATIOS</b>                           |             |             |             |             |             |             |             |             |             |             |
| PBT/Turnover                              | 27.79%      | 24.73%      | 35.55%      | 38.28%      | 27.29%      | 27.78%      | 34.53%      | 31.78%      | 23.22%      | 21.09%      |
| PAT/Turnover                              | 18.51%      | 17.20%      | 25.08%      | 26.31%      | 17.98%      | 18.28%      | 22.44%      | 21.14%      | 15.14%      | 13.43%      |
| PBT/Capital Employed                      | 54.40%      | 49.61%      | 39.82%      | 28.35%      | 18.21%      | 15.23%      | 18.02%      | 25.05%      | 24.94%      | 28.80%      |
| PAT/Net Worth                             | 36.23%      | 34.51%      | 28.09%      | 19.49%      | 11.99%      | 10.02%      | 11.71%      | 16.66%      | 16.26%      | 18.34%      |
| Turnover/Net Worth (number of times)      | 1.96        | 2.01        | 1.12        | 0.74        | 0.67        | 0.55        | 0.52        | 0.79        | 1.07        | 1.37        |
| Sundry Debts/ Turnover (Month's Turnover) | 1.31        | 1.00        | 1.59        | 2.26        | 2.98        | 2.88        | 3.17        | 3.66        | 2.03        | 2.50        |

**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.



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

## Notice

**NOTICE** is hereby given that the 55<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Monday, the 28<sup>th</sup> September, 2020 at 3.00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2020, together with the Directors' 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 31.03.2020, together with the Directors' Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India be and are hereby received, considered and adopted."

2. To declare final dividend for the financial year ended 31.03.2020 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 of ₹1.55/- per share (on face value of ₹5/- each) on equity share capital of the Company amounting to ₹9794.63 lakhs for the financial year ended 31.03.2020 as recommended by the Board in addition to the payment of interim dividend of ₹3.60/- per share as already declared by the Board and paid accordingly."

3. To appoint a Director in place of Shri Rakesh Kumar Sabharwal (DIN: 07484946), 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 Rakesh Kumar Sabharwal (DIN: 07484946), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Commercial) of the Company."

4. To appoint a Director in place of Shri Sunil Bhatia (DIN:08259936), 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 Sunil Bhatia (DIN:08259936), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Finance) of the Company."

5. To authorize Board of Directors of the Company to fix remuneration of Auditors for the Financial Year 2020-21 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 Auditor General of India, for the Financial Year 2020-21."

### SPECIAL BUSINESS

6. To appoint Shri Sunil Kumar (DIN: 08467559) 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 149,152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Sunil Kumar (DIN: 08467559), who was nominated as Director (Government Nominee) by President of India vide MoP&NG letter No. C-31033/1/2016-CA/FTS:42979 dated 12.12.2019 and appointed as an Additional Director w.e.f. 12.12.2019 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 a 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. 12.12.2019 for a period of three years on co-terminus basis or until further orders, whichever is earlier."

7. To appoint Shri Ashok Kumar Kalra (DIN: 08698203) as Director (HR) 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 Ashok Kumar Kalra (DIN: 08698203), who was nominated as Director (HR) by President of India vide MoP&NG letter No.CA-31018/4/2018-



PNG (23773) dated 04.11.2019 and appointed as an Additional Director w.e.f. 01.03.2020 (date of assumption of charge) by the Board of Directors to hold the post of Director (HR) 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 (HR) of the Company, liable to retire by rotation, to hold office from the date of his assumption of charge of the post (i.e. 01.03.2020) till the date of his superannuation (i.e. 30.09.2023) 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."

8. To appoint Smt. Vartika Shukla, (DIN: 08777885) as Director (Technical) 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, Smt. Vartika Shukla (DIN: 08777885), who was nominated as Director (Technical) by President of India vide MoP&NG letter No. CA-31018/1/2019-PNG (28282) dated 17.04.2020 and appointed as an Additional Director w.e.f. 01.08.2020 (date of assumption of charge) by the Board of Directors to hold the post of Director (Technical) 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 herself in writing proposing her candidature for the office of Director, be and is hereby appointed as Director (Technical) of the Company, liable to retire by rotation, to hold office for a period of five years from the date of her assumption of charge of the post (i.e. 01.08.2020) till the date of her superannuation or until further orders of the Government, whichever is earliest, on such terms & conditions, remunerations and tenure as may be determined by the President of India/ Government of India from time to time."

By order of the Board of Directors

Place: New Delhi  
Date : : 18<sup>th</sup> August , 2020

(S. K. Padhi)  
Company Secretary

Registered Office:  
Engineers India House  
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 8 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. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. Thus the forthcoming AGM will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting vote by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. **Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, Authorised Representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.**
5. In view of present situation and as per MCA directives, Notice along with Annual Report of the Company is being sent through e-mail only to those shareholders whose email-ids are registered with the Company/Depository Participants.
6. Members can also access the Annual Report at the website of the Company/NSE/BSE ([www.engineersindia.com](http://www.engineersindia.com)/[www.nseindia.com](http://www.nseindia.com)/[www.bseindia.com](http://www.bseindia.com)). AGM Notice is also available on the website of CDSL (agency for providing the Remote e-voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com). Kindly note that no request for the physical copy of Annual Report shall be entertained by the Company as per relevant MCA circulars on account of COVID-19 pandemic.
7. The facility for joining the 55<sup>th</sup> AGM by Members through VC/OAVM shall be kept open 15 minutes before the time scheduled to start the Meeting and shall remain open till the expiry of 15 minutes after such scheduled time of the Meeting. Members can join the same by following the procedure mentioned in the Notice. The facility of participation at the 55<sup>th</sup> AGM through VC/OAVM will be made available for 1000 members on first-come-first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first-come first-served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. 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 8<sup>th</sup> October, 2020 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 on record date i.e. the close of business hours on Monday, 14<sup>th</sup> September, 2020;
  - 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 on record date i.e. the close of business hours on Monday, 14<sup>th</sup> September, 2020.
10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April, 1 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act 2020, relevant Circulars and amendments thereof, if any.
  - The Shareholders are requested to update their PAN with M/s Alankit Assignments Limited, Registrar and Transfer Agent of the Company, (in case of shares held in physical mode) and depositories (in case of shares held in Demat mode).
  - Shareholders are requested to note that in case their PAN is not registered/updated by September, 14, 2020 till 11:59 P.M. (IST) tax will be deducted at 20% or applicable rate whichever is higher.
  - For Resident Individual, a yearly declaration in Form 15H/15G as applicable may be submitted (in duplicate in the prescribed form) in case tax for the previous year on Shareholder's estimated total income will be NIL. This shall be submitted along with copy of PAN to avail the benefit of non-deduction of tax at source by email to [virenders@alankit.com](mailto:virenders@alankit.com) by September, 14, 2020 till 11:59 P.M. (IST).
  - For shareholders submitting valid Lower Deduction certificates u/s 197, rates of tax deduction shall be rates as mentioned in the Lower Deduction Certificate. These shall be submitted by Shareholder to [virenders@alankit.com](mailto:virenders@alankit.com) by September, 14, 2020 till 11:59 P.M. (IST).
  - All Non- Resident shareholders other than FPI/FII are required to submit "NO Permanent Establishment (PE) in India declaration" in absence of which TDS shall be deducted as per applicable rates.
  - Non-residents shareholders other than FPI/FII can avail beneficial rates under tax treaty between India and their country of residence subject to providing necessary documents listed below:





1. PAN, if available
2. Tax Residency Certificate (TRC) valid for FY 2020-21 obtained from authorities of the Country where shareholder is Resident
3. Form 10F duly filled
4. Declaration to the effect that:
  - i. Dividend Income is not attributable to any Permanent Establishment (PE) or Fixed Base in India
  - ii. Non-resident is Eligible to claim benefit of DTAA. Shareholder has no reason to believe that his/her claim for the benefits of the DTAA is impaired in any manner
  - iii. Non- Resident receiving Dividend Income is beneficial owner of shares
  - iv. Shareholder is and will continue to remain a tax resident of the country of its residence during the financial year 2020-21.

The aforesaid declaration and documents need to be submitted by the shareholder by September, 14, 2020 till 11:59 P.M (IST).

The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and its completeness to the satisfaction of the Company.

In case the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the aforementioned details/documents by September, 14, 2020 till 11:59 P.M(IST) , the shareholder may claim an appropriate refund in the return of income filed with their respective Tax authorities.

No claim shall lie against the Company for such taxes deducted.

#### 11. 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 Alankit Assignments Limited, if not updated. 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.

As per MCA Circular No 20/2020 dated May 05, 2020, payment of dividend shall be made through electronic mode only. In the case of non-availability of bank details, the Company shall upon normalization of postal service, dispatch the dividend warrant or Demand Draft to such shareholders by post, which might get delayed in certain areas. Accordingly, all the shareholders, whose

bank details are not updated or receiving dividend in physical mode, are requested to update their bank details to receive dividend through electronic mode.

12. 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 Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110055, India (Tel No.91-11-42541234, Fax No.91-11-42541201, Email:virenders@alankit.com, Website:www.alankit.com for assistance in this regard.
13. 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 case the shares are held by them in electronic form and with Registrar and Share Transfer Agent of the Company in case the shares are held by them in physical form.
14. 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 Registrar and Share Transfer Agent of the Company in case the shares are held in physical form.
15. Members holding shares in physical form in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent of the Company, 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.
16. In case of joint holders, 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 at the AGM.
17. 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. For details of year wise dividend unpaid/unclaimed, Shareholders may refer to our website at <https://engineersindia.com/investors/corporate-governance/>. The Members, whose unclaimed dividends/shares have been transferred 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.
18. All documents referred to in the Notice calling the AGM and the Explanatory Statement are available on the website of the Company for inspection by the Members.

19. Pursuant to the requirements of Corporate Governance, brief resume of the Directors proposed for appointment/re-appointment are annexed with the Notice.
20. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 14/2020 dated April 8, 2020.
21. Since the AGM will be held through VC/OAVM, the route map is not annexed to the Notice.
22. Voting through electronic means/Venue e-voting
  - 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 CDSL, on all the resolutions set forth in this Notice.
  - ii. The Board of Directors has appointed Shri Santosh Kumar Pradhan, Practicing Company Secretary (C.P.No. 7647) as the Scrutinizer to scrutinize Venue e-voting and remote e-voting process in a fair and transparent manner.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Friday, 25<sup>th</sup> September, 2020 at 9.30 a.m (IST) and ends on Sunday, 27<sup>th</sup> September, 2020 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Monday, 21<sup>st</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

|  |   |
|--|---|
|  | For Shareholders holding shares in Demat Form and Physical Form |
|--|---|

|  |  |
|--|--|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>               |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Engineers India Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES/ COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**



1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [virenders@alankit.com](mailto:virenders@alankit.com).
2. For Demat shareholders , please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [virenders@alankit.com](mailto:virenders@alankit.com).

#### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting (18<sup>th</sup> September, 2020)** mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting (18<sup>th</sup> September, 2020)** mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in). These queries will be replied to by the company suitably during the meeting, if time permits.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions, subject to the availability of time, during the meeting.

#### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as

the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

#### Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### Other Instructions

- i. 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.
- ii. Any person, who acquires shares of the Company and become a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Monday, 21<sup>st</sup> September, 2020 can also request for the soft copy of Annual report/ Notice by sending a request at [virenders@alankit.com](mailto:virenders@alankit.com).
- iii. The Chairman & Managing Director shall, at the 55<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow e-voting during the AGM with the assistance of Scrutinizer, for all those members who have attended 55<sup>th</sup> AGM through VC/ OAVM and have not casted their votes by availing the remote e- voting facility.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and venue e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than

forty eight hours 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.

- v. 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 CDSL (agency for providing e-voting platform) at [www.evotingindia.com](http://www.evotingindia.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.
- vi. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 55<sup>th</sup> Annual General Meeting i.e. Monday, 28<sup>th</sup> September, 2020.

#### 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 8 of the accompanying Notice:

##### Item No.6

Shri Sunil Kumar has been appointed as an Additional Director (Government Nominee) on the Board of EIL effective from 12.12.2019 in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31033/1/2016-CA/FTS:42979 dated 12.12.2019. In terms of Section 161 of the Companies Act, 2013, he holds office up to 55<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 Sunil Kumar as candidature for the office of Director. Shri Sunil Kumar, 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, 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 55<sup>th</sup> Annual General Meeting.

Except Shri Sunil Kumar, 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.7

Shri Ashok Kumar Kalra was appointed as an Additional Director and designated as Director (HR) on the Board of EIL effective from 01.03.2020 (i.e. from the date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/4/2018-PNG (23773) dated 4.11.2019. Pursuant to the provisions under Section 161 of the Companies Act, 2013, he holds office up to the 55<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 Ashok Kumar Kalra, 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 55<sup>th</sup> Annual General Meeting.

Except Shri Ashok Kumar Kalra, 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.8

Smt. Vartika Shukla was appointed as an Additional Director and designated as Director (Technical) on the Board of EIL effective from 01.08.2020 (i.e. from the date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/1/2019-PNG (28282) dated 17.04.2020. Pursuant to the provisions under Section 161 of the Companies Act, 2013, she holds office up to the 55<sup>th</sup> Annual General Meeting of the Company. 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. Smt. Vartika Shukla, 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 55<sup>th</sup> Annual General Meeting.

Except Smt. Vartika Shukla, 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 her as Director of the Company. The Board recommends the resolution for your approval.

By order of the Board of Directors

Place: New Delhi  
Date : : 18<sup>th</sup> August , 2020

(S. K. Padhi)  
Company Secretary

Registered Office:  
Engineers India House  
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)



**ANNEXURE TO THE NOTICE****BRIEF DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT  
AT THE 55<sup>th</sup> ANNUAL GENERAL MEETING****Item No. 3**

|   |  |
|---|--|
| <b>Name</b>   | : Shri Rakesh Kumar Sabharwal  |
| <b>Date of Birth/Age</b>  | : 20.05.1962/58 Years  |
| <b>Date of appointment</b>  | : 27.09.2016   |
| <b>Qualification</b>  | : B.E. Mech. from Punjab Engineering College, MBA from IGNOU, LLB from Delhi University, Certificate in Export Marketing from IIFT   |
| <b>Share holding in EIL</b>   | : 7400 Equity Shares   |
| <b>Experience in specific Functional Areas</b>  | <p>He has more than 37 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.</p> <p>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.</p> |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : 4  |
| <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. 4**

|  |  |
|--|--|
| <b>Name</b>                                    | : Shri Sunil Bhatia  |
| <b>Date of Birth/Age</b>                       | : 09.06. 1961/59 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> | <p>In a career spanning over 33 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 &amp; 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.</p> |

|   |   |  |
|---|---|--|
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : | 4  |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers and Chemicals Limited (RFCL)<br>Certification Engineers International Limited (CEIL)  |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member-Stakeholders' Relationship Committee-EIL<br>Member-Audit Committee-Certification Engineers International Limited.<br>Member-Audit Committee-Ramagundam Fertilizers and Chemicals Limited. |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None   |

## Item No. 6

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | Shri Sunil Kumar   |
| <b>Date of Birth/Age</b>  | : | 16.08.1970/50 years  |
| <b>Date of appointment</b>  | : | 12.12.2019   |
| <b>Qualification</b>  | : | Bachelor of Technology (Petroleum Energy) from IIT(ISM), Dhanbad, Financial Management from NIFM, Faridabad, Masters in Business Administration from BI, School of Management, Oslo, Norway, Executive European MBA from ESCP-EAP, Paris, France, Masters Diploma in Public Administration from IIPA, New Delhi, Logistic Simulation and Planning from Beijing Jiaotong University, Beijing, China.  |
| <b>Share holding in EIL</b>   | : | NIL  |
| <b>Experience in specific Functional Areas</b>  | : | He is an IRAS Officer (1995 batch) and is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, New Delhi since May, 2019. He is Bachelor of Technology (Petroleum Energy) from IIT(ISM), Dhanbad, Financial Management from NIFM, Faridabad, Masters in Business Administration from BI, School of Management, Oslo, Norway, Executive European MBA from ESCP-EAP, Paris, France, Masters Diploma in Public Administration from IIPA, New Delhi and Logistic Simulation and Planning from Beijing Jiaotong University, Beijing, China. As Joint Secretary (Refineries), he is looking after the matters related to Refineries, Auto Fuel Policy, Petrochemicals, Import/export of crude oil and other petroleum products; Bio Fuels, Renewable Energy and Conservation, Integrated Energy Policy, Climatic Change & National Clean Energy Policy. Before joining MoP&NG, he has worked with Indian Railways in various capacity including Director Finance Expenditure in Railway Board and Chief Project Manager of Accounting Reform Project of Indian Railways. |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : | 4  |
| <b>Directorship held in other Public Companies</b>                                      | : | Hindustan Petroleum Corporation Limited<br>Mangalore Refineries and Petrochemicals 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. 7

|                             |   |   |
|-----------------------------|---|---|
| <b>Name</b>                 | : | Shri Ashok Kumar Kalra  |
| <b>Date of Birth/Age</b>    | : | 23.09.1963/57 years   |
| <b>Date of appointment</b>  | : | 01.03.2020  |
| <b>Qualification</b>        | : | B.Sc. Engg.-Civil from Regional Engineering College (presently NIT) Rourkela in 1985<br>MBA (HR) in 2011. |
| <b>Share holding in EIL</b> | : | 2934  |



|   |  |
|---|--|
| <b>Experience in specific Functional Areas</b>  | : He joined EIL in 1992 with prior experience in various fields of Construction. He has worked at multiple projects in the field of Refineries, Petrochemicals, Pipelines, and Infrastructure etc. After having more than 21 years of overall experience in Projects/ Construction, he has been associated with HR directorate since 2007. He has experience in various facets of HR functions viz. Manpower Planning, Talent Acquisition, Talent Development, Performance Management, Compensation & Benefits, Policy Formulation, Grievance Redressal, Welfare, Administration, Training, Industrial Relations, Talent Retention, Corporate Affairs, etc.<br><br>He has been involved in formulation of HR Vision, Mission & Objectives, Organization Restructuring, Institutionalizing Leadership Development Programme, Implementing Rajbhasha Policy and Transforming HR as a Strategic Partner in the Company's operations. He has extensive contribution in digitization of HR Processes & Policies, Corporate Planning, Corporate Branding and CSR. He is a certified Work place coach and a Mentor. |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : -  |
| <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>   | : Smt. Vartika Shukla   |
| <b>Date of Birth/Age</b>  | : 14.02.1966/54 years   |
| <b>Date of appointment</b>  | : 01.08.2020  |
| <b>Qualification</b>  | : B. Tech. (Chemical Engg.), IIT Kanpur, Certification-Executive General Management Programme), IIM Lucknow   |
| <b>Share holding in EIL</b>   | : 1400 shares   |
| <b>Experience in specific Functional Areas</b>  | : She possesses over 32 years of extensive consulting experience comprising Design, Engineering and Implementation of complexes in Refining, Gas Processing, Petrochemicals, Fertilizers etc. She has led to the successful completion of many prestigious projects for clients in Oil & Gas and Petrochemical Industry both in India and Overseas.<br><br>Smt. Shukla has a wide spectrum of experience across diverse functions of the Technical Directorate. She has steered Process Design, R&D and the entire functions of Engineering i.e., Piping, Equipment, Instrumentation, Electrical, Structural etc. She has been steering several new Initiatives in the areas of BioFuels, Digitalization, Energy Efficiency, Make In India and StartUp Initiative of EIL. She is credited with forging several Collaborative Partnerships for expanding the Technology Portfolio of EIL.<br><br>Smt. Shukla is an active member of prominent industry forums like FIPI, CII and FICCI and has served on the Editorial Board of FIPI Journal. In recognition of her outstanding contribution to the Oil and Gas Sector, Smt. Shukla has been bestowed with several prestigious accolades namely, first PETROFED Woman Executive Award, SCOPE Excellence Award and MoP&NG Innovation Award with her team. |
| <b>Number of Board Meeting attended(FY 2019-20)</b>                                     | : -   |
| <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.

Note: For other relevant details in respect of above Directors, kindly refer Corporate Governance Report which forms part of this Annual Report.

## Directors' Report

To

The Shareholders  
Engineers India Limited

Dear Shareholders,

Directors of your Company have great pleasure in presenting the 55<sup>th</sup> Annual Report for the Financial Year ended March 31, 2020 along with Audited Standalone and Consolidated Financial Statements of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller & Auditor General of India.

### 1. 2019-20 in Retrospect

Your Company sustained its good performance during FY 2019-20. 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 2019-20 | Actual 2018-19 |
|--|--|----------------|----------------|
| <b>A. INCOME</b>                           |  |                |                |
| i)   | Consultancy & Engineering Contracts          | 156531         | 134947         |
| ii)  | Turnkey Contracts                            | 163774         | 109487         |
| iii)                                       | Other Income                                 | 25804          | 22508          |
|  | <b>TOTAL INCOME</b>                          | <b>346109</b>  | <b>266942</b>  |
| <b>B. EXPENDITURE</b>                      |  |                |                |
| i)   | Cost of rendering services                   | 276175         | 207955         |
| ii)  | Depreciation & Amortization                  | 2383           | 2236           |
|  | <b>Total</b>                                 | <b>278558</b>  | <b>210191</b>  |
| <b>C. PROFIT BEFORE TAX (A-B)</b>          |  | <b>67551</b>   | <b>56751</b>   |
| D.   | Provision for Current tax                    | 21936          | 19470          |
| E.   | Provision for Deferred Tax                   | 2640           | 871            |
| F.   | Earlier Year Tax Adjustments, Short/(Excess) | (49)           | (597)          |
| <b>G. PROFIT FOR THE YEAR (C-D-E-F)</b>    |  | <b>43024</b>   | <b>37007</b>   |
| <b>H. OTHER COMPREHENSIVE INCOME</b>       |  | <b>(3057)</b>  | <b>(158)</b>   |
| <b>I. TOTAL COMPREHENSIVE INCOME (G+H)</b> |  | <b>39967</b>   | <b>36849</b>   |

Turnover for FY 2019-20 has been the highest ever turnover of the Company after FY 2011-12.

#### Segment wise Performance (Figures in ₹ Lakhs)

| Consultancy & Engineering Projects | Year ended 31.03.2020 | Year ended 31.03.2019 |
|------------------------------------|-----------------------|-----------------------|
| <b>Segment Revenue</b>             |                       |                       |
| Consultancy & Engineering Projects | 156531                | 134947                |
| Turnkey Projects                   | 163774                | 109487                |
| <b>Total</b>                       | <b>320305</b>         | <b>244434</b>         |

| Consultancy & Engineering Projects    | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---------------------------------------|-----------------------|-----------------------|
| <b>Segment Profit From Operations</b> |                       |                       |
| Consultancy & Engineering Projects    | 49892                 | 38938                 |
| Turnkey Projects                      | 6545                  | 6279                  |
| <b>Total (A)</b>                      | <b>56437</b>          | <b>45217</b>          |
| Interest                              | 174                   | 123                   |
| Other un-allocable expenditure*       | 14516                 | 10851                 |
| <b>Total (B)</b>                      | <b>14690</b>          | <b>10974</b>          |
| <b>Other Income(C)</b>                | <b>25804</b>          | <b>22508</b>          |
| <b>Profit Before Tax(A-B+C)</b>       | <b>67551</b>          | <b>56751</b>          |
| <b>Income Tax Expense</b>             | <b>24527</b>          | <b>19744</b>          |
| <b>Profit for the year</b>            | <b>43024</b>          | <b>37007</b>          |
| <b>Capital Employed**</b>             | <b>234546</b>         | <b>227585</b>         |

\* Financial year 2019-20 includes expenditure on Oil and Gas exploration blocks including dry well written off and impairment amounting to ₹2,985 Lakhs (previous year: ₹1,794 Lakhs)

\* Includes ₹ 1630.10 lakhs (previous year : Nil) of accrued provident fund liability for default till 31-03-2020 on account of Provident Fund Trust investment.

\*\* 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 your Company has recommended a final dividend of ₹ 1.55/- per share (of face value of ₹5/- per share) for the financial year 2019-20, in addition to interim dividend of ₹3.60/- per share already paid during the year. With this, the total dividend for the financial year 2019-20 works out to ₹ 5.15/- per share amounting to ₹325.43 Lakhs excluding dividend distribution tax on interim dividend. 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 14.09.2020. It may be noted that pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders at prescribed rates in the Income Tax Act, 1961 w.e.f. 1<sup>st</sup> April, 2020.

### 3. Transfer to Reserves

Your Company is proposing to transfer all the balance amount from retained earnings balance of ₹16087.14 Lakhs, after adjustment of payment of proposed final dividend, subject to the approval of the shareholders in AGM, to the General Reserve for the year ended 31<sup>st</sup> March, 2020.





#### 4. Disinvestment by the President of India (Promoter)

The promoter of EIL i.e. President of India acting through the Ministry of Petroleum & Natural Gas has disinvested 31,59,269 equity shares on 10.10.2019 to "Bharat 22 ETF" through a Further Fund offer launched by ICICI Prudential Asset Management Company alongwith the Government of India. Consequently, the President of India shareholding reduced to 32,54,04,724 equity shares constituting 51.50% of the paid-up equity share capital of the Company.

#### 5. Investors Relations

Your Company is committed to continuously improve its Corporate Governance Practices and Policies for effectively managing its business and for protecting the interests of all Stakeholders.

Your Management is responsive for ensuring that the performance of the Company, Business Outlook and Growth Strategies are reported to its Shareholders, Investment Community, Concerned Regulators and Public on a regular basis.

To achieve the above objective, our Investor Relations (IR) Cell acts as a nodal intermediary with Investment Community for disseminating vital information pertaining to the Company in timely, accurate and consistent manner. IR Cell is responsible for effectively utilizing channels of communication like press releases, websites, participation in conferences, analyst meets, besides having one-to-one meetings for sharing crucial Company information such as financial results, dividend policy, shareholding pattern, investor presentations and material news updates. Senior Management is actively engaged in annual meets and conferences for facilitating the Financial Community to comprehend Company's business model and to share with them new business areas, strategic outlook, and direction coupled with growth plans. Earning calls are generally held after the declaration of Quarterly/ Annual Results so that stakeholders are updated about significant developments of the preceding quarter. Major events, milestones and plans are shared within stipulated timelines with Stock Exchanges to keep them informed on the Company's performance and future outlook.

Your Company remains committed to creation of an open and transparent environment for reaching out to existing and potential Investors and other Stakeholders, thereby instilling trust and confidence leading to a harmonious relationship with the Investors.

#### 6. Management Discussion & Analysis

The Management Discussion & Analysis (MDA) Report, as required under Corporate Governance guidelines, has also been incorporated as a separate section forming a part of the Annual Report.

#### 7. Business Responsibility Report

The Business Responsibility Report covering initiatives taken with environmental, social and governance perspective has been prepared in accordance with the directives of SEBI and forms a part of the Annual Report.

#### 8. Consultancy Assignments (Domestic)

##### 8.1 Upstream Oil and Gas

During the year, Your Company continued to make considerable progress in Offshore Oil & Gas and LNG sectors. The following consultancy assignments were successfully completed during the year:

- Consultancy services for 10 wellhead platforms under Life Extension of Wellhead Platform (LEWP-3), Western Offshore of Oil and Natural Gas Corporation (ONGC).
- PMC services for Dahej Expansion Phase-IIIB1 project at Dahej LNG Terminal, Gujarat for Re-gasification facilities for Petronet LNG Limited.

The following assignments are currently under execution:

- Construction of Fifth Oil Berth at Jawahar Dweep Island of Mumbai Port Trust, Maharashtra.
- Consultancy Services for Life Extension of Wellhead Platform (LEWP) 1, 2 and 4, Western Offshore of ONGC.
- 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.

During the year, your Company secured the following new orders against stiff competition and work is in progress for these assignments:

- Technical Feasibility Study for successful Operation of LP Compressor at ARP Project, Assam of ONGC.
- Pre-Feasibility Study for upcoming Naphtha and HFHSD handling facility for storage and transportation of Uran Naphtha to Hazira of ONGC.
- FEED for 2 nos. LNG storage tanks for Petronet LNG, Dahej, Gujarat. FEED is in advance stage of completion.
- DFR for Single Point Mooring (SPM) at Padur for Indian Strategic Petroleum Reserves Limited (ISPRL).
- Consultancy services for design, engineering and technical studies, supervision and assistance for crude handling facilities project in Gulf of Kutch off Vadinar, Gujarat.
- PMC for HSEPL's LNG import, storage and re-gasification terminal with capacity of 5 MMTPA with potential expansion to 10 MMTPA capacity at village Chhara, Gujarat.

#### 8.2 Pipelines

Your Company has established an outstanding 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 in domestic as well as international markets. EIL scope of services encompasses the entire project life cycle ranging from Detailed Feasibility Reports, EPCM (Engineering, Procurement and Construction Supervision) services, PMC (Project Management Consultancy) services, Integrity Studies etc. By virtue of EIL's skills in executing world class pipeline projects, EIL is the most sought after technical consultant for major clientele.

Considering Government of India's (GOI) thrust on National Gas Grids, EIL is best placed to exploit the opportunities in pipeline sector which are likely to unfold in the next five years. M/s Numaligarh Refinery Limited has reposed their confidence in EIL's capabilities by awarding EPCM Services for Crude Oil Terminal (COT) at Paradip, 28" x 1,400 km Paradip - Numaligarh Crude Oil Pipeline (PNCPL) and 24" x 610 km NRL - Siliguri Product Pipeline (NSPPL). The proposed COT, PNCPL and NSPPL project involves laying of pipelines of cumulative length around 2,100 km across Odisha, Jharkhand, West Bengal and Assam. Similarly, BPCL has also awarded the assignment of EPCM Services for Alternate Water Supply Scheme (AWSS) of BPCL Kochi Refinery (Pipeline 32"x 26 km).

Your Company had successfully completed the following pipeline projects in this financial year:

- PMC services for 24"/18"/8"/4" x 243 km Replacement of KG Basin Pipeline for GAIL.
- EPCM services for 18" x 234 km Palanpur-Vadodara Multiproduct Pipeline and Mundra-Delhi Pipeline Capacity Expansion from 5.0 MMTPA to 8.0 MMTPA of HPCL.
- Engineering and Consultancy services for 18" x 362 Km

Khunchanpalli-Ramagundam Pipeline project of GSPL India Transco Limited in Andhra Pradesh.

- Engineering and Procurement Services for Mundra-Bathinda Pipeline Capacity Expansion from 9 MMTPA to 11.25 MMTPA of HPCL-Mittal Pipeline Ltd.
- DFR for various crude/multi-product/Propylene Pipeline from BPCL Mumbai Refinery to Rasayani Petrochemical Complex and Propane Pipeline from BPCL Uran to Rasayani Petrochemical Complex, Dist. Raigad for BPCL.
- DFR for Additional Crude Unloading, Storage & Transportation Facilities at Mundra, Gujarat of HMPL.

Your Company is executing following major pipeline projects for various customers which are in different stages of progress.

- DFR, QRA/RRA for Revamp of LPG Import Facility at Uran for BPCL.
- PMC services for 18" x 45 km Re-routing of Mumbai-Manmad Pipeline for BPCL.
- PMC services for 12"/ 8" x 450 km Kochi-Salem LPG Pipeline for KSPPL.
- PMC services for capacity augmentation of Jamnagar-Loni LPG Pipeline for GAIL.
- Modification/Revamp of Vijaipur 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 Vijaipur-Auraiya Natural Gas Pipeline of GAIL.
- Upgradation project for enhancement of pumping capacity of Barauni-Bongaigaon-Guwahati Sector of Naharkatia-Barauni Crude Oil Pipeline for Oil India Limited.
- PMC services for new selected C<sub>2</sub>-C<sub>3</sub> product injection scheme in HVJ pipeline at GAIL, Vijaipur.
- EPCM services for laying of 16" x 4.2 km pipeline from H<sub>2</sub>SO<sub>4</sub> Tank of IOCL Haldia Refinery to existing IOCL jetty.
- PMC services for HRRL Onshore Pipeline Project.
- EPCM services for 10" x 131 km, HSD India-Bangladesh Friendship Pipeline Project (IBFPL) from Siliguri, India to Parbatipur, Bangladesh.
- PMC services for Storage Augmentation of Light Hydrocarbon (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.
- PMC Services for Balance Jobs of Dabhol LNG Terminal of M/s. Konkan LNG Pvt. Ltd.

The following major projects were secured by the Company in the Pipeline Segment of hydrocarbon value chain during the year and are in progress:

- DFR for Naharkatiya-Barauni Crude Oil Pipeline Phase-3 of OIL.
- DFR for upgradation of Numaligarh-Siliguri Product Pipeline of OIL.
- PMC services for Installation of Gas Turbine Compressor (GTC) at GAIL, Gandhar, Gujarat.

- EPCM services for Western Gateway Project Early Production facilities of WCPL.

### 8.3 Petroleum Refining

Your Company has carved a niche as one of the leading engineering consultancy service providers to the refinery sector in India, having its footprints in 20 operating refineries including 10 grass root refineries in the country, Diesel Hydro-desulphurization projects, Fuel Specification Upgradation Projects and revamp/modernization projects for most of the Oil & Gas majors.

The following Refinery Projects/Assignments were successfully completed during the year:

- PFR for West Coast Refinery of RRPCL (Ratnagiri Refinery & Petrochemicals Corporation Limited).
- DFR, Licensor Selection and BDEP for few process units for Cauvery Basin Refinery project of Chennai Petroleum Corporation Limited (CPCL) at Nagapattinam, Tamil Nadu.
- Distillate Yield Improvement Project at IOCL, Haldia Refinery, West Bengal.
- EPCM services for 0.7 MMTPA DHDT and supporting facilities project at Numaligarh Refinery of NRL, Assam.
- PMC and EPCM services for Gasoline Hydrotreating Unit Project at BPCL, Mumbai Refinery, Maharashtra to produce BS-VI quality Gasoline.
- Detailed Design Consultancy services for MS Block Revamp Project of M/s NRL, Numaligarh, Assam.
- BS-VI up-gradation projects of IOCL Mathura, Uttar Pradesh and Digboi, Assam Refineries.
- Health Assessment, Engineering, Procurement Assistance for Revival of Hydrocracker Unit at BPCL Mumbai Refinery, Maharashtra.
- Preparation of Feasibility Study for capacity expansion of BORE's Bina Refinery, Madhya Pradesh from 7.8 MMTPA to 15.0 MMTPA with integrated petrochemical complex.
- License, BDEP and other related services for new 0.235 MMTPA NHT Unit and revamp of existing DHDT Unit at Bongaigaon Refinery, IOCL.
- Water consumption studies of all IOCL, BPCL, HPCL and CPCL refineries.

During the year, the Company achieved significant progress in the following projects, some of which are under final stage of completion:

- EPCM Services for BS-VI Fuel Quality Project of HMEL, Bathinda Refinery, Punjab consisting of a New DHDT (1.9 MMTPA), HGU & Offsite.
- EPCM services for LPG Import facility of BPCL at Haldia, West Bengal.
- MR-II Tankages project of HPCL at Mumbai Refinery, Maharashtra.
- Mumbai Refinery Expansion Project (MREP) of HPCL at Mumbai to produce upgraded BS-VI fuels along with expansion of Plant capacity by 2.5 MMTPA.
- Vizag Refinery Modernization Project of HPCL, Visakhapatnam.
- BDEP of INDJET Unit (ATF Hydro Treating Process) of IOCL, Bihar under R&D initiative of EIL & IOCL.
- The country has achieved supply of BS-VI fuel from April 2020

as various refiners upgraded their facilities in the country to produce the same. Work on some of the units not directly related to BS-VI fuel production is nearing completion.

- EPCM services for BS-VI project & associated facilities at MRPL Refinery, Mangalore, Karnataka to upgrade their products to BS-VI standards.
- PMC and EPCM services for BS-VI Project at BPCL, Kochi Refinery, Kochi, Kerala is in advance stage.
- EPCM services for Kerosene Hydro-Desulphurization unit at BORL Bina Refinery, Madhya Pradesh.
- Feasibility Report of West Coast Refinery of RRPCL for site at Roha, Maharashtra near West Coast based on ICC configuration.
- EPCM Services for Elevated Hot LPG Flare System at Bina Despatch Terminal (BDT) Bina of BPCL.

The following projects were secured during the year and work is in progress:

- Environment Impact Assessment (EIA) Study & Rapid Risk Assessment (RRA) Study for Petro resid fluid catalytic cracker unit (PRFCC) at Mumbai Refinery (MR), Polypropylene Unit at Rasayani and Pipelines from MR to Rasayani for BPCL.
- Phase-I PMC services for PRFCC along with Sulphur Recovery Unit (SRU) associated facilities including Utility & Offsite at Mumbai Refinery and Polypropylene Unit (PPU) along with associated facilities including Utility & Offsite at Rasayani for BPCL.
- Consultancy for overall project management and EPCM services for capacity expansion of IOCL Panipat Refinery, Haryana from 15 MMTPA to 25 MMTPA (P-25) project.
- Detailed Feasibility Report for Marketing Terminal at Barmer, Rajasthan of HPCL.
- Lender's Independent Engineer services for State Bank of India (SBI) for Project Review & Assessment for financing of HRRL's 9.0 MMTPA Refinery cum Petrochemical complex.
- Adequacy check and Basic Engineering for DHDT Naptha splitter revamp at HMEL Bathinda, Punjab.
- Feasibility Study for Capacity Expansion of IOCL's Paradeep Refinery, Odisha from 15.0 MMTPA to 25.0 MMTPA.
- EIA and RRA for Petchem Addition and Capacity Expansion (PACE) Project of MRPL, Karnataka.

#### 8.4 Petrochemicals

Your Company has been involved in the establishment of a large number of 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:

- Study for installation of Flare Recovery Unit, Lower Explosive Limit (LEL) detector Adequacy check, Improvement of Utility System at GAIL, Vijaipur, Madhya Pradesh.
- Evaluation of suitability of new site for re-locating Ratnagiri Refinery and Petrochemicals Limited, Maharashtra.

- Process development and BDEP preparation of Carbonation Process for Alkaline Waste water at GAIL, Pata, Uttar Pradesh.

Significant progress has been made on the following petrochemical projects:

- Propylene Derivative Petrochemical Plant (PDPP) of BPCL, Kochi Refinery, Kerala comprising Acrylic Acid Unit, Oxo-Alcohol Unit and Acrylates Unit.
- LEPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited, Namrup.
- Licensor Selection and Pre-project activity for Andhra Pradesh Petrochemical complex at Kakinada for GAIL/ HPCL.
- Consultancy Services for DFR, EIA/ RRA and Licensor Selection in progress for Propane Dehydrogenation (PDH)/ Polypropylene (PP) Unit at GAIL, Usar in Maharashtra.
- Guru Gobind Singh Refinery (GGSR) Polymer Addition Project of HMEL at Bathinda, Punjab comprising EPCM services for DFCU, Linear low-density polyethylene (LLDPE), High Density polyethylene (HDPE) (Swing) Butene- 1, HDPE & PP Units (Powder Section) and Utilities & Offsite and PMC services for HDPE & PP Units (excluding Powder section).

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

- Setting up of Hydrogenated Pyrolysis Gasoline (HPG)- 2, Butene-1 and Pressure Swing Adsorption (PSA) units in BCPL, Lepetkata.
- EPCM Consultancy Services for replacement of Regenerator Column of Gas Sweetening Unit at GAIL, Pata.
- EPCM services for 60 KTPA Polypropylene plant at Pata Petrochemical Complex, Uttar Pradesh of GAIL.
- PMC Services for new STG Project of HMEL Bathinda, Punjab.

#### 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.

Your Company has been awarded following assignments:

- PMC services for storage of 80,000 MT of LPG in underground rock caverns at Mangalore by HPCL.
- DFR & PMC for Pre-project Activities (PPA) for New SPM facility at Padur, Karnataka by ISPRL.

#### 8.6 Metallurgy

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

During the year, following key metallurgy assignments were completed:

- Detailed Feasibility Report for mechanized production and evacuation for Kurmitar Iron Ore Mines of Odisha Mining Corporation Limited.
- Study of High Rise Structures Stability for Mahan Aluminium Plant.
- Consultancy services for implementation of revised plant operation philosophy (Electrical) for NALCO's Alumina Refinery at Damanjodi, Odisha.

The Company achieved significant progress in following projects:

- Consultancy services for Retrofitting of HRD (High Rate Decanter) and DCW (Deep Cone Washer) in Stream-1, Stream-2 & Stream-3 of NALCO.
- Consultancy services for 2<sup>nd</sup> Raw Water Intake Pump House and Pipeline at Damanjodi of NALCO.
- Consultancy services for procurement and installation of Reclaimer and Associated Facilities in NALCO's Alumina Refinery at Damanjodi, Odisha.
- DFR for Kodingamali Bauxite Mines of Odisha Mining Corporation Limited.

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

- Consultancy services and construction management for addition of 11<sup>th</sup> Rectifier Group (Swing Group) between Potlines 3 & 4 of Aluminium Smelter at NALCO, Angul.
- Consultancy services for assessment of land requirement for common corridor project at Gopalpur, for Industrial Promotion & Investment Corporation of Odisha.
- Consultancy services for preparation of Feasibility Report of Jhamarkotra Rock Phosphate Mines, Udaipur for Rajasthan State Mines & Minerals Ltd.

### 8.7 Infrastructure

Your Company has made a strong track record in Infrastructure sector by providing a wide spectrum of services such as Project Management, Project Management on Depository Basis, 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, following major assignments were completed:

- PMC Services for Development of IIT Patna Campus, Bihar.
- PMC Services for establishing Cold Storage Facility at Guntur, Andhra Pradesh.
- Consultancy Services for Review of Tender Documents for Construction of PLL's Office Building Complex at Dwarka Sector-14, Delhi.
- Consultancy services for Third Party assessment for establishment of Data Centre of Dept. of Information Technology & Communication (DoIT&C), Rajasthan.

Upholding our commitments to customers, your Company continued to achieve substantial progress in following projects:

- PMC services for rejuvenation of 9 cities of Odisha under AMRUT Scheme (Atal Mission for Rejuvenation and Urban Transformation).
- PMC Services for establishment of main campus of Central University of Punjab at Bathinda.
- Extension of TPI services for Infrastructure Projects of Pune Municipal Corporation, Maharashtra.
- PMC Services for Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad, Haryana.
- Engineering PMC for Development of Tourist Infrastructure Facilities in and around Khajuraho Group of Temples, Madhya Pradesh.
- EPCM Services for Development of Infrastructure Facilities at Khaje khalan Ghat, Patna Sahib, Patna, Bihar.

- PMC Services for New Campus Design & Development of IIM Nagpur at MIHAN.
- Independent Engineering Services for Development and Expansion of IGI Airport at Delhi for AAI.
- Independent Engineer for Development and Construction of Green Field International Airport at Mopa, Goa.
- 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, Procurement & Construction Management Services for Phase-II of HP Green R&D centre at Bengaluru of HPCL, Karnataka.

The Company's footprints in Infrastructure sector received an impetus with securing of the following assignments during the year:

- Owner's Engineers services for construction of PLL's office Building at Dwarka Sector-14, Delhi.
- Third Party Auditor Services for Construction of various Institutional Building Infrastructure Facilities in Rajasthan.
- Consultancy Services for preparation of Detailed Project Report for development of Barunei Paika Bidroha Smruti Project at Khurda, Odisha of Indian Oil Foundation (IOF).
- PMC Services for construction of Data Centre, Office Complex & Residential Complex of UIDAI, Delhi.
- Technical assistance for Environmental Clearance of Mopa Airport, Goa.
- Assessment of completion cost of assets occupied by AAI at Kempegowda International Airport (BIAL).

### 8.8 Fertilizers

Your Company is leveraging its capabilities 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 (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.

Pre-commissioning activities are in advance stage of completion.

### 8.9 Water and Waste Management

Your Company has the expertise to undertake a multitude 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 projects were completed during the year:

- DFR for development of treatment facilities and future pipelines for National Green Tribunal.
- DPR for Development of Treatment Plant and Infrastructure facilities at Jhagadia Pumping Station for Narmada Clean Tech.

Following projects are in progress and at various stages of execution:

- Entry level activities including development of Ghats and Crematoriums in 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 Desalination Plant at Mori, Kesrapally and Malleswaram of ONGC Rajahmundry Asset, Andhra Pradesh.
- EPCM Services for Effluent Treatment Plant at Tengakhat, Assam for OIL.
- PMC services for Effluent Treatment Plant revamp at BPCL, Mumbai Refinery.

### 8.10 Nuclear Power

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

### 8.11 Alternate Fuel

In the Alternate Fuels space, your Company is providing EPCM services for Assam Bio Refinery Project of M/s Assam Bio Refinery Pvt. Ltd, the first of its kind plant in India. Engineering, Procurement for Long lead items, Tendering for Utility LSTK packages/ other works and construction activities related to Civil/Structural & Piling works for Building works, Tankages fabrication is in progress at site.

## 9. Overseas Consultancy Assignments

Your Company 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:

- PMC Services for Al Dabbiya ASR Gas Development Project of ADNOC Onshore, UAE.
- 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.
- Project Management Assistance (PMA) services for improvement of Fire fighting Facilities at Abu Dhabi Refinery for ADNOC Refining, UAE.
- PMC Services for Hail Full Field Development Project of M/s ADOC, Japan.
- DFR of 306 km White Petroleum Oil (Multiproduct) Pipeline from Chittagong to Dhaka for Padma Oil Company Limited, Bangladesh.
- Feasibility Study for Energy reduction & optimization at Ruwais Refinery West of M/s ADNOC Refining.
- 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.

- Integrity Assessment of circulation Water Tank T- 5601 of M/s ADNOC Fertilizers, UAE.

Various Engineering, PMC, Technical Support services are being provided to M/s ADNOC Gas Processing, UAE under the following service agreements:

- Technical Support Services Agreement (TSSA) (2018-2023) of M/s ADNOC Gas Processing, UAE.
- PMC Services for Integrated small & medium sized projects (2018-21) of M/s ADNOC Gas Processing, UAE.
- PMC Services on Call Off Basis (2018-23) of M/s ADNOC Offshore, UAE.
- Engineering Services on Call Off Basis (2018-23) of M/s ADNOC Offshore, UAE.

Following overseas assignments are in progress and at various stages of execution:

- EPCM services for the prestigious Dangote Refinery and Petrochemical Project, Nigeria comprising a 650,000 BPSD grass root Petroleum Refinery and 830 KTPA Petrochemical Complex at Lekki Free Trade Zone, Nigeria for Dangote Oil Refining Company (DORC). This will become the largest single train refinery in the world. The Project facilities include crude oil receipt and storage including two SPMs with associated offshore/ onshore pipelines.
- FEED for 3 MMTPA grass root refinery of Eastern Refinery Limited in Bangladesh having 17 units like CDU, VDU, SAT GAS, LPG Treating Unit, NHT, ISOM, CCR, KTU, DHD, HCU, VBU, SWS, ARU, SRU and H2 completed.
- Detailed Engineering Services for recommended Synergy Tie-ins and MP Steam Lines at Ruwais Fertilizer Complex (FERTIL) for ALSA Engineering & Construction, UAE.
- Upper Zakum/Artificial Island facilities - Studies/Engineering Packages (package-1)- under Engineering Service Agreement (ESA).
- Lower Zakum facilities - Studies/Engineering Packages (package-1) - under ESA.
- Additional PMC/EPCM Services for new units, viz. DHD, SWS & ARU in Dangote Refinery, Nigeria.

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

- PMC Services for Construction of a Crude Oil Refinery Plant in Mongolia for Mongol Refinery State Owned LLC.
- FEED for Hail Oil Field Water Injection Project (WIP), ADOC, Japan. FEED completed along with the scope for preparation of EPC Scope of work.
- Engineering Services for Instrument Air Network Upgrade and Oily Water Treatment Plant Upgrade Project, ADNOC, UAE.
- FEED for Power Supply re-arrangement of 11 KV distribution network fed from substation-0 by constructing new 132/33/11 KV substation at Ruwais Refinery East (RRE), ADNOC, UAE.
- FEED Services for Automatic Overfilling Protection and flammable gas Detectors for HC tanks in ADNOC Refining locations-ADNOC, UAE.

## 10. Turnkey Projects

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

The following OBE/ LSTK jobs witnessed considerable progress during the year:

- Vizag Refinery Modernization Project Offsite.
- BS-VI Project at Manali Refinery of CPCL.
- Revamping of Slug Catcher at Uran Plant of ONGC in Maharashtra.
- Execution of Residual Utilities and Offsites for Rajasthan Refinery Project, HRRL on OBE basis. Construction of Offsite Piperacks and buildings are in full swing.
- SRU Revamping at ONGC Hazira Plant
- Installation of Lean Gas Compressor at Hazira Complex of ONGC

## 11. Performance of Divisions

### 11.1 Process Design & Development

The Process Design & Development Division is primarily engaged in providing design services for grass root as well as revamp projects in the field of Refineries, Petrochemicals, Oil & Gas, Cross country Pipelines and LNG.

The division is also responsible for design of heat & mass transfer equipment like columns, heat exchangers, fired heaters and configuration & design of Captive Power plant. Selection of material of construction for various applications, failure analysis etc. are special services offered by the division.

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 and process units licensed by EIL, Conceptualisation and design of utilities & offsite facilities, Residual process design, Detail engineering follow up, for open art units, licensed units and U&O facilities, FEED preparation, selection of EPC contractors and PMC activities and Pre-commissioning / Commissioning, Plant start-up assistance & Trouble shooting.

The division is also actively involved in supporting Business Development division of the Company in securing new business for the company from existing as well as new clients, both in India and overseas.

### 11.2 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 observations and Monitoring and updation of specifications standards and guides.

#### 11.2.1 Equipment

Equipment Department provides optimal design and techno-commercial solutions for design, engineering and procurement of various types of Rotating, Static, Packaged and Fired Equipments. Equipment Department 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 Department 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.

#### 11.2.2 Electrical

Electrical Department is one of the core departments of EIL, responsible for the design, engineering and implementation of the electrical network systems for all projects both in domestic as well as international arena, adopting latest technologies and staying abreast with the international standards and codes.

As the existing plants get smarter with digitalisation and major focus being on dependency on National Grid Power and use of renewable energy resources, the Electrical Department has aligned with the latest policies. State-of-the-art Electrical Control System (ECS), Substation Automation system, microprocessor based Fire Alarm System and Plant Communication System are being utilised in all projects viz. Dangote, HPCL-Vizag, HRRL and HMEL Petrochemicals. To evacuate power from grid, electrical department is implementing 400kV Gas Insulated Switchgear (GIS) in HMEL Petrochemical and 220V GIS in BPCL, Kochi MSB Project. Auto Load shedding systems through ECS have been successfully implemented in many plants which has prevented many black-outs in plants and provided centralised monitoring of the complete electrical network at the plant level.

Digitalisation is also seen in the field of Data Centres where Electrical Department has pioneered and successfully completed Data Centre project at SBI, Hyderabad. Major emphasis is also given to renewable energy sources. Solar panels are installed in various buildings within the complex to harness the solar energy. The department has successfully completed 2MW SPV Solar Plant at HPCL, Bengaluru. Electrical department has also carried out Electrical Power Studies for various plants which include load flow studies, short circuit studies, motor start-up studies and stability studies. Cathodic Protection has been another area of expertise for the department- standard specifications have been developed along with project-wise activities for this field.

Electrical Department has also contributed majorly in the plant wide energy saving by use of LED light fixtures (both indoor and outdoor), LED based High Mast systems, use of Energy Efficient motors and transformers and usage of Variable Frequency Device (VFD).

All deliverables from the department are par excellence and are furnished with the use of renowned software viz. E-Tap, Smart Plant Electrical (SP-EL), Smart Plant 3D Modelling (SP-3D) and various in-house software.

Under the Make In India initiative of EIL, Electrical Department has also actively participated by carrying out frequent vendor interactions, developing and enlisting indigenous vendors for various items viz. Numerical Relays, Electrical Heat Tracing, Electrical Control system, VFD, Motors etc.

#### 11.2.3 Instrumentation

Instrumentation Department is always in the fore-front of latest digital technology. State-of-the-art Distributed Digital Control Systems (DCS) and Emergency Shutdown System (ESD) incorporating alarm management, asset management and gas detection, CCTVs, smart field instrumentation, Condition Monitoring System for advance diagnostic analysis of Rotating equipments, wireless monitoring of all non- critical pumps and pump seals, Plant Development Model through OTS (Operator training Simulator) Virtualisation server & PC for DCS is being implemented in on-going mega refinery and



petrochemical projects like HRRL, HMEL Petrochemical, VRMP HPCL, PRFCC BPCL Mumbai and PDPP & MS Block of BPCL Kochi Refinery. EIL is also leading in implementing IIoT (Industrial Internet of Things) for pump seal monitoring, rotating equipment monitoring, PSV and Flare valves leak monitoring through acoustic sensors, Cloud based simulation of plant graphics, logics and testing of DCS. Use of RFID cards for Truck identification, Smart cards and Biometric verification of truck drivers in Loading Gantry Control System, Optical Fibre based leak detection system for Liquid and Gas Pipeline application are other such measures.

Instrumentation Department is contributing towards digitalization & 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). Incorporation of all job installation standards and integration of work flow of Instrumentation with IPMCS of Piping and SORPS software for the in house BOM program has been implemented.

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

### 11.3 Project Controls

Need was felt in recent years for an efficient Project Control System, which would monitor Project Schedule Performance effectively within Budgeted / Approved Cost Parameters, wherein the Planning / Scheduling and Cost Control functions need to be interlinked and monitored through a common control. With this vision, the Functions of Planning / Scheduling and Cost Control were combined under a single umbrella and 'Project Controls Division' was formed in July 2019 under Project Directorate. The Project Control Specialists who have knowledge of both Planning / Scheduling and Cost Control functions are able to identify and manage potential variations from the budget and schedule by integrating the two and hence will be able to exercise better control, as well as, take timely corrective action, as necessary. This would help further to create a robust pool of Multi-Skilled Project Control Specialists, who can switch roles based on work demand.

With the above vision of Integrated Project Controls in focus, a leadership line has been identified from amongst senior level multi-skilled Planning and Cost Engineers holding dual work experience. Deployments have been made in 'Project Controls' roles, which started showing desired results. Management Reports on Project Controls are being rolled out combining both Schedule and Cost status and impacts on Project, establishing their links for necessary interventions. Budding Engineers are being trained by cross-functional deployment for multi-skilled grooming.

Besides monitoring of Project Schedule and Cost Parameter, Project Controls also deals with the change management, devising strategies to remove the roadblocks causing Time and Cost Overruns, analysis and monitoring of Project Time and Cost Forecasts, Risk Management, etc.

Over and above the umbrella 'Project Controls' functions, as routine services 'Cost Engineering' continues to be engaged in preparation of Capital Cost Estimates and Financial/ Economic Analysis for diverse activities ranging from Technology Selection to preparation of Feasibility Reports (DRF and PFR) and Option Study Estimates for Investment Decisions pertaining to Projects handled by EIL in various Industry Segments. Cost Engineering also provides Cost Estimates for Procurement, Tendering and Assistance in Price Negotiations.

The 'Planning and Scheduling' Department provides Planning, Scheduling, Monitoring, Risk Management and Material Control Services to various Projects using state of the art tools and database. The Department also provides Project Monitoring Services to the Ministry of Petroleum and Natural Gas. During the current year 2019-2020, web based Project Monitoring Software with Dashboard (called MMC Dashboard) was implemented for the Ministry. This has not only changed the gamut of Project Monitoring Capabilities but also made available to the Stakeholders the Key Project Information sector wise, state wise, period wise, time and cost overrun details, etc. at a click of the button. Dashboard based Monitoring System has improved the efficiency of Planning Professionals in monitoring of the project, data storage, retrieval and handling of crucial project information. The MMC Dashboard System has been widely appreciated and adopted by the MoP&NG as well as all the Oil and Gas CPSEs' Management.

### 11.4 Supply Chain Management

Your Company offers Integrated Supply Chain Management Services including Supplier/ Contractor Registration & Revalidation, Contracting & Purchasing of goods/ services/ works, Expediting, Inspection, Logistics, Supplier / Contractor Performance Review etc. through its Supply Chain Management (SCM) Division within the Commercial Directorate.

The Division, through its highly experienced and effective team of Supply Chain professionals, works closely with key suppliers and contractors across the globe and is tasked with developing a reliable and low cost supply chain offering a comprehensive array of Procurement Services to the clients with focus on customer delight. The Division has enough flexibility and agility to cater to the dynamic needs of various Clients and Projects.

Being a CPSE, the Company's procurement policy and practices are guided by Government Policies and CVC Guidelines. Entire Procurement 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 aggressive competition.

Your Company has been at the forefront in adopting and implementing various policies of Government of India like Make In India, Start-up India, e-procurement through GePNIC & GeM, Public Procurement Policy for MSEs, various Purchase Preference Policies, etc.

During the year 2019-20, EIL procured ₹117 Crore worth of goods and services (around 28% of total procurement of goods and services) from Micro and Small Enterprises for its in-house requirements.

#### Ordering highlights for Fiscal Year 2019-20

- ₹1,673 Crore-direct purchase and contracts on suppliers/ contractors for various LSTK/OBE/Depository projects.
- ₹109 Crore - direct purchase and contracts for EIL In-house requirements.
- ₹21,170 Crore for projects where EIL worked as a Consultant
- ₹22952 Crore - Total Procurement
- 1362 cases (MRs + Tenders) handled during the year

SCM is responsible for developing new suppliers/contractors and monitoring existing suppliers/contractors, thereby, ensuring the Quality and Value for Money with increased competition for its projects and provides a complete end to end Supplier Relationship Management for supplier/contractor related processes like

Enlistment, Enhancement, Revalidation and Performance monitoring. EIL, with its robust supplier and contractor enlistment management system, has been able to develop transparent, accountable system and processes, for development of manufacturing and contracting capacity within the country. Currently, around 2300 suppliers and 370 contractors are enlisted with EIL for various goods and services. EIL is encouraging indigenous manufacturers to enhance their product portfolio and manufacturing capabilities and capacity in collaboration with their foreign principals.

In order to get our enlisted suppliers/contractors an entry in a new geography, EIL along with Embassy of India, Mongolia and in association with Government of Mongolia and Mongol Refinery organized First joint India-Mongolia Oil and Gas Exhibition in Ulaanbaatar, Mongolia during May 12-14, 2019. A total of 31 Indian Companies participated in the exhibition. This exhibition evoked wide interest in Mongolia and was very well attended.

On domestic front, EIL organised five (5) industry specific exclusive supplier / contractor meets including one specifically for SC/ST entrepreneurs to make them understand EIL requirements and to address challenges faced by the suppliers / contractors. EIL also participated in 3 programs organized through various platforms for development of SC/ST entrepreneurs with one exclusive program of EIL organized by NSIC-NSSHO.

SCM, through its global inspection offices including nine (9) within India and one each in London, Milan and Shanghai, carries out Inspection of almost all types of items required for a project. The engineers are highly skilled in various testing techniques and have many certifications to their credit. They are well versed with International codes and standards and are technically qualified with internationally recognised certifications.

Inspection is carried out at supplier's shop so as to avoid discrepancies after the material reaches site. This value addition helps not only in getting a quality product as per specification but also in trouble free operation of the plant after commissioning.

In the year 2019-2020, Inspection was carried out for more than 2000 equipment, 2000 Km of Pipes, about 6,00,000 fittings, 2,25,000 flanges and 1,25,000 Valves. In addition to this, large numbers of Electrical, Instrumentation and various other items have also been inspected. During Covid-19 pandemic, inspection activities were undertaken online.

In addition to the above, there is a focussed team of logistics experts (shipping and allied activities) which helps in ensuring smooth flow of project material from Indian as well as global sources.

### 11.5 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 2019-2020, Construction Division continued to provide Construction Management Services for various clients at more than 69 diverse domestic projects and 3 overseas locations.

Concurrent prestigious commitments for the Division include Dangote Refinery at Nigeria, Vishakh Refinery Modernization Project (PMC & OBE) of HPCL, Rajasthan Refinery Project (PMC & OBE) of HRRL, Slug Catcher Project Uran on OBE mode, SRU revamping of ONGC at Hazira

on OBE mode, Petrochemical Project of HMEL - Bathinda, Revival of Ramagundam Fertilizer Complex, BS-VI projects of IOCL at Vadodara & Panipat, BS-VI project of CPCL at Chennai (OBE), PDPP & MSBP of BPCL at Kochi, MREP and MR-II project of HPCL at Mumbai, Bio Refinery Project, Palanpur Vadodara Pipeline Project of HPCL, DDHPL & Vijapur Aurya Pipeline project of GAIL, BS-VI of MRPL at Mangalore, NBPS-II Project of OIL, Mumbai Manmad pipeline of BPCL, Jawahar Dweep project Mumbai, Indjet Unit of M/s IOCL at Barauni, KHDS-BORL Bina, APL-Namrup, Jamnagar-Loni pipeline of GAIL, KSPCL Kochi, High Speed Rail Terminal at Sabarmati, Leh Airport, IIM Nagpur and Amrut Odisha.

Construction activities commenced for the following new domestic/overseas projects during the year:

- Mongolia Refinery Project
- LNG Terminal at Chhara
- India-Bangladesh Friendship Pipeline Project
- PPU of GAIL, Pata
- DHDT Inter connecting Pipe Rack of MRPL at Mangalore
- HP Green R&D Centre Phase -II, Bengaluru

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 activities for the following Projects/Units were completed during the year:

- BS-VI Project of HMEL at GGS Refinery, Bathinda
- BPCL LPG Import Terminal Facility Project, Haldia
- Gasoline Hydro-treater Unit at BPCL, Mumbai Refinery
- Namami Gange Project
- NFC, Kota
- Lean Gas Compressor Hazira of M/s ONGC
- BS-VI projects of IOCL at Haldia, Mathura & Bongaigaon

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 as mentioned 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:

- 35 Million LTI free man hours at VRMP, HPCL Vizag(PMC)
- 33 Million LTI free man hours at Aishwarya project of IOCL, Haldia
- 15.5 Million LTI free man hours at BS-VI project, IOCL, Panipat
- 15 Million LTI free man hours at MREP,HPCL-MR, Mumbai
- 10 Million LTI free man hours at MSBP-BPCL, Kochi
- 10 Million LTI free man hours at BS-VI project of GGSRL, Bathinda
- 10 Million LTI free man hours at LPG Import Facility, Haldia
- 8.5 Million LTI free man hours at PVPL-Vadodara
- 8 Million LTI free man hours at MREP,HPCL-MR-II Tankages, Mumbai
- 6 Million LTI free man hours at VRMP,HPCL Vizag (OBE)
- 5.2 Million LTI free man hours at BS-VI Project, MRPL, Mangalore.
- 3 Million LTI free man hours at DDHP Project, GAIL
- 2 Million LTI free man hours at IIT Patna
- 2 Million LTI free man hours at APL, Namrup
- 0.425 Million LTI free man hours at ONGC-Uran, Mumbai

#### 11.6 Environmental Engineering

Your Company's business mandate revolves around complying with the environmental regulations and norms with focus on delivering projects as per our Corporate Quality and HSE policies. Our project designs thrive on water & energy efficiency, resource optimization, process safety and health of plant personnel & society at large. The Company has 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. 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 during the year in Environmental field include the following:

- Water consumption study for 13 nos. of Indian PSU refineries (of IOCL, BPCL and HPCL) for optimum utilization of water in the refinery and reduction of water intake from natural resources by recommending effluent recycle, water recovery and reducing water wastages. Report for all 13 refineries has been submitted during the year. The study is being carried out as part of initiative by Centre for High Technology (CHT).
- Water & wastewater treatment facilities including effluent recycle & reuse for Mongol refinery.
- Construction of entire water & wastewater treatment facilities including effluent recycle & reuse to meet zero liquid discharge concept to minimize the fresh water consumption by refinery for PP, PRU and associated facilities at Rasayani Complex, BPCL Mumbai.
- Water & wastewater treatment facilities including effluent recycle & reuse to meet zero liquid discharge concept to minimize the fresh water consumption is being implemented for HRRL Rajasthan Refinery Project.

- PMC services for AMRUT project in Odisha for construction/rehabilitation of Raw Water Treatment Plants.
- Environmental Clearance from Ministry of Environment, Forest and Climate Change were successfully obtained by EIL for IOCL Technology Development & Deployment Centre (R&D-II Campus) at Faridabad, Haryana; HRRL Township at Barmer District, Rajasthan (from state SEIAA, Rajasthan) and Petro Resid Fluidized Catalytic Cracking Unit (PRFCC) & Associated Facilities at BPCL Mumbai Refinery.

#### 11.7 Research & Development

Your Company takes pride in being a technology driven company and being one of the few engineering consultancy organizations that have a dedicated Research and Development Division boasting of developing more than 35 commercialized process technologies. R&D Division, over the years has contributed significantly in keeping pace with the changing technologies in the spectrum of core refining areas and other diversification sectors like Biofuels, Energy optimization, Coal to Liquid (CTL) and promoting "Start-up India" through EIL's flagship "EngSUI" initiative. In the present scenario, when experiment and innovation holds the key to technology development and upgradation, influencing businesses and socio-economic growth all across the globe, Research & Development holds a dominant spot in the world economy and India in particular. Hon'ble Prime Minister of India has urged the Nation to work for attaining size of \$5 trillion economy which can be realized with benchmarking our research to global standards and positioning India on global canvas.

The long journey of R&D Centre from its inception in 1988 till today is testimony of EIL's vision in shaping research and innovation based ideas to reality. Focus on collaborative R&D with other research partners and successes in joint commercialization of technologies are laudable.

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

#### Technology development projects

##### New Projects Initiated:

- Scale-up and Commercialization of in-house developed Desalter technology in collaboration with BPCL
- Gasification of high ash coal with steam and oxygen in collaboration with BPCL
- Development of Reference Fuel used for vehicle testing, in collaboration with IOCL R&D
- Waste heat recovery from Gas Turbine (GT) Exhaust
- Technology Upgradation of LPG Treating (EngTreatLSuper) to reduce impurities up to 50 ppm Total Volatile Sulphur
- Development of Divided Wall Technology for Refinery Application
- Optimization of Sulphur plant for 99.9 wt% overall Sulphur recovery
- Development of design methodology for Amine Purification Process for removing Heat stable salts from Industrial Amines
- Development of analytical testing methodology for hydrocarbon and water/waste water sample

##### Ongoing Projects:

- Computational Fluid Dynamics (CFD) study of new Air Injection

System for monitoring and controlling stack temperature in Sulphur Recovery Unit

- Kinetic model development for slurry phase hydrocracking reactions
- 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 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
- Recovery of low level heat from process streams
- Development of heat recovery scheme based on Organic Rankine cycle (ORC)
- Setting up of experimental facilities for study of attrition of solids in solid processing systems

#### Technology commercialization efforts:

- Conducting baseline verification audit for six petrochemical units under PAT-IV cycle for Bureau of Energy Efficiency (BEE)
- BDEP Preparation for EngHOG unit at IOCL Panipat (P-25) Refinery project
- Implementation of EngHOG at HRRL Refinery Project
- Implementation of Saturated LPG treating and Unsaturated LPG treating units at HRRL Refinery project
- BDEP Preparation "utilization of CO for neutralization of 2 alkaline stream in Effluent Treatment Plant" for GAIL Pata
- Development of process scheme for reference fuel
- CFD Study of Cooling water pumps for M/s HMEL
- CFD Study of Inlet Manifold of CGOHDT Reactor Feed Heater for IOCL Haldia Refinery
- CFD analysis to support FEA analysis for wedge baffle of Feed Nozzle to withstand potential flow-induced dynamic resonant vibration and impingement for Quench Tower for M/s HMEL
- Implementation of indJet unit at IOCL Barauni
- Reactor design data provided for proposal preparation for DHDT unit under NREP project
- Developed a new process scheme of TGTU for NRL new SRU Project
- Implementation of Process Integration and Solar Integration at GGS, ONGC Mehasana

#### Initiatives taken for widening technology portfolio:

Apart from carrying out research in-house, EIL has always been instrumental in realizing synergistic potential by forging relationships with other research organizations and educational institutes. EIL is also championing the cause of GoI's flagship programme "Start-up India" initiative by providing not only financial assistance but also Technical and Infrastructural support through modes like "Innovation Challenge" and "Seed Funding" to the upcoming Start-ups. EngSUI, apart from Oil and Gas domain, is also promoting research in varied areas such as Lube Packaging, Renewable Energy & Storage, Nano Materials, Engineering plastic from Petro chemical product slate,

Waste to energy, Replacement of Raw material/catalyst, Health, Safety and Environment (HSE).

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

EIL is also proud to be part of Oil PSUs consortia and has signed MoU for setting up 'Centre for Excellence' at IIT Bombay.

#### Patents / Trademarks filed / granted:

Continuing with the tradition to safeguard EIL's intellectual property and further commercialization interests, following 5 patents were filed during the year:

- A self- sustaining process and system for heat recovery and improving efficiency by reducing fuel
- Design of Desalter System
- Maximisation of power generation from existing gas turbine using a thermodynamic cycle
- A process for production of hot water, chilled water and electricity using solar energy
- Integrated energy efficient Tail Gas Treating process and system for the same

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

- A process for recovering hydrogen from off Gas stream and a system thereof
- Low pressure process for recovering  $H_2S$  from Claus tail gas and a system for absorbing  $H_2S$
- Apparatus and method for removal of sulfur-containing impurities
- An absorbent liquid and a process for removal of acid gases using the same

With this the number of 'Live' granted patents stands at 31 and patents pending grant are 27.

#### Trademarks applied and granted:

An application has been made for registration of Trademark for 'EngDEGAS' technology to enhance the brand image of the Company.

#### 11.8 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. The major focus of ITS remained digitization, sustainability and ensuring availability of the IT infrastructure in safe and secured manner. EIL ITS has also expeditiously provided support to meet all statutory requirements.

Various initiatives taken during the year are enumerated below:

- As part of Ministry of Finance directive, a new Integrated Invoice Portal was implemented and integrated with Bill tracking System



(In-house & LSTK) and Vendor Accounting System. This Portal provides e-uploading of Vendor Invoices to expedite/view Status of Invoice payments. Integration of MSME payment status reporting has been implemented.

- As per GeM-CFO directive, EIL software are integrated with GeM portal upto post order handling of Invoices and Payment Status.
- Completed digitization of GST (TDS) report for filling GSTR-7 details on monthly basis.
- As a part of HR MOU activity for Industrial segment wise competency in the Company, implemented a Competency Analysis and Review System (CAREs) Application as Skillset
- Towards Paperless Office : Online system developed to incorporate facilities so that activities can be concluded with various approval, requisition systems
- Automation has been enhanced with system integration for seamless data flow using intelligent database connectivity for engineering activities, HR-systems, F&A system, procurement system. EIL introduced concept of Managed Print Services (MPS) for Floor-printing at EIL offices.
- In the Project area, EIL successfully implemented Electronic Plant Data & Document Management System (EPDDMS) for HPCL-VRMP project for Digital Plant handover. This online system stores and intelligently links all Project related documents, design data and 3D models for operations and maintenance of the plant.
- In March 2020, the Covid-19 pandemic and resultant Lockdown has demanded “work-from-home” concept. Proactive planning and measures were taken by EIL ITS and users were guided on the methodology of work-from-home. Support teams were mobilized to provide hand-holding to users to adapt to new way of working. A few major steps undertaken are as follows:
  - Proactive Reconfiguration of the Internet Perimeter Firewalls at EIL to enable the remote access facility for work-from-home. When lockdown was enforced, users were guided to immediately start work-from-home.
  - Internet bandwidth upgradation for ensuring work from home for all users.
  - The web based applications were secured further with additional SSL and OTP facility. Balance applications were made accessible through remote access facility through Firewall.
  - Data security under work-from-home has been enhanced through the implementation of Active Directory Policies and other means.
  - Cloud-based Desktop Video-Conferencing was rolled out to users and effectively used for meetings / discussion with multiple participants.
  - Required hardwares were provided to users to ensure WFH.

### 11.9 Sustainable Development

If each one of us takes responsibility in altering our own behaviour, we can trigger the type of change that is necessary to achieve sustainability for our race on the planet. We have the ability to change our planet, our environment, our humanity every day, every year, every decade, and every millennia. EIL has viewed sustainability as being a matter of survival for its business, which creates massive change in its business ethics. In EIL, we strive for compliance to environmental regulations, norms and sustainable development

goals which makes us a responsible organization, transparent to all its stakeholders by addressing the local and global issues. Sustainability is inbuilt in our thoughts and actions right from conceptualization to plant commissioning and subsequently, the commercial operation. All personnel of society are the cornerstones of our business operation. EIL has refocused its engineering philosophy and business models to achieve long term sustainable growth. In a way we have achieved it by way of repeat business. It has also initiated evaluation and reporting of performance on the triple bottom lines pertaining to economic, social and environmental aspects. Separate Report on Sustainable Development is annexed to this Report.

### 11.10 Business Development and Strategic Initiatives

Pursuing the road map of growth initiative, your Company is venturing into new geographies, initiating tie ups with licensors/vendors/ collaborators, thereby augmenting the portfolio of EIL with strategic and diversification initiatives into sunrise sectors.

Your Company is consistently mapping the evolving market scenarios, disruptive technologies and developing strategies required for envisioned growth of the organization. Your Company, while focusing on core hydrocarbon sector requirements, is also seeding ideas and exploring business possibilities with new and potential clients.

Your Company has been aligning with the vision of the GoI. The various schemes announced by the GoI such as Start Up India, Skill India, Make In India etc from time to time have seen concentrated support from EIL. EIL, through its vendor network, has been able to achieve more than 90% Indigenisation in the Refineries Sector. Consistent efforts have been made by EIL in developing the Vendors in the country. Regular vendor/supplier meets are being organized for interaction with the specific domain based industries and empanelment of suppliers through an online web based process.

Your Company is in incessant engagement with MoPNG and other Oil & Gas sector organizations for various initiatives. EIL has actively participated in the Working Committee for Refining or Petrochemical Outlook, Coal based Gasification initiatives and has contributed to various draft policy formulations.

Your Company believes in delivering excellence and as a part of enhanced value creation, it has been in continuous dialogue with various licensors/technology providers, Start Ups with the objective of collaboration and provision of a bouquet of niche services to the owners. Your Company has initiated business development activities in sectors like Bio Fuels, Water and Waste Water Treatment, Urban Infrastructure like SMART Cities, Data Centres, LNG Terminals, Ports and Harbours, Defence, etc as a part of possible diversification initiatives.

Through a self sustaining seeding exercise and extensive outreach approach, your Company is focused towards enhancing the footprint of EIL and augmenting the current business portfolio.

### 12. HSE Management System

EIL transitioned its Health and Safety Management System from OHSAS 18001 to ISO 45001:2018. Now EIL HSE Management System is certified with ISO 45001:2018 (Occupational Health and Safety Management System) and ISO 14001:2015 (Environmental Management system). 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 Simultaneous Operations Study (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.

### 13. 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 by means of surveillance audit 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 maintained. Validity of the certificate is 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 analyse 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. A digital newsletter 'Eminence' is being issued to all employees, to promote awareness & to improve the Quality Management culture. The newsletter covers various ingredients of ISO 9001 and their implementation methodology in EIL's Quality Management System apart from apprising the employees on the Quality Management updates within the company.

### 14. 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. An independent group (Corporate Risk Assurance) audits the compliance verification of these mitigation action 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. In view of present crisis arising out of COVID-19 pandemic, the Company has identified a new Risk No. 28 i.e. "Impact of Epidemic/Pandemic (COVID-19), War like Situation & Force Majeure" and its Control and Mitigation action plan.

### 15. 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's Guidelines/ Procedures, CVC and Government Guidelines. Activities were broadly covered into three categories (a) Preventive Vigilance, (b) Punitive Vigilance and (c) Surveillance and detection. For systemizing the work, various rules, regulations and procedures were reviewed during the year. The queries and observations reported by CVC/ CTEO 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 advisories/ system improvements.

As part of Vigilance Awareness Week-2019 (VAW-2019), a series of programs were held in line with this year's theme "Integrity-A way of Life (ईमानदारी-एकजीवनशैली)". During the VAW-2019, a seminar was organized on the topic "Frauds in Corporate Sector and how to mitigate", with an intention to create awareness about frauds in corporate sector. As part of VAW-2019 celebration and to spread Vigilance awareness amongst students and teachers, EIL organized drawing competitions for children in four schools in Delhi, in association with "The Hindu Group of Publications". Besides all the above, awareness programs /competitions were also organized involving local community and students of various Colleges/ Schools in the areas around various Project Sites.

A "Compendium of Systemic Improvements suggested by Vigilance - 2019" was also unveiled by the CVO during the opening ceremony of VAW - 2019. The purpose of this Compendium is to provide compilation of cases which had resulted in practical advisories for avoidance of similar mistakes, in one place for ready reference. A message from CVC was also included in this Compendium.

This year also, Vigilance Department released the journal "ABHIJATASYA" on the occasion of Vigilance Awareness Week-2019. This Journal contains messages from C&MD, CVO and Directors. Some of the in-house case studies were also included in the journal for ready reference. "ABHIJATASYA" also contains glimpses of VAW-2018, Vigilance Initiatives and activities undertaken by EIL Vigilance Department.

As per directions issued by the Central Vigilance Commission and the Department of Public Enterprises, details of vigilance activities were presented to the Board.

Vigilance Department 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, Head Office located at New Delhi and at 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. Complaint Boxes are also placed in various EIL offices which are regularly monitored by Vigilance Executive(s) 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. An online system for monitoring of status of rotation on sensitive posts has been developed by HR /ITS and has been implemented in EIL.

- **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 of ₹ 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.

## 16. 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.

## 17. Internal Audit

The Company has an Internal Audit Department having competent professionals. During the year, major jobs and expense heads were reviewed by Internal Audit team with focus on checks and controls on systems, procedures, monitoring compliance and up-gradation of controls. Reports with observations are regularly submitted to Management and major findings are also presented to Audit Committee of the Board at regular intervals.

## 18. 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 have been launched by the Department resulting in improved resource engagement and optimization along with various automated reports for the Company Management.

## 19. Human Resource & Industrial Relations

Human resources are vital for any organisation to achieve sustainable performance in this VUCA environment. The Company values its human resources and is committed to providing them with an enabling environment which motivates, facilitates their growth and rewards them for their contributions. HR Directorate strives to develop workforce which is motivated, 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 abreast with the changing work expectations and employee aspirations.

As on March 31 2020, EIL has 2806 employees, including 2409 professionally qualified employees. Approximately 3.31 % of our employees are located outside India, functioning in international work environments.

- **Talent Acquisition**

In order to address both short term and long-term requirements, EIL's Talent acquisition strategy aims at identifying and developing a well-qualified and effective talent pool. To meet our dynamic business needs, diverse recruitment models are adopted 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

To enable a performance-based culture, EIL has in place a robust and transparent online process of Performance Management System that gives weightage to both performance & potential and ensures holistic assessment. The outcome of Performance Management System is used for career progression, performance related pay, training & development and succession planning.

## • Employee Welfare

In the year 2019-2020, efforts were made to align welfare measures towards enhancement of work life balance for employees. Various employee welfare initiatives were undertaken such as holding talk cum interactive sessions on emerging health issues and building awareness on lifestyle enrichment matters, extension of medical benefits through empanelment of hospitals etc. besides sports and other family get-togethers for enhancing the quality of life.

## • Sports

Extending a supportive role in health and wellbeing of employees, 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 and 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 8 PSPB tournaments during the year. EIL also successfully hosted 39<sup>th</sup> PSPB Inter Unit Table Tennis Tournament 2019-20 at Thyagaraj Sports Complex, New Delhi from 04<sup>th</sup> February to 7<sup>th</sup> February, 2020. With a view to inculcate the spirit of sportsmanship and fitness among employees and their families, EIL Annual Sports Day 2019-2020 was organised on 25<sup>th</sup> January 2020 at the Company's Gurugram office Complex.

## • Annual Awards

Recognizing the contribution of team(s) and individuals, employees were felicitated through different categories of Annual Award, viz.

- 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

Annual Awards for year 2018-19 were presented on Independence Day. A total of 40 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. Training Department during FY 2019-20, aligned its objective with Organisational objective to address the training needs of its

employees. Annual Training Calendar (ATC) 2019-20 was prepared. While domain programs of ATC were organised with the faculty support of in-house resources, behavioural skill & leadership -programs got organised with faculty sourced from two empanelled agencies. Various training interventions taken by Training Dept for employees during the FY 2019-20 are as detailed below, along with Training programs conducted for client-side participants:

### ▪ External Nominations

Certain domain related dynamic training needs arising during course of FY 2019-20 were addressed by processing nominations for external training programs, meet, summit, workshop and various quiz and business simulation management games.

### ▪ Client Trainings

As a revenue earning initiative, eight customised training programs were organised at client premises, details are as below:

- ▶ Civil and Structural
- ▶ Optimized Electrical System Design and Equipment Selection
- ▶ Selection Application and Inspection of Refractory in Refinery Industry
- ▶ Piping Design & Drafting
- ▶ Modern Power System & Protection Relay
- ▶ Storage Tanks
- ▶ Civil and Structural
- ▶ Centrifugal and Reciprocating Pumps

### ▪ Domain Training Initiatives

EIL being an engineering-driven company, the core competency of its personnel lies in the development of its technical expertise. Training Department enhances these capabilities through streamlined domain-based training programs. The ATC enlists the programs to be conducted for a given target audience and competent faculty is identified to address each program.

Total seventy-four numbers of domain related programs were held in FY 2019-20.

### ▪ Leadership Development Programs

Two numbers of Leadership Development Programs were conducted through faculty support from external empanelled agency:

- ▶ A three-day Management Development Program for AGMs was conducted with participation of 25 nos participants. The participants were exposed to learning of various management concepts such as Leadership in VUCA World, Leadership Framework, Conflict Management, Managing Global Economy & its impact, Finance and Budgetary Control systems, Change Management, Communication Skills, Negotiation Skills and Decision Making through training tools such as practice exercises, role plays, simulation exercises and case studies. Participants rated these programs as 'very significant', considering knowledge-gained, usefulness, course structure and program delivery by the faculty.

- ▶ Aarohan-the flagship Leadership Development Program continued with launch of Eleventh Batch. Aarohan Batch XI was launched in the month of August 2019 targeting developing 'Business Leaders'. 29 employees in level-17,18 and 19 were selected on the basis of their performance and potential to take part in the program. The participants were assigned five Action Learning Projects (ALPs) all aimed to improve the quality of deliverables in the company.

#### ▪ **Web-Based Training programs/ Webinars**

One of the MoU Performance Parameters of EIL for 2019-20 was conducting development programmes for employees with special focus on web-based learnings. Under the endeavour of promoting such programmes, fifteen web-based learning programs on domain and soft-skill were organised with a view to overcome the geographical divide and cater to the training needs of employees posted at HO/ ROs/ BOs / RPOs.

#### ▪ **Training of Management Trainees (MTs)**

During the FY 2019-20, 140 Management Trainees (MT) joined EIL. Various training interventions were planned and undertaken for MT 2019 Batch. Five days Orientation and Campus to Corporate (C2C) program for each batch of around 25 MTs were conducted in-house. C2C covered aspect such as changes in orientation from Campus life to Corporate culture, Team Building, Communication Skills and Business Etiquette. Five days training by R&D Division, Cross Discipline orientation, Discipline wise classroom training and site training orientation were some other training interventions besides on the job training which formed part of first three months training schedule of MTs after which they have been relocated to various Construction sites for nine months.

#### ▪ **Skill Development Initiatives**

As part of Government of India "SKILL INDIA MISSION," the thrust is upon "Skill Development". Apprenticeship Training is considered to be one of the most efficient ways to develop skilled manpower for the country. It provides for an industry led, practice oriented, effective and efficient mode of formal training. Under the Apprentices Act 1961, practical training was provided to the apprentices engaged for designated and optional trades and the technician apprentices. Apprentices have undergone apprenticeship training in various disciplines at Head Office, Branch/Regional Offices and Construction Sites. The activities and familiarization programs under apprenticeship training are as follows:

- ▶ Orientation Program
- ▶ Classroom Training Session
- ▶ 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 more than 10% apprentices against the total manpower for the year 2019-20.

As part of 'Swachhta Hi Sewa' (SHS) Campaign and 'Public Sector Day Celebration', various workshops and in-house Essay Writing Competitions, Slogan Writing Competitions, Debate Competitions and Painting Competitions were organized during the year. Overwhelming number of employees, their family members, MTs and Apprentices participated in various competitions. The appointed jury evaluated the events and prizes were awarded to the best performers.

#### ▪ **L&D Initiatives with Oil PSUs**

HR Taskforce was formed under the aegis of MoP&NG to suggest improvements in HR practices across member organisations-ONGC, IOCL, HPCL, BPCL, GAIL, EIL & OIL. With a view to target the objectives, a learning platform LEAP (Learn, Engage, Act and Progress) was jointly constituted by all the member organizations.

Under the LEAP umbrella, various collaborative L&D activities have been undertaken. Each member of Oil PSU was requested to conduct specialized program in the domain expertise area.

Accordingly, a one-day program on 'Project Management' was conducted by EIL Training Department on 05 November 2019 wherein participants from across the Oil PSUs attended the program. The program included sessions on Mega Projects-Contract Execution& Resource Management, Cost Estimation at Various Project Stages, Critical Path-Analysis & Monitoring, Project Close-out & Lesson Learnt. The program was highly appreciated by the participants.

#### ▪ **Trainings related to Women Development**

Abundant 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.

Also, one of the HR MOU parameters for the year 2019-20 included 'Initiatives for Work Life Balance and Leadership Development Program for Female Employees'. Under the initiative, following programs were organised for female employees:

- ▶ Program on Mentoring and Coaching
- ▶ Program on 'Self Defense' for Women Employees
- ▶ Program on 'Financial Planning' for women employees

#### ▪ **Technical Paper Writing Competition**

To provide a platform for showcasing command on technical/ domain knowledge, an annual event of Technical Paper Writing Competition was organised. The competition was open to all in two categories - Category-A (for Level 12-15) and Category-B (for Level 16-18). Prizes were distributed at the function held on the occasion of Independence Day celebration on 15<sup>th</sup> August 2019 at EIL, Gurugram.

#### • **Mentorship Development & Other Initiatives**

- 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.

- A youth platform “YOUTHORIA” with a tagline “Young Hearts, Great Minds” had been launched to share the best practices in each Oil & Gas PSEs and to engage, enable & empower and energize the youth across the Oil and Gas PSEs by leveraging collective intellect and experiences. The platform is aimed to develop leadership skills, networking skills, entrepreneurial skills and community engagement amongst the millennials below 35 years of age and also to provide an opportunity to showcase and recognize their talent.
- “New Mother’s Mentoring Program” has been introduced in Dec, 2019 as an initiative to maintain work life balance for new working mothers. Also, Family Day for women was organised wherein they brought their children to their workplace in an endeavour to make the concept of office and work clearer in the minds of the young children.

#### • 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 Interface. More than 570 news items/reports were uploaded on web based EIL Connect which recorded more than 16 Lakh hits during the financial year, effectively maintaining an interactive environment with employees located in India and abroad.

#### • Implementation of Government Directives on Scheduled Caste/ 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 Employees’ Welfare Association by holding periodical meetings with the Association.

Scholarships were awarded by EIL to 54 SC & ST (SC – 37 and ST – 17) undergraduate engineering students.

The percentage of employees belonging to Scheduled Castes and Scheduled Tribes was 18.7 % and 5.0 % respectively of the total employee strength of the Company (as on March 31, 2020).

#### • Implementation of Government Directives on Other Backward Class

The Company has appointed a separate Liaison Officer for OBCs, to work as a facilitator in ensuring that due attention is paid to the issues of OBC employees.

The percentage of employees belonging to Other Backward Class (OBC) was 17.1 % of the total employee strength of the Company (as on March 31, 2020).

#### • Implementation of Government Directives on Economically Weaker Section

The Company has implemented government directives pertaining to reservation of Economically Weaker Section (EWS).

#### • Initiatives for the Benefit of Persons with Disabilities

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, 2020, there are 47 PwD employees on the rolls of the Company.

#### • Women Development

Women constitute approximately 12% 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.

Abundant 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.

During the year, many focused interventions were made to empower, encourage and enable women to stay engaged and deliver their best to the Organisation. Empanelment of Creches, Focus on Women Health and Well-being, Training on Self-defence, Knowledge of Financial Planning, Mentoring New Mothers, Installation of Sanitary Napkin Vending Machines were some of the initiatives in this direction.

#### 20. Corporate Social Responsibility

EIL’s CSR policy aims at creating a sustainable environment through its activities for community and environment. 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 2019-20 for CSR activities. Some key initiatives that your Company has been engaged in are as follows:

**Education:** In pursuit of its endeavour to enhance the infrastructure of educational institutions, EIL is supporting the construction of Government School Building in Kabennur, Dharwad, Karnataka and construction of additional educational infrastructure in Govt schools of Darrang, Assam. The Company has also facilitated the installation of water purifiers in NDMC schools of North-West Delhi & Mewat and maintenance of school toilets constructed by EIL in Assam, Odisha & Tamil Nadu as part of Swachh Vidyalaya Abhiyan.

EIL is also supporting the setting up of group hand washing stations in 23 Govt schools of Odisha supported earlier as part of Swachh Vidyalaya Abhiyan. Another initiative in this area is support for residential Skill Development Training Programme for 902 candidates (mostly school dropouts) across various parts of country.

**Health Care:** EIL conducted eye ailments and cataract operation camps at Udalguri, Baksa & Darrang (Assam), Vishakhapatnam (Andhra Pradesh), Luxar, Haridwar (Uttarakhand) and organised 5 Camps for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs) at Cuttack (Odisha), Virudunagar (Tamil Nadu), Birbhum (West Bengal), Coimbatore (Tamil Nadu) & Kozhikode (Kerala). In a bid to promote preventive healthcare, the Company is supporting the organization of Camps for screening & treatment of anemia & malnourishment amongst underprivileged in Haridwar, Uttarakhand.

To treat patients with Hematological Cancers, EIL supported the installation of blood bank equipment such as refrigerators, deep freezers, cross blood matching systems & portable tube sealers at a blood transfusion center in Kolkata. EIL supported the construction





and installation of three water purification plants (ROs) in villages of Sheohar district, Bihar to prevent diseases caused by arsenic contamination in water.

For reduction in water & air borne diseases, EIL is supporting the construction of individual sanitation facilities for residents living in remote communities viz. Mustafabad & Dhanpura in Haridwar, Uttarakhand. A significant activity for spreading awareness of menstrual health was also undertaken whereby sanitary napkin vending and incineration units were installed in 5 village-based Girls Secondary Schools at Noida & Greater Noida.

During the year, EIL came forward to provide much needed succour to its countrymen during times of natural disaster and pandemic. In the aftermath of devastation caused by Cyclone Fani, EIL contributed to the cyclone relief fund to rebuild education, community & health infrastructure in the affected regions. EIL also contributed to PM CARES fund to support the Government in its fight against COVID-19.

**Environment Protection/Sustainability:** EIL's initiatives in the area of environment protection include 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 setting up of permanent campus of Skill Development Institute at Bhubaneswar and providing operational fund to Skill Development Institutes at Ahmedabad, Bhubaneswar, Kochi, Guwahati, Raebareli and Vishakhapatnam.

## 21. Make In India – Atmanirbhar Bharat – EIL's Perspective

EIL has been continuously engaged in the process of creating an ecosystem conducive to the growth of Indian industry promoting import substitution and self-reliance, under the aegis of Ministry of Petroleum & Natural Gas. This has been a continuous process ever since EIL's inception in 1965. EIL has been in the forefront of development of the engineering industry in India.

The indigenous component in the capital goods industry catering to the refinery segment was about 10-15% in late seventies/ early eighties. This rose to the current level of 85-90%. Similarly, in the petrochemical and gas processing sector, the indigenous component has grown from almost negligible to close to 60%. This has been the power of EIL's contribution to the indigenization efforts of the Government of India.

The Make In India campaign launched by our Hon'ble Prime Minister has added much needed boost to the economic growth of the country. As part of this, various initiatives are being taken by EIL. One such initiative is encouragement to indigenous manufacturers to enhance their product portfolio and manufacturing capabilities and capacity in collaboration with their foreign principals. This will ensure that critical technology flows into India and helps indigenization of the same.

In addition to the ongoing indigenization efforts underway in EIL, in order to give a further boost to indigenization of state-of-the-art technologies, in the year 2016, EIL introduced a policy encouraging wholly owned (100%) subsidiaries of foreign companies to avail the benefits of the policy in case of selective capital goods and technologies where India had limited number of manufacturers and there was tremendous scope for technology up-gradation. Subsequently, after analyzing the experience gained, in order to also encourage companies where indigenous holding was upto 49%, in

January 2017, this policy was extended to such companies also. This had a dual purpose of sustaining the interest of foreign company by its having control over the company and secondly, increasing the indigenization, thereby creating employment opportunities.

India now is at the cusp of taking off onto greater heights of excellence and global acceptance. At this juncture, to carry forward the campaign of Make In India and growth of Indian Industry, we have introduced certain new policies in our Vendors Enlistment System, in sectors where only one or two players exist, even manufacturers without PTR were allowed to develop prototypes with handholding by EIL. They were considered qualified based on the successful development & testing of a prototype, meeting the stipulated technical specifications as well as capability and capacity of the plant being upgraded to meet the requisite standards.

These policies have been welcomed and are acting as a catalyst for the growth of Indian Industry thereby fulfilling the aspirations of the Indian youth by providing them with employment opportunities, in the process ensuring economic growth.

## 22. Official Language

### • Implementation of Official Language policy & New Initiatives:

- i. Quarterly meetings were held regularly wherein the progress of progressive 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 would be 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 all 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.
- 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. Cent percent target has been achieved in respect of stenographers and typists.

### • Hindi Workshops

Workshops in different Offices and two official language conferences in region 'A' & 'C' have been organized so far.

### • Hindi Fortnight Celebration

The Hindi Fortnight was celebrated during September 2-16, 2019 in the Company. Various competitions were organized to

encourage the progressive use of Hindi wherein winners were awarded. On this occasion, HODs/Head of office and their Hindi Coordinators that have done maximum work in Hindi during the year were awarded.

#### • Official Language Award

Petroleum Rajbhasha Shield (Consolation award) was awarded to EIL by the Ministry of Petroleum and Natural Gas for the excellent Hindi work done during 2018-19. Additionally, EIL Regional Office, Vadodara and Chennai have also been provided Second Award by TOLIC for excellence in Hindi work. Gurugram Office of EIL received award in five categories from TOLIC of Gurugram.

### 23. Awards and Accolades

During the FY 2019-20, your Company won multiple awards and honours at national level. The significant ones among them are as follows:

- Dun & Bradstreet Corporate Awards 2019 in Best Growth Performance - "Engineering Projects/ Capital Goods" category on May 29, 2019.
- CII 3<sup>rd</sup> National Energy Efficiency Circle Competition First prize in the "Energy Efficient Technology Provider and Impact created" category on June 20, 2019.
- Downstream India Excellence Award 2019 Special Commendation in the category "R&D Company of the Year" on July 17, 2019.
- Industry Excellence Award 2019 by the "Institution of Engineers (India)" on November 5, 2019.
- FIPI Oil & Gas Industry Awards 2019 in "Young Achiever of the year - Female category" on December 02, 2019.
- Shri Sunil Bhatia, Director (Finance) received the Top Rankers "Excellence Award for Finance Leadership 2020" on January 17, 2020.
- Forum of Women in Public Sector (WIPS) "Best Women Employee (Executive)" - Second Prize for the year 2019 was received in February, 2020.
- Governance Now 7<sup>th</sup> PSU Awards in three categories - Research and Innovation, Strategic Investment and HR Excellence on February 19, 2020.
- EIL's Chairman & Managing Director received the Governance Now 7<sup>th</sup> PSU Leadership Award on February 19, 2020.

### 24. Joint Venture

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 Ammonia Unit and 3850 MTPD Urea Unit. The Plant is expected to be commissioned by Q3 of 2020-21.

### 25. 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 VMSS, GIGL, GSPL, KRCL, PSCDCL, NLC and various State Governments, notable among them being:

- Vadodara Mahanagar Seva Sadan (VMSS) : TPI for various infrastructure projects undertaken in Vadodara
- GSPL India Gasnet Limited (GIGL): TPI for Mundra - Bhatinda Pipeline Phase II

- GSPL India Transco Limited (GITL): MBBVPL Phase I
- Konkan Railway Corporation Limited: Quality Assurance Services for USBRL project, 16 bridges on Katra Dharam sector, Anji Bridge project
- Technimont / KTI : TPI services for HGU project of HPCL Mumbai Refinery
- Special Protection Group (SPG) : TPI services for Residential cum Training Complex
- Pune Smart City Development Corporation Limited (PSCDCL): Third Party Quality Audits and Site Quality Control Inspection
- Third Party Inspection services for UP Irrigation, J&K PHED, Contractors, suppliers for Oil and Gas Projects
- Technical services to Parent company Engineers India Limited
- T4S audit Natural gas pipeline network throughout Gujarat including compressor station at Gana

Apart from these, CEIL secured Certification and Third Party Inspection assignments from ONGC for Onshore terminal in Kakinada, Heera Offshore Field in Mumbai and continued earlier TPI job for ONGC Sagar Samrat. Other assignments with OPaL and Cantonment Boards were continued. T4S audit for CGD network in Ahmedabad, Vadodara for Adani Gas, T4S and IMS audit for dedicated gas pipeline in Dahej for Torrent power, Fit for purpose Certification for Cairn Oil and Gas in Barmer were some of the assignments carried out by CEIL in the statutory certification area.

The Board of Directors of the company has recommended for the financial year 2019-20, a final dividend of ₹450 Lakhs (9,00,000 equity shares of ₹100 per share) in addition to ₹297 Lakhs (on 9,00,000 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 ₹747 Lakhs and dividend distribution tax of ₹61.05 Lakhs aggregating to total outflow of ₹808.05 Lakhs.

The highlights on performance of the Subsidiary and Associate Company and their contribution to the overall performance of the Company can be referred to Note No. 70 of the Consolidated Financial Statement.

### 26. Corporate Governance

The Company is committed to good Corporate Governance as per the requirements of SEBI Regulations and DPE Guidelines. 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.

### 27. Number of Meetings of the Board

The Board met 4 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.

## 28. Composition of Audit Committee

The Audit Committee of the Company comprises three members, and majority of members are Independent Directors. The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of the Audit Committee, like its composition, terms of reference, meetings held, etc., are provided in the Corporate Governance Report.

## 29. Declaration of Independent Directors

All the Independent Directors of the Company have submitted the declaration confirming that they meet the criteria of independence as prescribed under 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 they are 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 is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. Further, all the Independent Directors of the Company have complied and affirmed to abide by Rule 6 (Creation and Maintenance of Databank of Persons Offering to become Independent Directors) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and have also declared their enrollment in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs ('IICA').

## 30. 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 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 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/>.

## 31. Directors and Key Managerial Personnel

The following changes occurred in the Board / Key Managerial Personnel of the Company:-

### Appointment

1. Shri Sunil Kumar was appointed as Government Director w.e.f. 12.12.2019
2. Shri Ashok Kumar Kalra was appointed as Director (HR) w.e.f. 01.03.2020
3. Smt. Vartika Shukla was appointed as Director (Technical) w.e.f. 01.08.2020

### Cessation

1. Shri Umesh Chandra Pandey, Shri Vikas Khushalrao Deshpande, Dr. (Prof.) Mukesh Khare and Mrs. Arusha Vasudev, Non-official Independent Directors ceased to be Directors w.e.f. 20.11.2019 consequent upon completion of their term.
2. Shri Ashish Chatterjee, Director (Government Nominee) ceased to be Director w.e.f. 12.12.2019 consequent upon change of nomination by the Govt. of India.

3. Ms. Shazia Ilmi Malik, Non-official Independent Director ceased to be Director w.e.f. 31.01.2020 consequent upon completion of her term.
4. Shri V. C. Bhandari ceased to be Director (HR) w.e.f. 01.03.2020 consequent upon his superannuation.
5. Shri L.K. Vijh ceased to be Director (Technical) w.e.f. 01.08.2020 consequent upon his superannuation.

Shri Sunil Kumar, Director (Government Nominee), Shri Ashok Kumar Kalra, Director (HR) and Smt. Vartika Shukla, Director (Technical) 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.

Shri Rakesh Kumar Sabharwal, Director (Commercial) and Shri Sunil Bhatia, Director (Finance) are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting.

The Board places on record its deep sense of appreciation for the guidance and invaluable contribution made by the Directors during their tenure as Directors of the Company.

Details of the proposal for appointment / re-appointment of Directors along with their brief profile are mentioned in the Explanatory Statement of the Notice of the 55<sup>th</sup> Annual General Meeting of the Company pursuant to Section 102 of the Companies Act, 2013.

## 32. Secretarial Auditors

M/s Agarwal S. & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for the financial year 2019-20 along with the Management's Reply on the comments of Secretarial Auditor is annexed to this Report.

## 33. 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/>.

## 34. 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/>

## 35. 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/>.

## 36. 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 2019-20 to the above Stock Exchanges in time.

### 37. 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.

### 38. 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. However, regular inputs on performance of Independent Directors are being provided to administrative Ministry as well as Department of Public Enterprises (DPE).

### 39. 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 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.

### 40. 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 31.03.2020 are given in the respective Notes to the financial statements.

### 41. 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.

### 42. 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/shareholders-meetings>

### 43. 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.

### 44. 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, 2020 | Year ended 31 <sup>st</sup> March, 2019 |
| a)      | Expenditure (disbursement basis) in foreign Currency on account of:   |   |   |
| (i)     | Knowhow and professional fees including sub-contracts (others)  | 617.96                                  | 1182.22                                 |
| (ii)    | Sub-contractor/Construction Material turnkey projects   | 1980.45                                 | 3351.58                                 |
| (iii)   | Others (foreign travel, living allowance, membership fees, agency commission, foreign office expenses)  | 4525.98                                 | 3466.40                                 |
| b)      |   |   |   |
| (i)     | Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 0.37 Lakhs (Previous year: ₹78.29 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 20.67 Lakhs (Previous year: ₹88.82 Lakhs) incurred in local foreign currencies. | 36152.44                                | 17985.38                                |

### 45. 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.

### 46. 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 2019-20:-

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.

The names of Companies which have become or ceased to be its subsidiaries during the year are NIL. The companies which have become or ceased to be joint ventures or associate companies during the year are 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 2019-20, there were one case 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.

#### 47. 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/>.

#### 48. 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 'RTI' section. Details of CPIO, APIO and First Appellate Authority have also been notified, in line with the requirements of the Act.

During the year, total of 225 (Two hundred and twenty five) RTI applications were disposed off timely, by providing information in line with provisions mentioned in the Act. Company also received First Appeals in response to the information provided by CPIO. 30 (Thirty) number of RTI Appeals were attended and appropriately disposed off by First Appellate Authority during the aforesaid period.

#### 49. Directors' Responsibility Statement

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2020, 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, 2020 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.

#### 50. Statutory Auditors

N. K. Bhargava & Co, Chartered Accountants were appointed as Auditors of the Company for the financial year 2019-20 by the Office of Comptroller & Auditor General of India.

#### 51. Bankers

Bankers of the Company include State Bank of India, Indian Overseas Bank, Corporation Bank, Bank of Baroda, Punjab National Bank, Union Bank of India, HDFC Bank, ICICI Bank, Indian Bank, Bank of India, Canara Bank, Axis Bank, Standard Chartered Bank, Citibank N.A. and IndusInd Bank.

#### 52. 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.

#### 53. 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 : 18<sup>th</sup> August, 2020

J.C. Nakra  
Chairman & Managing Director

## Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2019-20 and the business outlook for this year:

### 1. Business Overview

For the year 2019-20, the Company secured business worth ₹1617.31 Crores with segment-wise breakup as follows:-

- Domestic Consultancy : ₹ 811.93 Crores
- Overseas Consultancy : ₹ 805.37 Crores

All orders received this year are in Consultancy segment. Major contributions in inflows include orders from Mongolia for setting up a Grass root Refinery Project, additional work under Dangote Refinery Project in Nigeria, Crude Oil / Product Pipeline Project of NRL, LPG Cavern project at Mangalore for HPCL and Polypropylene Unit of GAIL, Pata.

#### Domestic

##### Refinery and Petrochemical

In the downstream hydrocarbon segment, orders secured in the Refining sector include Phase 1 award of Overall Project Management and EPCM Services for 15MMTPA to 25MMTPA Capacity Expansion of Panipat Refinery (P-25 Project) of IOCL, EPCM services for 60 KTPA Polypropylene Plant at GAIL, Pata, PMC Services for Petro Resid Fluid Catalytic Cracker Unit along with Sulphur Recovery Unit & Associated Facilities including U&O at Mumbai Refinery of BPCL at Rasayani, Study for Capacity Expansion of IOCL's Paradip Refinery from 15 MMTPA to 25 MMTPA, EPCM consultancy services for setting up of HPG-2, Butene-1 and PSA units at Lepetkata for BCPL and various other small assignments including several variation orders.

##### Pipelines, LNG Projects, Storage terminals and Strategic Storage

In the midstream segment, EIL secured orders for providing EPCM Services for Crude Oil Terminal (COT) at Paradip, Paradip - Numaligarh Crude Oil Pipeline (PNCPL) and NRL - Siliguri Product Pipeline (NSPPL), Consultancy Services for Design, Engineering and Technical Studies, Supervision & Assistance for Crude Handling Facilities Project in Gulf of Kutch off Vadinar, Gujarat, Primary PMC Services for Balance Jobs of Dabhol LNG Terminal and PMC Services for Chhara LNG Terminal and LPG Cavern at Mangalore.

##### Upstream Oil and Gas Projects

In the upstream segment, EIL secured orders for PMC Services for Installation of Gas Turbine Compressor station at Gandhar, Technical Feasibility Study for Successful Operation of LP Compressors at GGS-4 Lakhmani and GCP Lakwa and additional work under ongoing EPCM Services contract for Western Gateway Project Early Production facilities.

##### Metallurgy

In the metallurgy segment, EIL secured order for Consultancy Services & Construction Management for addition of 11<sup>th</sup> Rectifier Group between Potline-3 & 4 at NALCO's Smelter Plant

at Angul in Odisha, Study report of Jhamarkotra Rock Phosphate Mine at Udaipur, Rajasthan and few small assignments including additional work under ongoing contract for Study of High Rise Structures Stability for Aditya Aluminium Plant.

#### Infrastructure

In Infrastructure segment, EIL secured assignment from Petronet LNG for Owner's Engineer (OE) services for Construction of PLL's new office Building Complex at Dwarka in Delhi, additional work under ongoing agreement with UIDAI for PMC Services for Construction of Data Centre, Office Complex & Residential Complex, an assignment from Department of Civil Aviation, Government of Goa for Technical Assistance related to Environmental Clearance for Mopa Airport and assignment from Airport Authority of India (AAI), for assessment of completion cost of assets occupied by AAI at Kempegowda International Airport (BIAL), Bengaluru.

#### Overseas

EIL was able to secure various engineering and consultancy assignments in Central Asia, Middle East and Africa. This year, EIL had a major breakthrough in Mongolia by securing first ever PMC consulting assignment for setting up a grass root refinery project under Line of Credit funding by Government of India to Government of Mongolia. This project will provide a unique opportunity to support Government's 'Make In India' initiative. Other jobs secured in overseas markets include Front End Engineering & Design (FEED) Services for Automatic Overfilling Protection (AOP) and Flammable Gas Detectors for HC Tanks in ADNOC Refining Locations UAE, PMC Services for HABSHAN & BAB Projects for ADNOC Gas Processing Company UAE, Engineering Services for Instrument Air Network Upgrade Project and Oily Water Treatment Plant Upgrade Project from ADNOC Offshore UAE and various Engineering and Training Services assignments from BAPCO, Bahrain. Other major contributors in Overseas business were additional work under ongoing contract for Dangote Refinery Project in Nigeria and consultancy assignments for both onshore and offshore projects in UAE and Bahrain. EIL is also pursuing opportunities in other territories to augment its international footprint.

### 2. Business Environment & Future Outlook

#### India

The world is in the midst of a crippling impact due to COVID-19 pandemic and has clearly entered into recession. Although China is returning to normalcy, the worsening impact of the virus outbreak in other economies of the region seems to be weighing on the aggregate growth. The growth in the Asia Pacific region has been cut sharply and India too is set to bear the brunt.

However, the decline in crude prices has provided a breather for the economy. Though the demand may not seem to rise immediately but it will steadily pick up once the impact of COVID-19 subsides. Lower oil prices are all set to provide

significant tailwinds to the Indian economy in the form of lower current account, lower inflation and improved government finances/household savings. For India, this may be a boon to pull out the economy from low growth rate and rising inflation. The combination of the COVID-19 pandemic demand disruption and supply glut has generated an unprecedented crisis in the industry. However, these challenges will provide new opportunities for EIL to evaluate new prospects and clientele in the Oil & Gas sector.

Further, the additional measures on fiscal and monetary front by RBI and Government of India would provide impetus to the industry and public spending to come out of the impact of this pandemic. The demand and supply, though momentarily staged down, shall rebound once the fears lurking from the Corona Virus stabilize.

The Refining Sector in India is anticipated to perform a balancing act with deriving benefits from the reduced feed stock prices and fuel demand. The Indian refining industry has done exceedingly well in establishing itself as a major player globally. India, which is the 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, however efforts are being made by all stakeholders to swiftly materialize these projects.

LPG/ Natural Gas requirement in the country is on an uprise and this will lead to creation of new projects. Import terminals will immediately be taken up to cater to the rising gas demand. The implementation of Gas Grid will accelerate. Natural Gas is seen to increase its share to 20% by 2030 which could mean creation of more energy consumers driving the regional growth. A number of LNG Regasification projects that are being planned on the East Coast of the country could also see the light of the day.

The standalone Petrochemical Complexes such as Propane Dehydrogenation (PDH)/ Polypropylene (PP) / Polycarbonates etc shall gain with the falling prices of feedstock.

The Company expects that the planned projects and Investments related to Terminals and Petrochemical Complexes may move forward. Also, necessary reforms/ revamps within the Refineries and Offshore platforms could also probably be taken up in future.

#### Overseas

The COVID-19 pandemic that began in last Quarter of FY 20 led to complete lockdown in Q1 FY21 spanning most of industry and service segments across the globe.

The overall impact of COVID in short term would be significant as world grapples with health crisis and tries to find new and innovative ways of business continuity.

In the long term, outlook would depend on the extent to which the pandemic continues which is too early to predict at this stage. Lot of promising research on vaccination / medicinal cure and preventive strategies are being undertaken the success of whom would bring the economic activity to normalcy soon.

The global policy makers' unprecedented monetary and fiscal stimulus efforts have succeeded in reducing liquidity-driven financial crisis. The gradual unlocking of economy and the efforts put in by international policy makers are expected to show early signs of successful recovery at least in Q2 of FY 21. The disruptions to global oil and gas supply and consumption as a result of COVID-19 have been significant. As road and air travel fell sharply when economies around the world went into

lockdown, global liquid / gaseous fuels consumption fell more sharply than production resulting in significant fall in feedstock prices. The Middle East economies, wherein our key overseas clients are based, have faced maximum impact of global fallout. It is expected that global oil inventories will grow and cause crude oil spot prices to fall in a short time.

### 3. Impact of COVID-19 in Business Environment & Future Outlook on EIL

The current global pandemic crisis due to COVID-19 has impacted the entire Indian economy and EIL is no exception to this. Now the oil & gas sector has been facing a double blow due to oversupply and unprecedented demand drop due to COVID-19 lockdown. Most of Indian Refiners, who are our major clients, were forced to operate at a minimum throughput during this period due to lack of demand. This has been translated into OPEX cut and a deferred CAPEX roll out in near future. International clients have already announced investment cut to the tune of 20-25%. India has been more resilient and most of the scheduled upcoming projects are expected to be deferred by short duration.

As a result, EIL being in technology service sector, is bound to get affected in short term. Supply Chain Disruptions are impacting deliveries of ongoing projects. Slowdown of Construction activities is being witnessed, and we expect a revival in next 3-5 months. Financial health of Contractors, Sub-Contractors and Suppliers especially MSMEs have been impacted. We expect more Low cost revamp project opportunities in the immediate future.

EIL, due to its strong credential and technical prowess, is expected to remain a preferred choice for our esteemed clients in these trying times. Further, a robust order book is expected to sail us through these difficult time. We are revisiting our strategies and way forward plans to absorb these immediate dents and come back strongly on the curve of business growth.

Company has well adapted Work from Home model. Augmentation of Web Based Applications has been done. Increased focus on remote operations and paperless transactions is being given. Digital platforms are being utilized for Meetings / Reviews / Approvals. Remote inspection of equipment at suppliers works have been adopted for projects. Special arrangements are being made at Construction sites for restoration of work as per Govt. Guidelines with permission of local authorities.

We are confident that EIL will emerge out stronger and continue to retain the leadership position in engineering consultancy segment in the Oil & Gas and associated sectors and would continue to contribute positively in the growth of the nation.

### 4. 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 2019-20 | Actual 2018-19 |
|-----------|-------------------------------------|----------------|----------------|
| <b>A.</b> | <b>INCOME</b>                       |                |                |
| i)        | Consultancy & Engineering Contracts | 156531         | 134947         |
| ii)       | Turnkey Contracts                   | 163774         | 109487         |
| iii)      | Other Income                        | 25804          | 22508          |
|           | <b>TOTAL INCOME</b>                 | <b>346109</b>  | <b>266942</b>  |

| Sl. No.   | Description                                   | Actual 2019-20 | Actual 2018-19 |
|-----------|---|----------------|----------------|
| <b>B.</b> | <b>EXPENDITURE</b>                            |                |                |
| i)        | Cost of rendering services                    | 276175         | 207955         |
| ii)       | Depreciation & Amortization                   | 2383           | 2236           |
|           | <b>Total</b>                                  | <b>278558</b>  | <b>210191</b>  |
| <b>C.</b> | <b>PROFIT BEFORE TAX (A-B)</b>                | <b>67551</b>   | <b>56751</b>   |
| D.        | Provision for Current tax                     | 21936          | 19470          |
| E.        | Provision for Deferred Tax                    | 2640           | 871            |
| F.        | Earlier Year Tax Adjustments, Short/ (Excess) | (49)           | (597)          |
| <b>G.</b> | <b>PROFIT FOR THE YEAR (C-D-E-F)</b>          | <b>43024</b>   | <b>37007</b>   |
| <b>H</b>  | <b>OTHER COMPREHENSIVE INCOME</b>             | <b>(3057)</b>  | <b>(158)</b>   |
| <b>I.</b> | <b>TOTAL COMPREHENSIVE INCOME (G+H)</b>       | <b>39967</b>   | <b>36849</b>   |

Turnover for FY2019-20 has been the highest ever turnover of the Company after FY 2011-12.

#### 4.1 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 31.03.2020 | Year ended 31.03.2019 |
|---------------------------------------|-----------------------|-----------------------|
| <b>Segment Revenue</b>                |                       |                       |
| Consultancy & Engineering Projects    | 156531                | 134947                |
| Turnkey Projects                      | 163774                | 109487                |
| <b>Total</b>                          | <b>320305</b>         | <b>244434</b>         |
| <b>Segment Profit From Operations</b> |                       |                       |
| Consultancy & Engineering Projects    | 49892                 | 38938                 |
| Turnkey Projects                      | 6545                  | 6279                  |
| <b>Total (A)</b>                      | <b>56437</b>          | <b>45217</b>          |
| Interest                              | 174                   | 123                   |
| Other un-allocable expenditure*       | 14516                 | 10851                 |
| <b>Total (B)</b>                      | <b>14690</b>          | <b>10974</b>          |
| <b>Other Income(C)</b>                | <b>25804</b>          | <b>22508</b>          |
| <b>Profit Before Tax(A-B+C)</b>       | <b>67551</b>          | <b>56751</b>          |
| <b>Income Tax Expense</b>             | <b>24527</b>          | <b>19744</b>          |
| <b>Profit for the year</b>            | <b>43024</b>          | <b>37007</b>          |
| <b>Capital Employed**</b>             | <b>234546</b>         | <b>227585</b>         |

\* Financial year 2019-20 includes expenditure on Oil and Gas exploration blocks including dry well written off and impairment amounting to ₹ 2,985 Lakhs (previous year: ₹ 1,794 Lakhs).

\* Includes ₹ 1,630.10 lakhs (previous year : Nil) of accrued provident fund liability for default till 31-03-2020 on account of Provident Fund Trust investment.

\*\* 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.

#### 4.2 Financial Performance in relation to Operational Performance

The Company has registered turnover of ₹ 3,20,305 Lakhs in FY 2019-20, as stated in the audited financial statement. The revenue from consultancy business is ₹ 1,56,531 Lakhs and from Turnkey Project is ₹ 1,63,774 Lakhs.

The Company has recommended a final dividend of ₹1.55 per share (Face value ₹ 5/- per share) in addition to interim dividend of ₹3.60 per share paid during the year.

#### 4.3 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                                | 2019-20 | 2018-19 |
|--|---------|---------|
| PBT / Turnover                             | 21.09%  | 23.22%  |
| PAT/ Turnover                              | 13.43%  | 15.14%  |
| PBT / Capital Employed                     | 28.80%  | 24.94%  |
| PAT / Net Worth                            | 18.34%  | 16.26%  |
| Turnover / Net Worth (number of times)     | 1.37    | 1.07    |
| Sundry Debts / Turnover (Month's Turnover) | 2.50    | 2.03    |

#### Ratios where there has been significant changes from FY 2019 to FY 2020

The Turnover of company for financial year 2019-20 of ₹3,20,305 Lakhs has surpassed the annual turnover of previous year of ₹2,44,434 Lakhs by 31%. 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 increase (28.04%) in Turnover/Net worth ratio is mainly on account of increase in turnover.

#### 5. 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. An independent group (Corporate Risk Assurance) audits the compliance verification of mitigation action 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.

In view of present crisis arising out of COVID-19 pandemic, the Company has identified a new Risk No. 28 i.e. "Impact of Epidemic/Pandemic (COVID 19), War like Situation & Force Majeure" and its Control and Mitigation action plan.

## 6. 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.

## 7. Memorandum of Understanding with Govt. Of India

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.

During 2019-20, the Company received "Very Good" rating in MoU (Memorandum of Understanding) for the financial year 2018-19.

## 8. 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. Detailed Feasibility Reports undertaken by EIL have led to setting up of new Refinery/ Petrochemicals projects.

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 Bio Fuel 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.

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 Mongolia by signing an agreement for providing PMC Services for upcoming Greenfield Refinery with the Government of Mongolia through Mongol Refinery State Owned LLC being setup under Govt of India's line of credit. EIL, in its endeavour to seek projects in Middle East, has managed to list itself with ADNOC Group Companies for Technical Support Services (TSS) contracts, General Service Agreement with BAPCO, Bahrain and also for large projects in both onshore and offshore sectors. Apart from this, the Company has also been leveraging its presence in Middle East, Africa and neighbouring countries.

### 8.1 Human Resources

HR plays a pivotal role in the Company by enabling strategic utilization of Human resource to serve business goals. EIL has an empowering work environment which promotes effective talent management and ensures development and career growth of

its people which motivates them to achieve their full potential. Being a people-centric organization, the HR function continuously aligns with the growth ambitions of the organization and creates policies and processes to equip the Human Assets to deliver results and achieve goals. 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. An action plan has been prepared and implementation is underway to address the gaps found during the assessment.
- 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 employees 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, including web based trainings, whereas the managerial and behavioural capabilities were strengthened through adequate focus on soft skills programmes.
- Training Division 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.
- Specialised Leadership programs have been organised for female employees within the campus and some female employees have been sent outside for attending leadership programs organised by external agencies, as well.
- During the year, efforts were made for aligning welfare measures towards enhancement of work life balance for employees. Various employee welfare initiatives were taken

ranging from organizing talk cum interactive sessions on emerging health issues and building awareness on lifestyle enrichment matters, extension of medical benefits through empanelment of hospitals etc. besides sports and other family get-togethers for enhancing the quality of life.

- 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 70 senior management personnel during the month of October, for assessing officers in both individual and group based environment for all round development.
- As part of various Diversity and Inclusion Initiatives, concerted efforts were taken towards enabling a better work life balance for women executives by creating opportunities for discussion on Women's Health, Adolescent Challenges, Financial planning. Moreover, interventions on Self-defence, Management Mentoring and New Mother Mentoring were created in response to the challenges faced by women and the varied roles they play.

## 8.2 Business Secured / Achievements

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.

FY 2019-20 has been a good year for EIL in terms of robust order book and business secured. Significant consulting assignments were secured across diverse sectors viz. Refineries, Petrochemicals, Onshore Oil & Gas, LNG, Pipelines, and Infrastructure. Some of the major achievements in overseas include securing of major assignments for Grass root Refinery Project in Mongolia, additional work under ongoing contract for Dangote Refinery Project in Nigeria and an upstream water Injection Project from ADNOC UAE, FEED Services for Automatic Overfilling Protection (AOP) and Flammable Gas Detectors for HC Tanks in ADNOC Refining Locations UAE. In domestic sector, we secured two major umbrella contracts; one for Panipat Refinery Expansion (15 to 25 MMTPA) and another for Petro Resid FCC and PP Project of BPCL at Rasayani. EIL also secured largest ever Pipeline order from NRL which also includes a Crude Oil Terminal.

## 8.3 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.

## 8.4 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 this sector are being made by the Company. EIL through its strategic initiatives has managed to bag infrastructure and building projects from the prestigious Institutions like IITs, IIMs, UIDAI etc.



EIL is pursuing projects in development and redevelopment of Archaeological sites and has secured projects from Indian Oil Foundation (IOF). EIL, since last two years, has been associated with Indian Oil Foundation in this initiative. Presently, EIL is involved in providing consultancy services for Preparation of Detailed Project Report for Heritage Restoration projects at Khurdha, Odisha for the Housing and Urban Development Department (HUDD), Govt. of Odisha. EIL is providing Project Development and Management Consultancy for the Urban Flagship Program Atal Mission for Rejuvenation and Urban Transformation (AMRUT) in the state of Odisha for nine cities. 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.

EIL is also preparing itself for strategic entry into the sectors of Ports, Harbours and Jetties.

The need for Gas imports for the country is ever increasing leading to creation of LNG Regasification Terminals across the coast. EIL is pursuing these projects along with conceptualization of these with OMCs.

The Defence Sector also provides an array of opportunities with complex and niche chemicals for weaponry being manufactured at Ordnance Factories. EIL is endeavouring to leverage its expertise in Technical Consultancy in the Chemical area of the Defence sector to gain foothold.

#### 8.5 Cost Control & Monitoring

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

#### 8.6 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.

#### 9. Environment Protection & Conservation, Technological Conservation, Renewable Energy Development, Foreign Exchange Conservation

The COVID-19 crisis has affected societies and economies around the globe and will permanently reshape our world as it continues to unfold. While the fallout from the crisis is tremendous, it has also provided us an opportunity to reboot and reset the way we live and lead our lives. While the world was under lock down, the sky became clean and clear, the snow-clad mountains become visible from far-off places, CO<sub>2</sub> emissions dramatically

reduced, river water quality tremendously improved and in some cases water became potable. It provided a glimpse of how the environment should be and provoked and prompted us to rethink on our treatment of the mother Earth. EIL has always been conscious of this fact and we have been building up state-of-the-art technologies in the field of effluent recycle/ reuse leading to Zero Liquid Discharge (ZLD) requirements so that no polluted water is discharged into our clean rivers. On similar grounds, EIL has evolved several technologies in the area of control of volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and treatment of the same using bio-remediation process besides opting for energy efficient processes and treatment systems. In order to boost renewal energy, all new projects are now required to put solar panels, which would be some percentage of overall energy demand as per the state policy. EIL's effort towards developing and initiating Make In India technology program will go a long way to conserve our precious FOREX reserves.

#### 10. 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 remodelled 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.

#### 11. 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.

#### 12. 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:** <http://www.engineersindia.com>
- E-mail Id:** eil.mktg@eil.co.in
- Financial Year Reported:** 2019-20
- 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 31.03.2020):** 9 (UAE, Bahrain, Oman, Nigeria, Bangladesh, Mongolia and 3 Inspection Offices in China, U.K. & Italy)
  - Number of National locations (as on 31.03.2020):**

| Locations                    | No. |
|------------------------------|-----|
| Corporate Office             | 01  |
| R & D Complex                | 01  |
| Branch Office                | 01  |
| Regional Offices             | 03  |
| Regional Procurement Offices | 07  |
| Construction Sites           | 76  |

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

### SECTION B: Financial details of the Company

- Paid up capital (INR)** : ₹31595.58 (as on 31.03.2020)
- Total turnover (INR)** : ₹320305.08 (FY 2019-20)
- Total profit after taxes (INR)** : ₹43024.37 (FY 2019-20)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** 2.62%



**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 with focus on sustained efforts to raise the quality of life of people from the deprived sections of society. These have further been categorized under various thrust areas as Education, Healthcare, Women Empowerment, Drinking Water/ Sanitation, Upliftment of Underprivileged, Skill training, Disaster Management & contribution to PM CARES Fund.

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 2300 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 Ashok Kumar Kalra

**DIN :** 08698203

**Designation :** Director (HR)

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

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

**Name :** Shri Atanu Kumar Bhowmik

**Designation :** CGM (HR)

**Telephone number :** 011-26762901

**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 being 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.                                |     |     |     |     |     |     |     |     |

| Questions  | P1  | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 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 2019-20 can be accessed from the link: <https://engineersindia.com/investors/reports-results/>

## 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.**

| Complaints  | No. of complaints received | No. of complaints resolved | % Resolved |
|---|----------------------------|----------------------------|------------|
| Grievances received from internal employees                             | 17                         | 16                         | 94.1%      |
| Grievances received from CPGRAMS Portal                                 | 32                         | 32                         | 100%       |
| Complaint received in Compliant Management System from all stakeholders | Nil                        | Nil                        | -          |
| Investors Complaint   | 422                        | 422                        | 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 the 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 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 alternative.

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
- 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
- Thus estimate carbon foot-prints of any design before hand
- Conduct embedded 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 process 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, another parameter 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 at present developed skills to carry out 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:

**Ammonia Recovery from Sour gases:** The technology recovers ammonia from Sour Water Stripper (SWS) off gases, by removing the  $H_2S$ . The recovered  $H_2S$  is recycled to SRU. EIL's proprietary packing and adsorbent bed are used in this process. The packing requires low pressure drop, so existing stripper operating conditions will not be changed. Adsorbed  $H_2S$  on adsorbent bed can be regenerated by oxidation with air/ $O_2$  to produce Sulphur and  $H_2S$ .  $H_2S$  and Sulphur are routed to SRU.

**$CO_2$  Capture from Flue Gas:** EIL-IIP have jointly developed amine based process for the removal of  $CO_2$  from flue gas. The process uses amine based solution such as alkanol amine solvent. The solvent chemically reacts with dissolved  $CO_2$  present in the flue gas. The amino group provides sufficient alkalinity to absorb  $CO_2$ . The main advantage of the solvent is that, it can perform in presence of oxygen in flue gases, without itself getting degraded.

**Tail Gas Treating Unit –EngSulfTG™:** The tail gas treating technology offered by EIL is one of the leading technologies which help refiners to meet challenges in SRUs. EngSulfTG uses amine to capture hydrogen sulphide present in hydrogenated tail gas and ensures 99.9% overall sulphur recovery of SRU. The process can be used to increase the recovery (up to 99.9% min.) of operating Claus based SRU with minimum modification and shutdown period. EIL provides concept to commissioning support for implementation of this process.

**Hot Well Off Gas - EngHOG™:** The off-gas released from various industries contains significant amount of sulfur compounds which creates serious environmental damage hence treatment of these gases becomes mandatory. Hotwell off gas (HOG) released from Hot-well of vacuum distillation unit, has high calorific value but due to high sulphur content (10-20 wt%) create corrosion problems in furnaces and increases sulphur emission to atmosphere. The best utilization of Hotwell off gases can be done after sulphur treatment. EIL has developed "EngHOG™" process for low pressure off-gases treatment.

**Low Level Heat Recovery for Power Generation:** Waste heat recovery is an essential method to increase the overall efficiency of the refinery and, thus, to lower fuel demand. Product run downs, exhaust gas of various processes are carrying a huge amount of energy disposed-off to atmosphere through air coolers, etc. EIL R&D has developed a process for recovering the low level heat from the product run down streams/ flue gas exhaust to generate power. It is a patented technology and ready for commercialization. This technology allows for exploitation of low-grade heat that otherwise would be wasted. The process is easily integrated with the existing process units, where process streams are rejecting the heat to air cooler. This technology has wide application to refineries, and gas processing complexes.

**Carbonation Process for Neutralization of Alkaline Waste Water:** To overcome the operational difficulties like excessive acidification, corrosion etc, an optimized process has been developed to neutralize alkaline waste water using carbon dioxide rich stream such as off gas from gas processing unit and flue gases. This novel process is an alternative to conventional acid treatment to bring down the pH of the spent caustic stream from 13-14 to around 7.5 to 8.5. This innovative process is scalable up to industry standards and can be utilized across industries.

## 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 designs all such requirements 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. The Company has carried out EIA for the following projects addressing all environment and social concerns. Environmental Clearance from Ministry of Environment, Forest and Climate Change were successfully obtained by EIL for following projects:

- EIA study and Environmental clearance for new R&D campus of IOCL at Faridabad
- EIA & RRA study for Petro Resid Fluidized Catalytic Cracking Unit at BPCL Mumbai Refinery
- EIA study and Environmental Clearance for HRRL Township project at Sambhara, Barmer district, Rajasthan
- EIA & RRA study for Polyol project at Kochi Refinery - BPCL (first of its kind plant in India)

EIL is also providing its consultancy services to some of 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 successfully carried out water audit of thirteen Indian refineries. This audit has helped refiners to find out their actual potential to recycle and reuse water in their entire water circuit. 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. Savings in water for each sector especially: process water, maximum recycle/reuse, drinking side and service water all have been taken care while preparing the report. The measures were provided in short term and long term both sides. Once the Refineries are able to implement those recommendations in upcoming years, huge water savings are expected.

**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, 2319 nos. suppliers and 370 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 into 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).

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?**

Since EIL's inception in 1965, EIL has been in the forefront of development of the engineering industry in India. Several steps have been taken to encourage & improve the capacity and capability of local manufactures in India.

Under GOI's Make In India campaign, EIL had issued a Make In India Policy in 2016 which had its scope widened during 2019-20. Under this policy, Indian subsidiary of a foreign company (holding 51% or above shares) can be enlisted / qualified in the tenders subject to certain conditions, using the experience & support of either foreign principal or another subsidiary of the foreign principal, carrying the required experience. EIL has enlisted 13 Indian suppliers for various items under this policy.

In sectors where only one or two players exist, even manufacturers without PTR were allowed to develop prototypes with handholding by EIL. They were considered qualified based on the successful development & testing of a prototype, meeting the stipulated technical specifications as well as capability and capacity of the plant being upgraded to meet the requisite standards.

EIL has continuous interactions and provides technical & procedural assistance for development of Indian Manufacturing Industries especially MSEs through nine (9) Regional Procurement Offices of EIL. During the FY 2019-20, EIL organised five (5) industry specific exclusive supplier/contractor meets.

Under GOI policies to incentivize the local content, many bidders have been encouraged to come forward and avail maximum benefit of various purchase preference policies like Purchase Preference Policy for MSEs, Purchase Preference-Local Content (PP-LC) Policy, Domestic Manufactured Iron and Steel Policy (DMI-SP), domestically manufactured Electronic and Telecom products, etc.

**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% sent for recycling. Other wastes include e-waste and a small proportion of wastes like batteries, electrical waste, waste lube oil, etc. 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 31.3.2020 was 2806.

**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 31.3.2020 was 774.

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

Total no. of permanent women employees as on 31.3.2020 was 332.

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

Total no. of permanent employees with disabilities as on 31.3.2020 was 47.

**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 labour, forced labour, involuntary labour, 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  | NIL  |
| 2.      | Sexual harassment                             | 1  | 1  |
| 3.      | Discriminatory employment                     | NIL  | NIL  |

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

- Permanent Male Employees-49.60 %
- Permanent Women Employees-66.87 %
- Casual/Temporary/Contractual Employees-100% (Safety awareness training/campaigns are organized for all site employees)
- Employees with Disabilities-40.43 %.

**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.**

All CSR initiatives undertaken by EIL are for the welfare of the underprivileged segments of society with special emphasis on women, children, Persons with Disabilities, and elderly from marginalised communities, youth from SC/ST/OBC/EWS category and disadvantaged residing in rural & remote regions of the country.

Details of CSR initiatives are 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 approaching, encouraging and supporting Micro & Small Enterprises, SC/ ST Entrepreneurs, Women Entrepreneurs and Start-Ups in order to enhance their product portfolio and manufacturing capabilities and capacity. 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) and Dr. Ambedkar Co-operative Federation etc to reach the SC/ST entrepreneurs.



**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 for 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 the all of our projects inland or internationally.

EIL has also formed EIA and Sustainability Deptt. under the ambit of Environment, Water and Safety (EWS) Division to specifically cater to all Sustainability issues.

A link to the Corporate Sustainability web page is <https://engineersindia.com/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 i & ii 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 presently 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 has successfully carried out the water savings audit for 13 nos. Indian Refineries and 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 & their 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 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 green field Nuclear Fuel Complex at Kota.

- 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 at 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) at 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                |
| 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 Permanent way Engineers   | National                |
| Project Export Promotion Council of India (Consultancy & Engineering Services) | National                |
| Indian Nuclear Society (INS)   | 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                |
| Federation of Indian Petroleum Industry (FIPI)                                 | National                |
| Institute of Internal Auditors – Delhi Chapter                                 | 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 NGO/ 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 2019-20, the total contribution towards CSR activities has been ₹ 1128.49 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.**

There is no complaint pending as on 31.03.2020.

**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 Satisfaction survey is carried out by Corporate Quality Assurance Department (CQAD) of the company as per relevant procedure, every year. Customer perception surveys are being obtained from Customers using a structured format consisting of various attributes with respect to customer expectations and EIL services and provide their rating on the scale of 1 -10. During the perception survey, one to one discussions were also held with the customers and their observations are recorded. The observations and the concern of customers are presented to the Management Review Committee (MRC) for providing necessary direction for improvement in Quality Management System. Trends of previous three years is also prepared and presented to the MRC to ascertain the direction of Quality Management System. The customer perception reports are shared with the respective HoDs& in-charges for corrective actions and its implementation in the improvements systems and processes. The trend of customer ratings for EIL for last 5 years is shown below:

| Financial Year | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------------|---------|---------|---------|---------|---------|
| Average Rating | 8.14    | 8.8     | 7.74    | 7.91    | 8.07    |

## Report on Sustainable Development

### Introduction

*"Sustainability is no longer about doing less harm. It's about doing more good."* - Jochen Zeitz. Environmentally friendly actions can be a challenge to put into practice in business and to practice how natural systems function, remain diverse and produce everything, it needs for the ecology to remain in balance. It also acknowledges that human civilisation takes resources to sustain our modern way of life. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

The greatest threat to our planet is the belief that someone else will save it. We now live in a modern, consumerist and largely urban existence throughout the developed world and we consume a lot of natural resources every day. In our urban centres, we consume more power than those who live in rural settings and urban centres use a lot more power than average, keeping our streets and civic buildings lit, to power our appliances, our heating and other public and household power requirements. That's not to say that sustainable living should only focus on people who live in urban centres though, there are improvements to be made everywhere. It is estimated that we use about 40% more resources every year than we can put back and that needs to change. Sustainability and sustainable development focuses on balancing that fine line between competing needs - our need to move forward technologically and economically, and the needs to protect the environments in which we and others live. Sustainability is not just about the environment, it's also about our health as a society in ensuring that no people or areas of life suffer as a result of environmental legislation, and it's also about examining the longer term effects of the actions humanity takes and asking questions about how it may be improved.

At EIL, the sustainability mandate is not just about contributing to a good cause or complying with environmental regulations but rather about operating its business in a manner that is responsible and transparent to all its stakeholders. Sustainability at EIL implies:

- Delivering projects as per corporate Quality and HSE policies which enables its customers to far exceed their targets of sustainability.
- Fostering partnership with its esteemed customers, suppliers, contractors and the community to support sustainable development.
- Nurturing and training a highly qualified workforce for sustainability initiatives at individual as well as at society levels.
- Developing and deploying environment-friendly technologies and work practices.
- Following robust Corporate Governance policies based on an established code of ethics, transparency and scientifically developed Risk Management System.

EIL firmly believes in and has consistently practiced robust corporate governance practices. Transparency, professionalism and accountability in its business operations build trust of all our

stakeholders which is a pre-requisite for our growth. Risk management policy and its supporting framework facilitate early identification and assessment of risks for timely intervention through appropriate control and mitigation measures.

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, a non-sectarian society, global sharing, healing the environment, sustainable economies, self-determination, social justice, economic empowerment of the poor, love and compassion in action. For us Sustainability has to be a way of life to be a way of business.

There are three Pillars of Sustainability: Economic Development, Social Development and Environment Protection. Sustainability is about ecology, economy, and equity. Our business mandate revolves around these pillars and comply with the environmental regulations and norms in a way that make it 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.

Our project designs thrive on 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.

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. Not because it is a nice thing to do or because people are forcing us to do it but because it is good for our business. 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 shifting 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. We at EIL take small actions such as using a reusable water bottle, walking to work, turning off the computer at the end of the day, using tap water for drinking, automatic switch on buttons in cabins and rooms, taking prints when required and using double sided printing and recycling the used papers etc. It's clear that many people want to see these actions among their friends and coworkers. Truly, the only way to inspire changes is to enact the habits. How truly Howard Zinn explained this: "We don't have to engage in grand, heroic actions to participate in change. Small acts, when multiplied by millions of people, can transform the world."

#### CSR Initiatives:

**Education:** In pursuit of its endeavour to enhance the infrastructure of educational institutions, EIL is supporting the construction of Government School Building in Kabennur, Dharwad, Karnataka and construction of additional educational infrastructure in Govt schools of Darrang, Assam. The Company has also facilitated the installation of water purifiers in NDMC schools of North-West Delhi & Mewat and maintenance of school toilets constructed by EIL in Assam, Odisha & Tamil Nadu as part of Swachh Vidyalaya Abhiyan.

EIL is also supporting the setting up of group hand washing stations in 23 Govt schools of Odisha supported earlier as part of Swachh Vidyalaya Abhiyan. Another initiative in this area is support for residential Skill Development Training Programme for 902 candidates (mostly school dropouts) across various parts of country.

**Health Care:** EIL conducted eye ailments and cataract operation camps at Udalguri, Baksa & Darrang (Assam), Vishakhapatnam (Andhra Pradesh), Luxar, Haridwar (Uttarakhand) and organised 5 Camps for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs) at Cuttack (Odisha), Virudunagar (Tamil Nadu), Birbhum (West Bengal), Coimbatore (Tamil Nadu) & Kozhikode (Kerala). In a bid to promote preventive healthcare, the Company is supporting the organization of Camps for screening & treatment of anemia & malnourishment amongst underprivileged in Haridwar, Uttarakhand.

To treat patients with Hematological Cancers, EIL supported the installation of blood bank equipment such as refrigerators, deep freezers, cross blood matching systems & portable tube sealers at a

blood transfusion center in Kolkata. EIL supported the construction and installation of three water purification plants (ROs) in villages of Sheohar district, Bihar to prevent diseases caused by arsenic contamination in water.

For reduction in water & air borne diseases, EIL is supporting the construction of individual sanitation facilities for residents living in remote communities viz. Mustafabad & Dhanpura in Haridwar, Uttarakhand. A significant activity for spreading awareness of menstrual health was also undertaken whereby sanitary napkin vending and incineration units were installed in 5 village-based Girls Secondary Schools at Noida & Greater Noida.

During the year, EIL came forward to provide much needed succour to its countrymen during times of natural disaster and pandemic. In the aftermath of devastation caused by Cyclone Fani, EIL contributed to the cyclone relief fund to rebuild education, community & health infrastructure in the affected regions. EIL also contributed to PM CARES fund to support the Government in its fight against COVID-19.

**Environment Protection/Sustainability:** EIL's initiatives in the area of environment protection include 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 setting up of permanent campus of Skill Development Institute at Bhubaneswar and providing operational fund to Skill Development Institutes at Ahmedabad, Bhubaneswar, Kochi, Guwahati, Raebareli and Vishakhapatnam.

#### 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 backer 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 underprivileged sections of the society.

Today, EIL's revenues generation 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 their designed refinery units refine more number of barrels of crude than anybody else in the market. Today, EIL through their R&D have been granted 31 live technology patents and 27 other patent applications are under pending grant.

Gol has rightly indicated that our goal shall be able to live up to our ancient texts which say, "Keep pure for the Earth is our Mother and we are her children". With this message in mind, EIL has sustainability mandate not just about contributing to a good cause or complying with environmental regulations but rather about operating its business in a manner that is responsible and transparent to all its stakeholders. Considering the environmental concerns, stringent pollution norms and statutory regulations, and aligning with company's policies, EIL-R&D has identified the technology gaps and is developing environment related technologies on priority. Forays in fields such as Bio-fuels (2<sup>nd</sup> generation and beyond) and integration of solar energy in refinery processes have been made in this regard.

In line with EIL's Sustainable development policy, EIL-R&D is continuously taking initiatives in developing environment protection technologies. The prominent technologies, which have already found commercial acceptance or finding relevance under sustainable development's ambit, are listed below:

- **Ammonia Recovery from Sour gases:** The technology recovers ammonia from Sour Water Stripper (SWS) off gases, by removing the  $H_2S$ . The recovered  $H_2S$  is recycled to SRU. EIL's proprietary packing and adsorbent bed are used in this process. The packing requires low pressure drop, so existing stripper operating conditions will not be changed. Adsorbed  $H_2S$  on adsorbent bed can be regenerated by oxidation with air/ $O_2$  to produce Sulphur and  $H_2S$ .  $H_2S$  and Sulphur are routed to SRU.
- **$CO_2$  Capture from Flue Gas:** EIL-IIP have jointly developed amine based process for the removal of  $CO_2$  from flue gas. The process uses amine based solution such as alkanol amine solvent. The solvent chemically reacts with dissolved  $CO_2$  present in the flue gas. The amino group provides sufficient alkalinity to absorb  $CO_2$ . The main advantage of the solvent is that, it can perform in presence of oxygen in flue gases, without itself getting degraded.
- **Tail Gas Treating Unit –EngSulfTG™:** The tail gas treating technology offered by EIL is one of the leading technologies which help refiners to meet challenges in SRUs. EngSulfTG uses amine to capture hydrogen sulphide present in hydrogenated tail gas and ensures 99.9% overall sulphur recovery of SRU. The process can be used to increase the recovery (up to 99.9% min.) of operating Claus based SRU with minimum modification and shutdown period. EIL provides concept to commissioning support for implementation of this process.
- **Hot Well Off Gas - EngHOG™:** The off-gas released from various industries contains significant amount of sulfur compounds which creates serious environmental damage hence treatment of these gases becomes mandatory. Hotwell off gas (HOG) released from Hot-well of vacuum distillation unit, has high

calorific value but due to high sulphur content (10-20 wt%) create corrosion problems in furnaces and increases sulphur emission to atmosphere. The best utilization of Hotwell off gases can be done after sulphur treatment. EIL has developed "EngHOG™" process for low pressure off-gases treatment.

- **Low Level Heat Recovery for Power Generation:** Waste heat recovery is an essential method to increase the overall efficiency of the refinery and, thus, to lower fuel demand. Product run downs, exhaust gas of various processes are carrying a huge amount of energy disposed-off to atmosphere through air coolers, etc. EIL R&D has developed a process for recovering the low level heat from the product run down streams / flue gas exhaust to generate power. It is a patented technology and ready for commercialization. This technology allows for exploitation of low-grade heat that otherwise would be wasted. The process is easily integrated with the existing process units, where process streams are rejecting the heat to air cooler. This technology has wide application to refineries, and gas processing complexes.
- **Carbonation Process for Neutralization of Alkaline Waste Water:** To overcome the operational difficulties like excessive acidification, corrosion etc, an optimized process has been developed to neutralize alkaline waste water using carbon dioxide rich stream such as off gas from gas processing unit and flue gases. This novel process is an alternative to conventional acid treatment to bring down the pH of the spent caustic stream from 13-14 to around 7.5 to 8.5. This innovative process is scalable up to industry standards and can be utilized across industries.

Other than these R&D initiatives, EIL has done significant work in Spent Caustic Treatment also.

- **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 m3/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

*"If we are serious about moving toward energy independence in a cost-effective way, we should invest in solar energy. If we are serious about cutting air and water pollution and reducing greenhouse gas emissions, we should invest in solar energy": Bernie Sanders*

Solar energy is today's resource for a brighter future. "Let us turn to the sun to power our future". Keeping this vision of our Hon'ble Prime Minister, EIL has installed 90kWp 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 1,20,000 KW of energy with a peak daily generation of above 400kW 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 Campus

"The natural environment sustains the life of all beings universally." This statement came from no less than Dalai Lama himself. Our campus at Gurugram is the lung of surrounding areas. With a lush green spread over 25 acres, campus is located at the mid of sector 16 and national highways. It has been developed as Biodiversity Park with more than 300 varieties of trees, shrubs and plants. It has woods, two fruit gardens and numerous varieties of flowering trees all across the roads and pathways. To bring nature close to our workstations, many plants are kept on the corridors in every floor. People are encouraged to plant a tree during their birthday and any special day of their life as a remembrance. It is truly said that one who plants trees loves others beside himself.

## 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 & EWS 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. Water is sourced from the ground water for both New Delhi & Gurugram offices. The water consumption varies from 50 to 3000 m<sup>3</sup>/annum at different offices of EIL at Mumbai, Chennai, Kolkata and Vadodara which includes sourcing partly from ground water and partly from municipality supplied water. Although the 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 600mm. The usage of water in the Company is in two categories.

- At Delhi and Gurugram, where we have large office complexes, the water is used for domestic services. Sourcing of water at both the places is from ground water. 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.
- 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 successfully carried out water audit of thirteen Indian refineries. This audit has helped refiners to find out their actual potential to recycle and reuse water in their entire water circuit. 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. Savings in water for each sector especially: process water, maximum recycle/reuse, drinking side and service water all have been taken care while preparing the report. The measures were provided on both short and long term basis. Once the Refineries are able to implement those recommendations in upcoming years, huge water savings to the tune of 4000 m<sup>3</sup>/h are expected.

### 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 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, modelling & control; environmental management plans; etc.

Some of the major projects undertaken by the company during the year in Environmental field include the following:

- EIA study and Environmental clearance for new R&D campus of IOCL at Faridabad
- EIA & RRA study for Petro Resid Fluidized Catalytic Cracking Unit at BPCL Mumbai refinery
- EIA study and Environmental Clearance for HRRL Township project at Sambhra, Barmer district, Rajasthan
- EIA & RRA study for Polyol project at Kochi refinery of BPCL (first of its kind of plant in India)

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 August-2020.

#### **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. 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 Delhi/Gurugram offices 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., 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 Central Vigilance Commission (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 guideline '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://eprocure.gov.in/cppp>. 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 to the Management and necessary measures were undertaken for modification/ improvement by way of issuance of around 17 system improvements.

As part of observing Vigilance Awareness Week-2019 (VAW-2019), a series of programs were held in line with this year's theme "Integrity – A way of Life". During the VAW-2019 period, one seminar was organized on the topic "Frauds in Corporate Sector and how to mitigate". This was presented by Shri Rahul Magan, CEO Treasury Consulting LLP, Singapore, with an intention to create awareness about frauds in corporate sector. As part of VAW-2019 celebration and to spread Vigilance awareness amongst students and teachers, EIL organized drawing competitions for children in four 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, on the occasion of Vigilance Awareness Week - 2019, Vigilance Department released the journal named "ABHIJATASYA. Abhijatasya" means "transparency" and this Journal contains messages from C&MD, CVO and Directors. Some of the in-house case studies have also been included in the journal for ready reference. "Abhijatasya" also contains glimpses of VAW – 2018, Vigilance Initiatives and activities undertaken by EIL Vigilance Department.

A "Compendium of Systemic Improvements suggested by Vigilance - 2019" was also unveiled by the CVO during the opening ceremony. A message from CVC is also included in this Compendium. The purpose of this Compendium was to provide compilation of cases which had resulted in practical advisories for avoidance of similar mistakes, at one place, for ready reference.

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 2019.

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. Complaint Boxes are 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 26 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 their operations be conducted in such a way as to preserve the health and safety of their employees, client official, contractors, vendors, and other stake holders associated with EIL working 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 during the five decades of its functioning 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 at Nigeria and Mongolia.

EIL Construction on an average renders supervision for more than 140 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)
- 35 Million man-hours without any LTA (VRMP, PMC, Vizag).
- 33 Million man-hours without any LTA (DYIP, Aishwarya Project, IOCL Haldia Refinery)
- 15.5 Million man-hours without any LTA (BS-VI Project, Panipat)
- 15 Million man-hours without any LTA (MREP, HPCL, Mumbai)
- 10 Million man-hours without any LTA (BS-VI HMEL, Bathinda)
- 10 Million man-hours without any LTA (MSBP Kochi)
- 10 Million man-hours without any LTA (LPG import , Haldia )
- 8.5 Million man-hours without any LTA (PVPL Project of M/s HPCL)
- 6 Million man-hours without any LTA (VRMP-OBE, Vizag)
- 5.2 Million man-hours without any LTA (BS-VI Mangalore)





VRMP OBE, Vizag and New Lean Gas Compressor, Hazira Project sites were conferred with “Certificate of Appreciation” by NSCI for HSE during 2019-2020. 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, Standard Specification for Health, Safety & Environmental Management at Construction Sites, HSE Plan and HSE Procedure are in place for monitoring the HSE aspects at sites. EIL is a member of 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 has also imparted to employees through external Institutions ( i.e. DGFASLI). EIL has been giving major emphasis on use of eco-friendly materials/ technology in construction of buildings to reduce carbon foot print. The following is

considered during design stage:

- Use of PPC instead of OPC
- Use of fly-ash bricks & AAC bricks instead of conventional clay bricks
- Use of locally available materials to reduce transportation and thereby carbon foot prints.
- Use of solar heat reflecting glass
- Use of solar heaters / solar power panels
- Use of CFL / LED lights
- Zero water discharge – 100% treatment of sewage & waste water and re-usage in flushing , horticulture
- Dual water system – treated water for flushing system
- Plantation of locally available species
- Orientation / layout of the building looking into the solar path in that location.

## 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 for 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 the elemental principles, 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 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 2016-17, FY 2017-18 and FY 2018-19 was ₹53909.61 Lakh.

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).**

The prescribed CSR expenditure i.e. 2% of ₹ 53909.61 Lakh is ₹ 1078.19 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 2019-20 was ₹ 1078.19 Lakh.

**b) Amount unspent, if any;**

Nil

**c) Manner in which the amount spent during the financial year 2019-20.**

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.

**Ashok Kumar Kalra**  
Director (HR) - Member, CSR Committee

**J C Nakra**  
Chairman-CSR Committee

Place: New Delhi  
Date : 25<sup>th</sup> June 2020

**Annexure to Annual Report on CSR Activities**
**Detail of amount spent during financial year 2019-20**

| (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 setting up of mini science centre in 2 Govt aided schools.   | 'promoting education' (Item no. (ii) of Schedule VII) | —               | Ratnagiri                       | Maharashtra            | 9.44  | 0.47  | —                     | 0.47  | Seva Sahyog Foundation                                     |
| 2              | Support for providing RO water provision in Govt/ unaided schools in North West Delhi  | 'promoting education' (Item no. (ii) of Schedule VII) | —               | North West Delhi                | Delhi                  | 24.08   | 24.08   | —                     | 24.08   | Buddha Education Foundation                                |
| 3              | Support for construction of additional infrastructure in Govt Schools  | 'promoting education' (Item no. (ii) of Schedule VII) | Darrang         | —                               | Assam                  | 110.00  | 26.69   | —                     | 26.69   | District Administration Darrang                            |
| 4              | Support for installation of RO Water Purifiers and Chiller Units in NDMC Schools (2 nos) at Delhi and Govt schools (6 nos) in Mewat  | 'promoting education' (Item no. (ii) of Schedule VII) | —               | (i) Mewat (ii) North West Delhi | (i) Haryana (ii) Delhi | 22.96   | 22.96   | —                     | 22.96   | Sustainable Actions Towards Human Empowerment (SATHEE)     |
| 5              | Support for installation of sanitary napkin vending and incineration units in 10 village-based Girls Secondary Schools   | 'promoting education' (Item no. (ii) of Schedule VII) | —               | Noida & Greater Noida           | Uttar Pradesh          | 7.20  | 3.60  | —                     | 3.60  | Roshni   |
| 6              | Support for establishing 'Group Hand Washing Stations' with inclusive facilities along with maintenance of toilets constructed by EIL in Govt schools part of Swachh Vidyalaya Abhiyan | 'promoting education' (Item no. (ii) of Schedule VII) | Balangir        | —                               | Odisha                 | 47.15   | 14.03   | —                     | 14.03   | State Project Director Odisha                              |

| (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) |   |  |
| 7              | Maintenance of toilets constructed by EIL in Govt schools as part of Swachh Vidyalaya Abhiyan   | 'promoting education' (Item no. (ii) 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, Thiruvallur | —          | 1) Assam<br>2) Tamil Nadu  | 198.90  | 36.88   | —                     | 36.88   | State Project Director Assam and Tamil Nadu                          |
| 8              | Support for conducting residential 'Skill Development Training Programme (STDP)' for 902 candidates (mostly school dropouts) from backward classes. | 'promoting education' (Item no. (iii) of Schedule VII)   | (i) Vijayawada<br>(ii) Hajipur<br>(iii) Valsad<br>(iv) Murthal<br>(v) Baddi<br>(vi) Kochi<br>(vii) Aurangabad<br>(viii) Jaipur<br>(ix) Hyderabad<br>(x) Lucknow  | —          | (i) Andhra Pradesh<br>(ii) Bihar<br>(iii) Gujarat<br>(iv) Haryana<br>(v) Himachal Pradesh<br>(vi) Kerala<br>(vii) Maharashtra<br>(viii) Rajasthan<br>(ix) Telangana<br>(x) Uttar Pradesh | 480.00  | 303.07  | —                     | 303.07  | National Backward Classes Finance & Development Corporation (NBCFDC) |
| 9              | 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   | 16.06   | —                     | 16.06   | Gandhi Gramoday  |
| 10             | Support for setting up of 100 nos of individual toilet facility to promote health & hygiene in remote communities                                   | 'promoting preventive healthcare and sanitation and making available safe drinking water' (Item no. (i) of Schedule VII) | (i) Mustafabad, Haridwar<br>(ii) Dhanpura, Haridwar  | —          | Uttarakhand  | 120.00  | 60.21   | —                     | 60.21   | Sustainable Actions Towards Human Empowerment (SATHEE)               |



| (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) |  |  |
| 11      | Support for conducting 4 eye screening and cataract operation camps for extending eye care facilities to poor and needy  | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)   | (i) Udalgiri<br>(ii) Haridwar  | (iii) 2 camps at Vishakhapatnam   | (i) Assam<br>(ii) Uttarakhand<br>(iii) Andhra Pradesh                           | 8.10   | 8.10                                     | —                     | 8.10   | Anugraha Drishtidaan   |
| 12      | Support for conducting 8 eye screening and cataract operation camps for extending eye care facilities to poor and needy  | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)   | (i) Baksa<br>(ii) Darrang<br>(iii) Udalgiri<br>(iv) 2 camps at Luxar, Haridwar | (v) Mettapalem, Vishakhapatnam<br>(vi) RO-Ngalavani Palem, Vishakhapatnam<br>(vii) Venkupalem, Vishakhapatnam | (i), (ii) & (iii) Assam<br>(iv) Uttarakhand<br>(v), (vi) & (vii) Andhra Pradesh | 14.90  | 14.90                                    | —                     | 14.90  | Anugraha Drishtidaan   |
| 13      | Support for conducting 12 camps for awareness, screening and detection of anaemia and malnutrition and distribution of Govt approved health supplements to the identified needy cases                          | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)   | Haridwar   | —   | Uttarakhand   | 12.41  | 2.48                                     | —                     | 2.48   | ROKO Cancer Charitable Trust                                 |
| 14      | Support for providing blood bank deep freezer, blood bank refrigerator, microprocessor based blood cross-matching system and portable tube sealer for target treatment of patients with Haematological Cancers | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)   | —  | Kolkata   | West Bengal   | 22.68  | 21.55                                    | —                     | 21.55  | Indian Association of Blood Cancer & Allied Diseases (IABCD) |
| 15      | Contribution to FANI cyclone relief fund to re-build community, education & health infrastructure  | 'promoting preventive healthcare' (Item no. (i) of Schedule VII) & 'promoting education' (Item no. (ii) of Schedule VII) | PAN Odisha   | —   | Odisha  | 100.00   | 100.00                                   | —                     | 100.00   | Odisha State Disaster Management Authority (OSDMA)           |

| (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) |   |  |
| 16             | Support for conducting Fifteen Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs). Reversal of provision for FY 2018-19 | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)   | —               | Mutually agreed locations |                | 600.00  | -0.60   |                       | -0.60   | Artificial Limbs Manufacturing Corporation of India (ALIMCO) |
| 17             | Support for installation of solar system and solar street light in Ayudham campus for old & infirm  | '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                             |
| 18             | Contribution for setting up of permanent campus of SDI Bhubaneswar  | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII)  | —               | Bhubaneswar               | Odisha         | 300.00  | 300.00  | —                     | 300.00  | Skill Development Institute, Bhubaneswar                     |
| 19             | 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                     |
| 20             | 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) |  |   |
| 21      | 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                  |
| 22      | 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              |
| 23      | 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               |
| 24      | Contribution to operational funding of Skill Development Institute, Ahmedabad.                                    | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | –         | Ahmedabad  | Gujarat        | 25.00  | 25.00                                    | –                     | 25.00  | Skill Development Institute, Ahmedabad              |
| 25      | 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) | –         | Balangir   | Odisha         | 9.39   | 4.69                                     | –                     | 4.69   | Amity Humanity 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) |  |   |
| 26           | Contribution to PM CARES Fund      | Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central govt.' (Item no. (viii) of Schedule VII) | –        | –          | –              | 13.00  | 13.00                                    | –                     | 13.00  | PM CARES Fund                                       |
| <b>TOTAL</b> |                                    |  |          |            |                |  | <b>1128.49</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 2019-20.
- 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 are adopted and are available on the website of the Company ([www.engineersindia.com](http://www.engineersindia.com)) 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
- Policy on Board Diversity
- Whistle Blower Policy
- Corporate Social Responsibility 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
- Risk Management Policy

### 2. Board of Directors

#### a) Composition of the Board of Directors

Engineers India Limited is a Public Sector Undertaking and all the Directors are appointed by the Government of India. The Board of the Company comprises of Executive (Whole Time Directors), Government Nominee Directors and Non-Executive Independent Directors. The Independent Directors are eminent persons with proven record in diverse areas like Business, Law, Finance, Administration etc. 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 31.03.2020, the Board comprises of 11 Directors which included 6 Executive Directors (Whole Time Directors including C&MD), 2 Government Nominees and 3 Non-official Independent Directors. 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, hence, there is shortfall of 4 Non-official Independent Directors w.e.f. 20.11.2019 and 5 Non-official Independent Directors w.e.f. 31.01.2020 including a Women Independent Director. Since Government of India is appointing authority for Directors, the Company has requested MoP&NG to fill up the position at the earliest to comply with the requirements of Companies Act/SEBI Listing Regulations.

#### b) Number of Board Meetings

The Board of Directors met 4 times during the financial year 2019-2020. The details of the Board Meetings are as under:

| Sl. No. | Date of Meeting  | Place     | Board Strength | No. of Directors present |
|---------|------------------|-----------|----------------|--------------------------|
| 1.      | May 17, 2019     | New Delhi | 14             | 13                       |
| 2.      | August 8, 2019   | New Delhi | 16             | 14                       |
| 3.      | November 7, 2019 | New Delhi | 16             | 13                       |
| 4.      | February 5, 2020 | New Delhi | 11             | 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 2019-2020 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 26/09/2019 | Other Directorships   | Committee Memberships** (Including EIL) | Committee Chairmanships** (Including EIL) |
| <b>A) Chairman and Managing Director (Executive)</b> |                        |  |   |   |   |
| Shri J.C. Nakra                                      | 4                      | Yes  | 2   | -                                       | -   |
| <b>B) Executive Directors (Functional)</b>           |                        |  |   |   |   |
| <b>I) Present Directors</b>                          |                        |  |   |   |   |
| Shri R.K. Sabharwal                                  | 4                      | Yes  | -   | -                                       | -   |
| Shri L.K. Vijh                                       | 4                      | Yes  | 1   | -                                       | -   |
| Shri Sunil Bhatia                                    | 4                      | Yes  | 2   | 3                                       | -   |
| Shri S.K. Handa                                      | 4                      | Yes  | -   | 1                                       | -   |
| Shri A.K. Kalra* <sup>1</sup>                        | -                      | NA   | -   | 1                                       | -   |
| <b>II) Directors Retired</b>                         |                        |  |   |   |   |
| Shri V.C. Bhandari* <sup>2</sup>                     | 4                      | Yes  | -   | -                                       | -   |
| <b>C) Non-Executive Directors</b>                    |                        |  |   |   |   |
| <b>I) Present Directors</b>                          |                        |  |   |   |   |
| Shri B.N. Reddy* <sup>3</sup>                        | 1                      | No   | 2   | -                                       | -   |
| Shri Sunil Kumar * <sup>4</sup>                      | 1                      | NA   | 2   | -                                       | -   |
| Shri. Chaman Kumar                                   | 4                      | No   | 1   | 1                                       | 1   |
| Shri Rajesh Kumar Gogna                              | 4                      | No   | -   | 1                                       | -   |
| Shri M. Arulmurugan * <sup>5</sup>                   | 3                      | Yes  | -   | -                                       | 1   |
| <b>II) Directors Retired</b>                         |                        |  |   |   |   |
| Shri Sandeep Poundrik* <sup>6</sup>                  | 0                      | NA   | -   | -                                       | -   |
| Shri Ashish Chatterjee* <sup>6</sup>                 | 0                      | No   | -   | -                                       | -   |
| Dr. (Prof.) Mukesh Khare* <sup>7</sup>               | 3                      | No   | -   | -                                       | -   |
| Shri Umesh Chandra Pandey* <sup>7</sup>              | 3                      | Yes  | -   | -                                       | -   |
| Shri V.K. Deshpande * <sup>7</sup>                   | 2                      | No   | -   | -                                       | -   |
| Mrs. Arusha Vasudev * <sup>7</sup>                   | 3                      | No   | -   | -                                       | -   |
| Ms. Shazia Ilmi Malik* <sup>8</sup>                  | 3                      | No   | -   | -                                       | -   |

**Remarks:**

- \*1. Shri A. K. Kalra was appointed as Additional Director in the capacity of Director (HR) w.e.f. 01.03.2020 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter No. CA-31018/4/2018-PNG (23773) dated 04.11.2019.
- \*2. Shri V. C. Bhandari, Director (HR) ceased to be the Director (HR) of the Company w.e.f. 01.03.2020 due to his retirement on attaining the age of superannuation on 29.02.2020.
- \*3. Shri B. N. Reddy was appointed as Director (Govt. Nominee) Director w.e.f. 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.
- \*4. Shri Sunil Kumar was appointed as Director (Govt. Nominee) Director w.e.f. 12.12.2019 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter No. C-31033/1/2016-CA/FTS:42979 dated 12.12.2019. He is also holding the Directorship of Hindustan Petroleum Corporation Limited and Mangalore Refinery and Petrochemicals Limited, listed companies, as Government Nominee.
- \*5. Shri M. Arulmurugan was appointed as Non-Official Part time Independent Director w.e.f. 17.07.2019 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter No. C-31033/2/2018-CA/PNG(25758) dated 12.07.2019.
- \*6. Shri Sandeep Poundrik and Shri Ashish Chatterjee ceased to be Directors (Government Nominees) of the Company w.e.f. 01.05.2019 and 12.12.2019 respectively.
- \*7. Dr. (Prof.) Mukesh Khare, Shri Umesh Chandra Pandey, Shri Vikas Khushalrao Deshpande and Mrs. Arusha Vasudev ceased to be Non-official Independent Directors of the Company w.e.f. 20.11.2019.
- \*8. Ms. Shazia Ilmi Malik ceased to be Non-official Independent Director of the Company w.e.f. 31.01.2020.

**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/Listing Regulations/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 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, 2020.

Place: New Delhi  
Date: 25.06.2020

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

**f) Separate Meeting of Independent Directors**

A separate Meeting of the Independent Directors was held on 04.02.2020 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 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. The minutes of the meeting was also placed for information of the Board.

**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 presented in the Board/Committee Meetings. The Board members are provided with the necessary documents, reports and internal policies to enable them to familiarise with the Company's procedure and practice. 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, all the Directors on its Board viz. Functional Directors, Government Directors and Non-official Independent Directors are selected and appointed by the Government as per well laid down process for each category of Director. The list of core skills, expertise and competency required for the Board to function effectively in context of the Company's business, forms an integral part of the Government's process for selection of the Directors. In view thereof, the Board of the Company has not identified any such core skills or expertise or competency required by a Director and those are available as required under Listing Regulations. However, the Board of Directors in its 344<sup>th</sup> meeting held on 17<sup>th</sup> May, 2019 has adopted Board Diversity Policy as per Listing Regulations.

**i) Compliance Reports**

The Company has proper online systems to enable the Board to review compliance reports of all laws applicable to the Company, on bi-annual basis as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any.

**3. Audit Committee**

As on 31.03.2020, the Audit Committee comprises of Shri Chaman Kumar, Non-official Independent Director as Chairman, Shri Rajesh Kumar Gogna, Non-official Independent Director and Director (Projects) as members of the Committee. The Committee was reconstituted during the year due to the following:-

- Shri Umesh Chandra Pandey and Mrs Arusha Vasudev ceased to be member w.e.f. 20.11.2019.
- Shri Chaman Kumar was inducted as Chairman w.e.f. 20.11.2019.



The details of meetings held during the financial year 2019-20 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members       | Category                              | Attendance |
|---------|---------------------|---------------------------|---------------------------------------|------------|
| 1.      | 16.05.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |
| 2.      | 17.05.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |
| 3.      | 04.06.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |
| 4.      | 07.08.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |
| 5.      | 08.08.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |
| 6.      | 06.11.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S.K. Handa           | Director (Projects)                   | Present    |
| 7.      | 07.11.2019          | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman  | Present    |
|         |                     | Mrs. Arusha Vasudev       | Non-Executive (Independent)           | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |
| 8.      | 05.02.2020          | Shri Chaman Kumar         | Non-Executive (Independent)- Chairman | Present    |
|         |                     | Shri Rajesh Kumar Gogna   | Non-Executive (Independent)           | Present    |
|         |                     | Shri S. K. Handa          | Director (Projects)                   | Present    |

The Audit Committee invites Senior Executives & External Auditors whenever it considers appropriate to be present in the meetings. Director (Finance) and the Head of Internal Audit Department attend the meetings of the Audit Committee as invitees.

**Role/Scope of Audit Committee includes:**

- 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;
- Recommendation to the Board, the fixation of Audit fees payable to Statutory Auditors appointed by C&AG;
- Recommendation to the Board, the appointment of Cost Auditors of the Company and fixation of their cost Audit Fees;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by Management
  - 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 auditor
  - 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. The Company has 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. As per Regulation 23(9) of Listing Regulations, the company is also disclosing Related Party Transactions on consolidated basis every 6 months to Stock Exchanges. 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 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 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 & 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. However, regular inputs on performance of Independent Directors are being provided to administrative Ministry as well as Department of Public Enterprises (DPE).

As on 31.03.2020, the Nomination and Remuneration Committee comprises of Shri M. Arulmurugan, Non-official Independent Director as Chairman, Shri Chaman Kumar, and Shri Rajesh Kumar Gogna, Non-official Independent Directors as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Mrs. Arusha Vasudev, Shri Umesh Chandra Pandey and Dr. (Prof.) Mukesh Khare ceased to be members w.e.f. 20.11.2019.
- Shri M. Arulmurugan, Ms. Shazia Ilmi Malik, Shri Chaman Kumar, and Shri Rajesh Kumar Gogna were inducted as members w.e.f. 20.11.2019. Shri M. Arulmurugan was also inducted as Chairman of the Committee from the same date.
- Ms. Shazia Ilmi Malik ceased to be member w.e.f. 31.01.2020.

The details of meeting held during the financial year 2019-2020 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members       | Category                                 | Attendance |
|---------|---------------------|---------------------------|--|------------|
| 1.      | 16.05.2019          | Mrs. Arusha Vasudev       | Non-Executive (Independent) -Chairperson | Present    |
|         |                     | Shri Umesh Chandra Pandey | Non-Executive (Independent)              | Present    |
|         |                     | Dr. (Prof.) Mukesh Khare  | Non-Executive (Independent)              | Present    |
| 2.      | 07.08.2019          | Mrs. Arusha Vasudev       | Non-Executive (Independent) -Chairperson | Present    |
|         |                     | Shri Umesh Chandra Pandey | Non-Executive (Independent)              | 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, 2020 are as under:

(Amount in ₹)

| Sl. No. | Name of Director                     | Salary & Allowances | Other Benefits & Perquisites | Performance Related Pay/ Productivity Linked Reward | Stock Options during the year 2016-17 | Total      |
|---------|--------------------------------------|---------------------|------------------------------|---|---------------------------------------|------------|
| 1.      | Shri J.C. Nakra                      | 41,29,219           | 7,11,228                     | 1,05,296  | Nil                                   | 49,45,743  |
| 2.      | Shri V.C. Bhandari (upto 29.02.2020) | 38,31,074           | 10,88,658                    | 88,973  | Nil                                   | 50,08,705  |
| 3.      | Shri Rakesh Kumar Sabharwal          | 41,76,756           | 7,24,091                     | 88,741  | Nil                                   | 49,89,588  |
| 4.      | Shri. L.K.Vijh                       | 39,70,741           | 15,09,626                    | 85,330  | Nil                                   | 55,65,2697 |
| 5.      | Shri Sunil Bhatia                    | 34,19,894           | 10,75,790                    | 33,600  | Nil                                   | 45,29,284  |
| 6.      | Shri Sanjeev Kumar Handa             | 41,11,747           | 6,15,950                     | 66,203  | Nil                                   | 47,93,900  |
| 7.      | Shri A. K. Kalra (w.e.f. 01.03.2020) | 3,49,797            | -                            | 51,257  | Nil                                   | 4,01,054   |

Details of payments towards sitting fees to Independent Directors during the financial year 2019-20 are given below:-

(Amount in ₹)

| Sl. No. | Name of Non-official Independent Director    | Sitting Fees*   |                   | Total            |
|---------|--|-----------------|-------------------|------------------|
|         |  | Board Meeting   | Committee Meeting |                  |
| 1.      | Dr. (Prof.) Mukesh Khare (up to 19.11.2019)  | 75,000          | 1,40,000          | 2,15,000         |
| 2.      | Mrs. Arusha Vasudev (up to 19.11.2019)       | 75,000          | 2,40,000          | 3,15,000         |
| 3.      | Shri V. K. Deshpande (up to 19.11.2019)      | 50,000          | 80,000            | 1,30,000         |
| 4.      | Shri Umesh Chandra Pandey (up to 19.11.2019) | 75,000          | 1,80,000          | 2,55,000         |
| 5.      | Ms. Shazia Ilmi Malik (up to 30.01.2020)     | 75,000          | 1,20,000          | 1,95,000         |
| 6.      | Shri Chaman Kumar                            | 1,00,000        | 2,00,000          | 3,00,000         |
| 7.      | Shri Rajesh Kumar Gogna                      | 1,00,000        | 2,80,000          | 3,80,000         |
| 8.      | Shri M. Arulmurugan (w.e.f. 12.07.2019)      | 75,000          | 80,000            | 1,55,000         |
|         | <b>Total</b>                                 | <b>6,25,000</b> | <b>13,20,000</b>  | <b>19,45,000</b> |

\*Gross Fees excluding taxes as per applicable Tax Laws and Rules

## 7. Accounting Treatment

The Financial statements have been prepared in accordance with the Indian Accounting Standards and as per generally accepted accounting principles.

## 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. These changes are incorporated in the Risk Register and updated in the ERM frame work. 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 31.03.2020, the Risk Management Committee comprises of Shri Chaman Kumar, Non-official Independent Director as Chairman, Director (Projects), Director (Technical) and Director (Finance) as members of the Committee. The Committee was reconstituted during the year due to the following:

- Shri V.K. Deshpande, and Mrs. Arusha Vasudev ceased to be members w.e.f. 20.11.2019
- Shri Chaman Kumar, the existing member, was appointed Chairman and Ms. Shazia Ilmi Malik was appointed as member w.e.f. 20.11.2019.
- Ms. Shazia Ilmi Malik ceased to be the member w.e.f. 31.01.2020.

The Committee met 4 times during the year on 16.05.2019, 07.08.2019, 06.11.2019 and 04.02.2020. Details regarding number of meetings attended by each Director is given below:-

| Sl. No. | Name of the Members                     | Number of Meetings attended |
|---------|---|-----------------------------|
| 1.      | Shri V. K. Deshpande (up to 19.11.2019) | 2                           |
| 2.      | Mrs. Arusha Vasudev (up to 19.11.2019)  | 3                           |
| 3.      | Shri Chaman Kumar                       | 4                           |
| 4.      | Shri L.K. Vijh                          | 4                           |
| 5.      | Shri Sunil Bhatia                       | 4                           |
| 6.      | Shri S.K. Handa                         | 4                           |

#### 9. Proceeds from Public Issues, Rights Issues and Preferential Issues

The Company has not raised any money through Public Issue, Right Issues or any Preferential Issues during the financial year 2019-2020. However, The promoter of EIL i.e. President of India acting through the Ministry of Petroleum & Natural Gas has disinvested 31,59,269 equity shares on 10.10.2019 to "Bharat 22 ETF" through a Further Fund offer launched by ICICI Prudential Asset Management Company alongwith the Government of India. Consequently, the President of India shareholding reduced to 32,54,04,724 equity shares constituting 51.5% of the paid-up equity share capital of the Company.

#### 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, 2020 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, 2020.
- D) Means of Communication**

|  |  |
|--|--|
| Quarterly, Half Yearly Results and Yearly Results  | Quarterly / Annual results ordinarily published in Times of India / Economic Times (all editions), Financial Express (all editions), Mint (All editions), Delhi & Hindustan Times (Delhi) in English<br><br>Economic Times (Delhi) & Nav Bharat Times (Delhi) in Hindi<br><br>Economic Times (Ahmedabad & Mumbai) in Gujarati. |
| Displayed on Website   | The results are also posted on <a href="http://www.engineersindia.com">www.engineersindia.com</a> and simultaneously posted on the NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and BSE ( <a href="http://www.bseindia.com">www.bseindia.com</a> ) website.  |
| Whether it displays official news, releases and presentations made to media, analyst, institutional investors, etc.  | Official media releases are sent to Stock Exchanges before their releases to the media for wider dissemination. Presentation are made to media, analysts, institutional investors etc. are posted on Company's website.  |
| Exclusive email id for redressal of investors' complaint   | The Company has also designated Email id <a href="mailto:company.secretary@eil.co.in">company.secretary@eil.co.in</a> exclusively for Investors' services.   |
| 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. | <a href="mailto:eil.annualreport@eil.co.in">eil.annualreport@eil.co.in</a>   |



|                |   |
|----------------|---|
| Annual Reports | <p>The Annual Report containing, inter-alia, Notice of Annual General Meeting, Audited Financial Statement, Consolidated and Standalone Financial Statement, Directors' Report, Auditor's Report and other important information is circulated to the members and other entitled thereto. The Management Discussion &amp; Analysis Report, Corporate Governance Report also forms part of Annual Report and displayed on company's website.</p> <p>The Companies Act, 2013 read with the Rules made thereunder and Listing Regulations permitted the service of Annual Report to members through electronic means. In compliance with the various relaxations provided by SEBI and MCA due to COVID-19 Pandemic, the Company will send the soft copy of Annual Report to all those members whose email IDs are available with its Registrar and Transfer Agents or Depositories and urged other members to register their e-mail IDs to receive the said communication.</p> |
|----------------|---|

As a part of Green initiative in Corporate Governance, the Company has sent the Annual Reports for the financial year 2018-19 and other communications like NECS/ECS credit information for final and interim dividend to large number of shareholders for the financial years 2018-19 & 2019-20 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. As on 31.03.2020 the Stakeholders Relationship Committee comprises of Shri M. Arulmurugan, Non-official Independent Director as Chairman, Director (HR) and Director (Finance) as members of the Committee

The 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:

- Dr. (Prof.) Mukesh Khare ceased to be the member w.e.f 20.11.2019.
- Shri M. Arulmurugan was inducted as member w.e.f. 20.11.2019.
- Ms. Shazia Ilmi Malik ceased to be Chairperson w.e.f. 31.01.2020.
- Shri M. Arulmurugan was appointed as Chairman w.e.f. 05.02.2020.

The Committee met 4 times during the year on 16.05.2019, 07.08.2019, 06.11.2019 and 04.02.2020. Details regarding number of meetings attended by each Director is given below:-

| Sl. No. | Name of the Members                           | Number of Meetings attended |
|---------|---|-----------------------------|
| 1.      | Ms. Shazia Ilmi Malik (up to 30.01.2020)      | 3                           |
| 2.      | Dr. (Prof.) Mukesh Khare (up to 19.11.2019)   | 2                           |
| 3.      | Shri M. Arulmurugan (w.e.f 20.11.2019)        | 1                           |
| 4.      | Shri Vipin Chander Bhandari (upto 29.02.2020) | 4                           |
| 5.      | Shri Sunil Bhatia                             | 4                           |
| 6.      | Shri A. K. Kalra (w.e.f. 01.03.2020)          | -                           |

#### Status of Investor Complaints

|   |     |
|---|-----|
| Complaints pending on 01.04.2019                            | NIL |
| Complaints received during the financial year 2019-2020     | 422 |
| Complaints disposed off during the financial year 2019-2020 | 422 |
| Complaints pending as on 31.03.2020                         | NIL |

As on 31<sup>st</sup> March, 2020, 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 15 times during the Financial Year 2019-20.

Pursuant to a Circular dated 27<sup>th</sup> March, 2019, the Securities and Exchange Board of India (SEBI) had effective from 1<sup>st</sup> April, 2019 mandated transfer of shares only in dematerialized form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to 1<sup>st</sup> April, 2019 and returned due to deficiency in the document. The Company has acted upon all valid requests for share transfer received during the financial year 2019 -20.

**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 31.03.2020, the HR Committee comprises of C&MD of EIL as Chairman, Shri Chaman Kumar, Shri M. Arulmurugan, Non-official Independent Directors, Director (Commercial), Director (Technical), Director (Finance), Director (Projects) and Director (HR) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Shri V.K. Deshpande, Dr. (Prof.) Mukesh Khare were ceased to be the members w.e.f 20.11.2019.
- Shri Chaman Kumar and Shri M. Arulmurugan were inducted as members w.e.f. 20.11.2019.

The Committee met 4 times during the year on 16.05.2019, 29.06.2019, 07.08.2019, and 04.02.2020. Details regarding number of meetings attended by each Director are given below:-

| Sl. No. | Name of the Members                       | Number of Meetings attended |
|---------|---|-----------------------------|
| 1.      | Shri Jagdish Chander Nakra                | 4                           |
| 2.      | Dr. (Prof) Mukesh Khare (upto 19.11.2019) | 3                           |
| 3.      | Shri V.K. Deshpande (upto 19.11.2019)     | 2                           |
| 4.      | Shri Chaman Kumar (w.e.f. 20.11.2019)     | 1                           |
| 5.      | Shri M. Arulmurugan (w.e.f. 20.11.2019)   | 1                           |
| 6.      | Shri V.C. Bhandari (upto 29.02.2020)      | 4                           |
| 7.      | Shri R.K. Sabharwal                       | 4                           |
| 8.      | Shri L.K. Vijh                            | 4                           |
| 9.      | Shri Sunil Bhatia                         | 4                           |
| 10.     | Shri S.K. Handa                           | 4                           |
| 11.     | Shri A. K. Kalra (w.e.f. 01.03.2020)      | -                           |

**H) CSR & SD Committee of the Board**

The Company is having CSR & SD Committee. As on 31.03.2020, the CSR & SD Committee comprises of C&MD as Chairman, Shri Rajesh Kumar Gogna, Non-official Independent Director and Director (HR) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Shri Rajesh Kumar Gogna was inducted as member w.e.f. 20.11.2019.
- Ms. Shazia Ilmi Malik ceased to be the members of the Committee w.e.f. 31.01.2019.

The Committee met 4 times during the year on 16.05.2019, 29.06.2019, 06.11.2019, and 04.02.2020. Details regarding number of meetings attended by each Director are given below:-

| Sl. No. | Name of the Members                         | Number of Meetings attended |
|---------|---|-----------------------------|
| 1.      | Shri Jagdish Chander Nakra                  | 4                           |
| 2.      | Ms. Shazia Ilmi Malik (up to 30.01.2020)    | 3                           |
| 3.      | Shri Rajesh Kumar Gogna (w.e.f. 20.11.2019) | 1                           |
| 4.      | Shri V.C.Bhandari (upto 29.02.2020)         | 4                           |
| 5.      | Shri Ashok Kumar Kalra (w.e.f. 01.03.2020)  | -                           |

**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 31.03.2020, the Committee comprises of C&MD of EIL as Chairman, Director (Commercial), Director (Technical), Director (Finance), Director (Projects) and Director (HR) as the members of the Committee. The Committee met 39 times during the Financial Year 2019-20.

**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 31.03.2020, the Legal Advisory Committee comprises of Shri Rajesh Kumar Gogna, Non-official Independent Director as Chairman, Shri M. Arulmurugan, Non-official Independent Director, Director (HR), Director (Commercial), Director (Projects) and Director (Finance) as the members of the committee. The Committee was reconstituted during the year due to the following:

- Shri Chaman Kumar ceased to be member (Chairman) w.e.f. 20.11.2019.
- Shri Rajesh Kumar Gogna, the existing member, was appointed as Chairman w.e.f. 20.11.2019
- Shri M. Arulmurugan was inducted as member w.e.f. 20.11.2019.

The Committee met 4 times during the year on 16.05.2019, 07.08.2019, 06.11.2019, and 04.02.2020. Details regarding number of meetings attended by each Director are given below:-

| Sl. No. | Name of the Members                     | Number of Meetings attended |
|---------|---|-----------------------------|
| 1.      | Shri Chaman Kumar (upto 19.11.2019)     | 3                           |
| 2.      | Shri Rajesh Kumar Gogna                 | 4                           |
| 3.      | Shri M. Arulmurugan (w.e.f. 20.11.2019) | 1                           |
| 4.      | Shri V.C. Bhandari (upto 29.02.2020)    | 4                           |
| 5.      | Shri R.K. Sabharwal                     | 4                           |
| 6.      | Shri Sunil Bhatia                       | 4                           |
| 7.      | Shri S.K. Handa                         | 4                           |
| 8.      | Shri A.K. Kalra (w.e.f. 01.03.2020)     | -                           |

**K) Compliance Officer**

Shri Narendra Kumar, Manager (CS), is Compliance Officer of the Company is responsible for compliance under Listing Regulations executed with Stock Exchanges. Shri S.K. Padhi, Company Secretary is responsible for complying with the requirements of various provisions Laws, Rules, Regulations applicable to Company. Company Secretary, acts as the Secretary to the various empowered committees of the Board.

**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                    | Whether Special Resolution Passed or not  |
|------------------|-----------|---|-------------------------|---|
| 52 <sup>nd</sup> | 2016-2017 | Engineers India Limited<br>NH-8, Sector-16<br>Gurugram - 122001 (Haryana)   | 19.09.2017<br>3.00 P.M. | No  |
| 53 <sup>rd</sup> | 2017-2018 | Siri Fort Auditorium<br>Khel Gaon, August Kranti Marg<br>New Delhi - 110049 | 19.09.2018<br>3.00 P.M. | No  |
| 54 <sup>th</sup> | 2018-2019 | Engineers India Limited, NH-8,<br>Sector-16, Gurugram - 122001<br>(Haryana) | 26.09.2019<br>3.00 P.M. | Yes<br>1. Re-appointment Dr. (Prof.) Mukesh Khare, Mrs. Arusha Vasudev, Shri V.K. Deshpande and Shri Umesh Chander Pandey as Non-official Independent Directors for 2 <sup>nd</sup> term of one year (w.e.f. 20.11.2018) pursuant to MoP&NG letter no. C-31033/5/2018-CA/FTS:26192 dated 20.11.2018.<br>2. Adoption of new Articles of Association of the Company |

ii) No Extra-ordinary General Meeting of the members was held during the financial year 2019-20.

iii) Postal Ballot: The Company has not conducted any business through Postal Ballot during the financial year 2019-20. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution through postal Ballot.

**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

- i) Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2019-2020 are given in Note No.38 to the Annual Accounts for the year ended 31<sup>st</sup> March, 2020. These transactions do not have any potential conflict with the interests of the Company at large.
- ii) 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, except fines imposed by NSE and BSE as per Circular No.SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 for non-compliance under Regulation 17 (1) of Listing Regulations as the composition of Board is not in accordance with the Listing Regulations as per the details given below:

| Sr. No. | Action taken by                       | Details of violation  | Details of action taken e.g. fines, warning letter, debarment, etc.         | Observations/ remarks of the Practicing Company Secretary, if any.   |
|---------|---------------------------------------|---|---|--|
| 1       | National Stock Exchange Limited (NSE) | Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 <sup>th</sup> June, 2019.      | NSE vide its letter dated August 19, 2019 has imposed a fine of ₹2,24,200/- | The Company has submitted a response vide letter dated 20.08.2019 and requested to waive off the penalty, since the appointment of Directors on the Board of EIL is done by the Government of India.<br><br>NSE vide their letter dated 18 <sup>th</sup> March, 2020 has waived off the penalty for the quarter ended March 31, 2019, June 30, 2019 and September, 2019. |
| 2       | BSE Limited (BSE)                     | Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 <sup>th</sup> June, 2019.      | BSE vide its letter dated August 19, 2019 has imposed a fine of ₹2,24,200/- | The Company has submitted a response vide letter dated 20.08.2019 and requested to waive off the penalty, since the appointment of Directors on the Board of EIL is done by the Government of India.<br><br>Waiver from BSE awaited.   |
| 3       | National Stock Exchange Limited (NSE) | Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 <sup>th</sup> September, 2019. | NSE vide its letter dated November 01, 2019 has imposed a fine of ₹94,400/- | The Company has submitted a response vide letter dated 04.11.2019 and requested to waive off the penalty, since the appointment of Directors on the Board of EIL is done by the Government of India.<br><br>NSE vide their letter dated 18 <sup>th</sup> March, 2020 has waived off the penalty for the quarter ended March 31, 2019, June 30, 2019 and September, 2019. |
| 4       | BSE Limited (BSE)                     | Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 <sup>th</sup> September, 2019. | BSE vide its letter dated October 31, 2019 has imposed a fine of ₹94,400/-  | The Company has submitted a response vide their letter dated 05.11.2019 and has requested to waive off the penalty, since the appointment of Directors on the Board of EIL is done by the Government of India.<br><br>Waiver from BSE awaited.   |

- iii) The Company has in place a Vigil Mechanism/Whistle Blower Policy and no personnel has been denied access to the Audit Committee. The details of the same have also been posted on the website of the Company.
- iv) 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 20.11.2019 and Performance Evaluation of Independent Directors as required by Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v) No Presidential Directives have been received by the Company during the FY 2019-20. The Company has complied with all the presidential directives received in the past 3 years.
- vi) Director(s) are nominated on training programmes and they have also attended various seminars/conferences from time to time.
- vii) No Expenditures were debited in the Books of Accounts during the financial year 2019-20 which are not for the purposes of the Business.
- viii) 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 3.24% of the total expenses in the Financial year 2019-20 as against 4.08% during the Financial year 2018-19.

- x) It is always Company's endeavour to present unqualified financial statements.
- xi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations-N.A.
- xii) List of all credit ratings obtained by the Company for mobilization of funds -N.A
- xiii) The Board of Directors in their meeting held on 25.06.2020 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.
- xiv) The Company has obtained Directors' and Officers' Liability Insurance Coverage in respect of any legal action that might be initiated against Directors/ Officers of the Company.
- 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 : One
  - b) Number of complaints disposed of during the financial year : Nil
  - c) Number of complaints pending as on end of the financial year: One
- 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, 2020.
- 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:

(₹ in lakhs)

| Particulars   | 2019-20 | 2018-19 |
|---------------|---------|---------|
| For Audit     | 15.94   | 15.02   |
| For Tax Audit | 3.20    | 2.85    |
| Others        | 12.70   | 13.15   |
| Total         | 31.84   | 31.02   |

- 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) 55<sup>th</sup> Annual General Meeting

|       |   |
|-------|---|
| Date  | Monday, 28 <sup>th</sup> September, 2020  |
| Time  | 3:00 p.m.   |
| Venue | Annual General Meeting through Video Conferencing/ Other Audio Visual Means (VC/OAVM facility)<br>[Deemed Venue for Meeting: Registered Office: El House, 1, Bhikaji Cama Place, New Delhi – 110 066] |

##### ii) Financial Year

1<sup>st</sup> Day of April to 31<sup>st</sup> Day of March every year.

##### iii) Record Date

The Record Date for the purpose of entitlement of Final Dividend for the financial year ended 31<sup>st</sup> March, 2020 is Monday, 14<sup>th</sup> September, 2020.

##### iv) Dividend

The Board of Directors of the Company have recommended payment of Final Dividend of ₹1.55 per share (on the face value of ₹5/- each) for the Financial Year ended 31<sup>st</sup> March, 2020 subject to approval of the shareholders in the ensuing AGM. This was in addition to the Interim Dividend of ₹3.60 per share (on the face value of ₹5/- each) paid in February, 2020. With this, the total dividend for the financial year 2019-20 works out to ₹5.15/- per share for FY 2019-20.

The dividend payment date for the financial year ended 31<sup>st</sup> March, 2020 is Thursday, 8<sup>th</sup> October, 2020. The dividend warrants would be posted on or after Thursday, 8<sup>th</sup> October, 2020 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, 5<sup>th</sup> floor,  
Plot No. C/1, G Block  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400051.

The Company has paid Listing fees for the Financial Year 2019-20 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 2019-20.

**vi) Stock Code**

ISIN INE510A01028

Scrip Code 532178

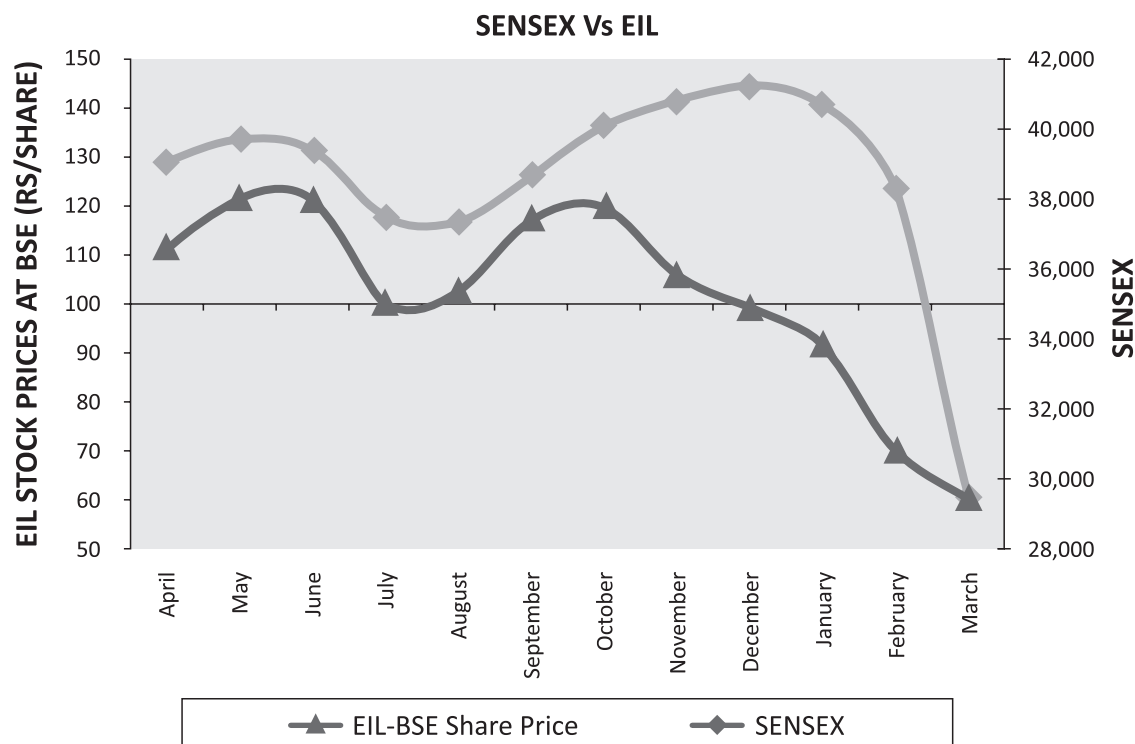
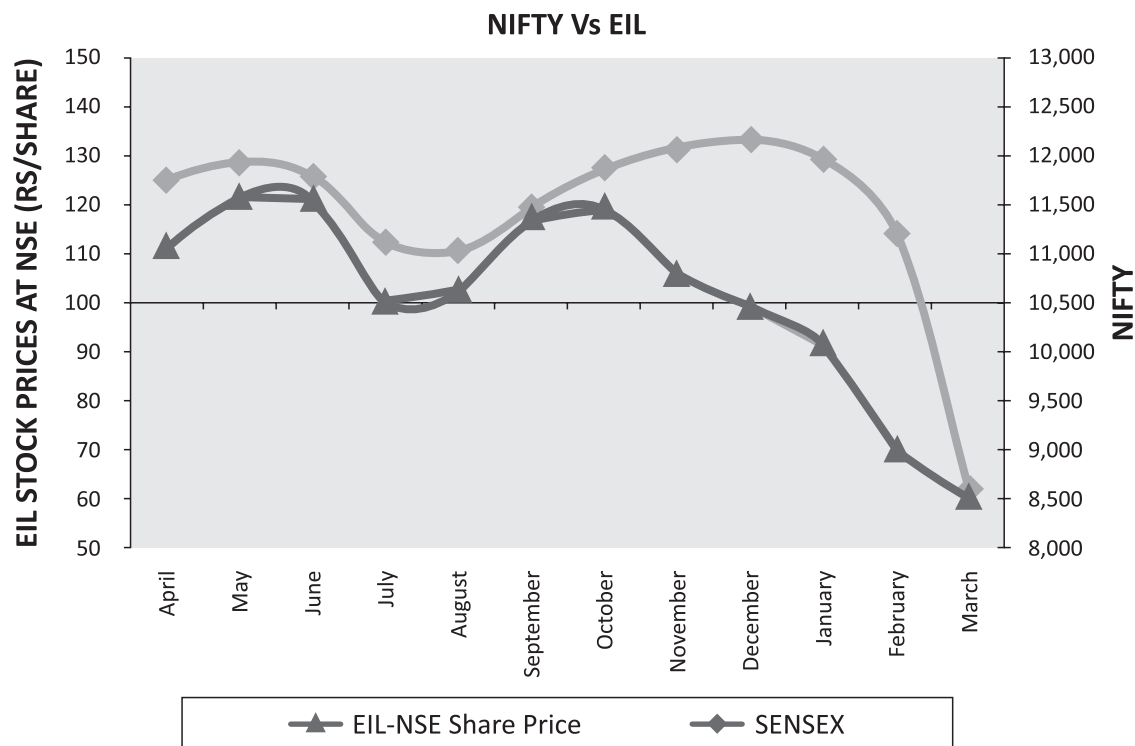
Scrip Symbol ENGINEERSIN

**vii) Monthly Share Price Data**

(Amount in ₹)

| Month & Year    | Bombay Stock Exchange |        | National Stock Exchange |        |
|-----------------|-----------------------|--------|-------------------------|--------|
|                 | High                  | Low    | High                    | Low    |
| April, 2019     | 124.25                | 110.10 | 124.25                  | 109.90 |
| May, 2019       | 128.60                | 103.35 | 128.70                  | 102.50 |
| June, 2019      | 124.70                | 111.20 | 124.75                  | 111.10 |
| July, 2019      | 124.40                | 93.00  | 123.90                  | 92.90  |
| August, 2019    | 107.90                | 92.70  | 107.95                  | 92.50  |
| September, 2019 | 122.40                | 100.45 | 122.45                  | 99.00  |
| October, 2019   | 121.70                | 103.80 | 121.65                  | 104.50 |
| November, 2019  | 123.00                | 101.60 | 123.00                  | 101.50 |
| December, 2019  | 106.05                | 97.75  | 106.35                  | 97.50  |
| January, 2020   | 104.85                | 90.75  | 105.00                  | 90.70  |
| February, 2020  | 99.30                 | 69.60  | 99.50                   | 69.75  |
| March, 2020     | 76.15                 | 49.85  | 76.10                   | 49.20  |

## viii) Performance of EIL's Share price in comparison to NIFTY/Sensex Index during the financial year 2019-20



**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 31.03.2020**

| Depository   | No. of Shares    | Percentage   |
|--------------|------------------|--------------|
| NSDL         | 274564766        | 43.40        |
| CDSL         | 356757964        | 56.50        |
| <b>Total</b> | <b>631322730</b> | <b>99.90</b> |

President of India has held 51.50% of the total shares, all in dematerialized form. Out of the balance 49.50% shares held by others, 49.40% have been held in dematerialized form as on March 31, 2020. 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 01.04.2019 to 31.03.2020**

|                | NSDL          |              | CDSL          |              |
|----------------|---------------|--------------|---------------|--------------|
|                | No. of Shares | Percentage   | No. of Shares | Percentage   |
| Dematerialised | 33801         | 0.005        | 7623          | 0.001        |
| Rematerialised | -             | -            | -             | -            |
| <b>Total</b>   | <b>33801</b>  | <b>0.005</b> | <b>7623</b>   | <b>0.001</b> |

**xi) Distribution of Shareholding as on March 31, 2020.**

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2020 is presented hereunder:

**a) Shareholding Pattern**

| S. No. | Category of Shareholders   | No. of Shares held | % of Total |
|--------|--|--------------------|------------|
| 1      | PROMOTERS  | 325404724          | 51.50      |
| 2      | OTHER MUTUAL FUND  | 109476429          | 17.32      |
| 3      | INDIVIDUALS  | 77188454           | 12.22      |
| 4      | FOREIGN PORTFOLIO - CORP.  | 47981186           | 7.59       |
| 5      | FINANCIAL INSTITUTIONS   | 31283280           | 4.95       |
| 6      | INSURANCE COMPANIES  | 13333345           | 2.11       |
| 7      | DOMESTIC COMPANIES   | 8717695            | 1.38       |
| 8      | NON RESIDENT INDIAN  | 6856731            | 1.08       |
| 9      | NATIONALISED BANKS   | 3930011            | 0.62       |
| 10     | ALTERNATIVE INVESTMENT FUND  | 3058062            | 0.48       |
| 11     | HUF/CLEARING MEMBERS/TRUSTS/OTHER BANK/IEPF/FOREIGN NATIONAL /ENTITY | 4681503            | 0.75       |
|        | <b>Total</b>   | <b>631911420</b>   | <b>100</b> |

**b) Distribution Schedule**

| S.No. | Category       | No. of Shareholders | % to Total Shareholders | No. of Shares    | % of Total Shares |
|-------|----------------|---------------------|-------------------------|------------------|-------------------|
| 1     | Upto 5000      | 191996              | 99.01                   | 60156809         | 9.52              |
| 2     | 5001 - 10000   | 1182                | 0.61                    | 8481692          | 1.34              |
| 3     | 10001 - 20000  | 368                 | 0.19                    | 5207561          | 0.82              |
| 4     | 20001 - 30000  | 111                 | 0.06                    | 2724743          | 0.43              |
| 5     | 30001 - 40000  | 49                  | 0.03                    | 1704527          | 0.27              |
| 6     | 40001 - 50000  | 20                  | 0.01                    | 905560           | 0.14              |
| 7     | 50001 - 100000 | 62                  | 0.03                    | 4301381          | 0.69              |
| 8     | 100001 & above | 127                 | 0.07                    | 548429147        | 86.79             |
|       | <b>Total:</b>  | <b>193915</b>       | <b>100.00</b>           | <b>631911420</b> | <b>100.00</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 which remained unclaimed and unpaid for the financial years 2011-2012 (Final) and 2012-13 have accordingly been transferred to Investor Education & Protection Fund (IEPF) on 25.10.2019 and 25.06.2020 respectively. Unpaid/ Unclaimed Dividend for the financial year 2012-2013 (final) is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 22.09.2020. 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 |
|-------------------|---------------------------------|------------------------------------|
| 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) | 20.02.2019                      | 19.03.2026                         |
| 2018-19 (Final)   | 26.09.2019                      | 25.10.2026                         |
| 2019-20 (Interim) | 05.02.2020                      | 04.03.2027                         |

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 communications 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 <https://engineersindia.com/investors/corporate-governance/>.

**xiii) Share Transfer System**

In terms of the Listing Regulations, effective from 1<sup>st</sup> April, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior 1<sup>st</sup> April, 2019 and returned due to deficiency in the document. Shareholders are advised to dematerialise their shares held by them in physical form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

**xiv) Demat Suspense Account**

Details of unclaimed shares in respect of EIL FPO-2010 and FPO-2013 are furnished below:-

| Opening Balance as on<br>1.04.2019 |        | Shareholders approached for<br>Transfer of shares from Suspense<br>Account during 2019-2020 |        | Shareholders to whom shares<br>were transferred from Suspense<br>Account during 2019-2020 |        | Closing Balance as on<br>31.03.2020 |        |
|------------------------------------|--------|---|--------|---|--------|-------------------------------------|--------|
| Cases                              | Shares | Cases   | Shares | Cases   | Shares | Cases                               | Shares |
| 8                                  | 1354   | 1   | 200    | 1   | 200    | 7                                   | 1154   |

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 Alankit Assignments Limited in place of M/s Kfin Technologies Private Limited, as its Registrar and Share Transfer Agent (RTA) w.e.f. 24.01.2020 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 Alankit Assignments Limited**

205-208, Anarkali Complex,  
Jhandewalan Extension  
New Delhi-110055  
Tel No.: 011-42541234  
Fax No.: 011-42541201  
Email : jksingla@alankit.com  
Website:www.alankit.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.

**xviii) Auditors**

N. K. Bhargava & Co.  
Chartered Accountants  
C – 31 | 1<sup>st</sup> Floor | Acharya Niketan | Phase – I |  
Mayur Vihar | Delhi – 110091  
Tel. No : +91 (0) 11 22752376  
fax : +91 (0) 11 45784938

**xix) 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: 25<sup>th</sup> June, 2020



## 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<sup>st</sup> March, 2020 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.

**(J C Nakra)**

Chairman & Managing Director  
CEO

**(Sunil Bhatia)**

Director (Finance)  
CFO

Place: New Delhi

Date: 25<sup>th</sup> June, 2020

## 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 2020 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:

1. As per Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 3.1.4 of DPE Guidelines, the Company did not had requisite number of Independent Directors on the Board during the Financial Year 2019-20 from 01.04.2019 to 30.04.2019, 27.05.2019 to 16.07.2019 and 20.11.2019 to 31.03.2020.
2. As per Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors does not consist of a Independent Woman Director for the period from 31.01.2020 to 31.03.2020.
3. Performance evaluation of Independent Directors, as required by regulation 17 of chapter IV of SEBI regulation, 2015 has not been carried out.
4. 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.
5. As per Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was not having requisite no. of Non-executive Directors on the Board of the Company for the period 31<sup>st</sup> January, 2020 to 31<sup>st</sup> March, 2020 and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board for the period ,whereas no of Functional directors exceeds 50% of actual strength from 31.01.2020 to 31.03.2020.

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 N. K. Bhargava & Company**  
Chartered Accountants  
(Firm's Registration No. 000429N)

**N. K. Bhargava**  
(Partner)

M. No. 080624

UDIN: 20080624AAAA7587

Place: New Delhi  
Date: 25<sup>th</sup> June, 2020

## Management's Reply to Auditors' Report on Corporate Governance (2019-20)

| Auditors' Comments  | Management's Reply   |
|---|--|
| <p>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:</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>1. As per Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 3.1.4 of DPE Guidelines, the Company did not had requisite number of Independent Directors on the Board during the Financial Year 2019-20 from 01.04.2019 to 30.04.2019, 27.05.2019 to 16.07.2019 and 20.11.2019 to 31.03.2020.</p>   |  |
| <p>2. As per Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors does not consist of a Independent Woman Director for the period from 31.01.2020 to 31.03.2020.</p>  | <p>EIL is a Public Sector Undertaking, and the appointment and performance evaluation of Independent Directors is made by the Government of India. For assessment/ evaluation of Independent Directors, inputs were submitted by the Company to MoP&amp;NG and DPE in their prescribed format.</p>   |
| <p>3. Performance evaluation of Independent Directors, as required by regulation 17 of chapter IV of SEBI regulation, 2015 has not been carried out.</p>  |  |
| <p>4. 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. The sitting fees paid to the Independent Directors for attending the Board &amp; Board Sub-Committee meetings are approved by the Board in accordance with DPE guidelines.</p> <p>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). For assessment/ evaluation of Independent Directors, inputs were submitted by the Company to MoP&amp;NG and DPE in their prescribed format.</p> |
| <p>5. As per Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was not having requisite no. of Non-executive Directors on the Board of the Company for the period 31<sup>st</sup> January, 2020 to 31<sup>st</sup> March, 2020 and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board for the period, whereas no. of Functional directors exceeds 50% of actual strength from 31.01.2020 to 31.03.2020.</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>   |



## Secretarial Audit Report

For the financial year ended 31<sup>st</sup> March, 2020

{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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 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)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(4) of the Companies Act, 2013, the Board of Directors does not consist of a Independent Woman Director and Women Director for the period from 31.01.2020 to 31.03.2020.

2. Company did not had requisite number of Independent Directors on the Board during the Financial Year 2019-20 as per 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 (from 01.04.2019 to 30.04.2019, 27.05.2019 to 16.07.2019 and 20.11.2019 to 31.03.2020) and as per the Section 149(4) of the Companies Act, 2013 (from 31.01.2020 to 31.03.2020).
3. Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have requisite no. of Non-executive Directors on the Board of the Company for the period 31<sup>st</sup> January, 2020 to 31<sup>st</sup> March, 2020 and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board for the period from 31. 01.2020 to 31. 03.2020.
4. 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.
5. 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.

**We further report that** the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors during the Financial Year 2019-20 and a Women Director and/ or Independent Women Director on the Board.

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 have levied monetary fines for non compliance under Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted responses along with the waiver requests. NSE vide letter Ref. No. NSE/LIST/SOP/103783 dated March 18, 2020 communicated waiver of fine.

For **Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: S2003DE070700

**CS Anuradha Jain**  
Partner  
ACS No.: 36639  
CP No.: 14180  
UDIN: A036639B000327292

Place: New Delhi  
Date: 09.06.2020

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: S2003DE070700

Place: New Delhi  
Date: 09.06.2020

CS Anuradha Jain  
Partner  
ACS No.: 36639  
CP No.: 14180

## Management's Reply to Secretarial Auditor Report (2019-20)

| 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)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(4) of the Companies Act, 2013, the Board of Directors does not consist of a Independent Woman Director and Women Director for the period from 31.01.2020 to 31.03.2020.</p>  |  |
| <p>2. Company did not had requisite number of Independent Directors on the Board during the Financial Year 2019-20 as per 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 (from 01.04.2019 to 30.04.2019, 27.05.2019 to 16.07.2019 and 20.11.2019 to 31.03.2020) and as per the Section 149(4) of the Companies Act, 2013 (from 31.01.2020 to 31.03.2020).</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>3. Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have requisite no. of Non executive Directors on the Board of the Company for the period 31<sup>st</sup> January, 2020 to 31<sup>st</sup> March, 2020 and as per clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board for the period from 31.01.2020 to 31.03.2020.</p>  |  |
| <p>4. 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). For performance evaluation of Independent Directors, inputs were provided by the Company to MoP&amp;NG &amp; DPE in their prescribed format.</p>  |
| <p>5. 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>(a) 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.</p> <p>(b) EIL is a Public Sector Undertaking, and the appointment and performance evaluation of Independent Directors is made by the Government of India. For assessment/ evaluation of Independent Directors, inputs were submitted by the Company to MoP&amp;NG and DPE in their prescribed format.</p>           |

**Form No. MGT-9****Extract of Annual Return  
as on the Financial Year ended 31<sup>st</sup> March, 2020****[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 Alankit Assignments Limited  
205-208, Anarkali Complex,  
Jhandewalan Extension  
New Delhi-110055  
Tel No.: 011-42541234  
Fax No.: 011-42541201  
Email: jksingla@alankit.com  
Website: www.alankit.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:-

| Sl. 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.                             | 48.87%                             |
| 2       | Turnkey Projects                                 | N.A.                             | 51.13%                             |

**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       | Certification Engineers International Limited | U74899DL1994GOI062371 | Subsidiary                     | 100%             | 2(87)              |
| 2       | Ramagundam Fertilizers and Chemicals Ltd.     | U24100DL2015PLC276753 | Associates                     | 26.29%           | 2(6)               |
| 3       | TEIL Projects Ltd. (Under Liquidation)        | U74140DL2008PLC180897 | Associates                     | 50%              | 2(6)               |

## IV. SHAREHOLDING 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 31/03/2019 |          |                  |                   | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020 |          |                  |                   | % 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)</b>    | <b>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)                    | 328563993  | 0        | 328563993        | 52.00             | 325404724  | 0        | 325404724        | 51.50             | -0.50                    |
| (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>328563993</b>   | <b>0</b> | <b>328563993</b> | <b>52.00</b>      | <b>325404724</b>                                     | <b>0</b> | <b>325404724</b> | <b>51.50</b>      | <b>-0.50</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>328563993</b>   | <b>0</b> | <b>328563993</b> | <b>52.00</b>      | <b>325404724</b>                                     | <b>0</b> | <b>325404724</b> | <b>51.50</b>      | <b>-0.50</b>             |
| <b>(B)</b>    | <b>PUBLIC SHAREHOLDING</b>                                 |  |          |                  |                   |  |          |                  |                   |                          |
| (1)           | INSTITUTIONS   |  |          |                  |                   |  |          |                  |                   |                          |
| (a)           | Mutual Funds /UTI  | 118067157  | 0        | 118067157        | 18.68             | 109476429  | 0        | 109476429        | 17.32             | -1.36                    |
| (b)           | Financial Institutions / Banks                             | 8236941  | 0        | 8236941          | 1.30              | 35350980   | 0        | 35350980         | 5.59              | 4.29                     |
| (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  | 35030086   | 0        | 35030086         | 5.54              | 13333345   | 0        | 13333345         | 2.11              | -3.43                    |
| (f)           | Foreign Institutional Investors                            | 41585986   | 0        | 41585986         | 6.58              | 47981186   | 0        | 47981186         | 7.59              | 1.01                     |
| (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>202920170</b>   | <b>0</b> | <b>202920170</b> | <b>32.11</b>      | <b>206141940</b>                                     | <b>0</b> | <b>206141940</b> | <b>32.62</b>      | <b>0.51</b>              |
| (2)           | NON-INSTITUTIONS   |  |          |                  |                   |  |          |                  |                   |                          |
| (a)           | Bodies Corporate   | 18209364   | 0        | 18209364         | 2.88              | 8326318  | 0        | 8326318          | 1.32              | -1.56                    |
| (b)           | Individuals  |  |          |                  |                   |  |          |                  |                   |                          |
|               | (i) Individuals holding nominal share capital upto ₹1 lakh | 59760898   | 630114   | 60391012         | 9.56              | 66903223   | 588690   | 67491913         | 10.68             | 1.12                     |



| CATEGORY CODE | CATEGORY OF SHAREHOLDER   | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019 |               |                  |                   | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020 |               |                  |                   | % 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)                     |
|               | (ii) Individuals holding nominal share capital in excess of ₹1 lakh | 11929281   | 0             | 11929281         | 1.89              | 12371340   | 0             | 12371340         | 1.96              | 0.07                     |
| (c)           | Others  |  |               |                  |                   |  |               |                  |                   |                          |
|               | Alternative Investment Fund   | 2296140  | 0             | 2296140          | 0.36              | 3058062  | 0             | 3058062          | 0.48              | 0.12                     |
|               | Clearing Members  | 1192631  | 0             | 1192631          | 0.19              | 1585155  | 0             | 1585155          | 0.25              | 0.06                     |
|               | IEPF  | 32389  | 0             | 32389            | 0.01              | 33029  | 0             | 33029            | 0.01              | 0.00                     |
|               | NBFC  | 414903   | 0             | 414903           | 0.07              | 391377   | 0             | 391377           | 0.00              | -0.07                    |
|               | Non-Resident Indians (NRI)  | 2409424  | 0             | 2409424          | 0.38              | 2934621  | 0             | 2934621          | 0.46              | 0.08                     |
|               | NRI Non-Repatriation  | 1342335  | 0             | 1342335          | 0.21              | 3926430  | 0             | 3926430          | 0.62              | 0.41                     |
|               | Qualified Institutional Buyers                                      | 1133   | 0             | 1133             | 0.00              | 0  | 0             | 0                | 0.00              | 0.00                     |
|               | Trusts  | 2208645  | 0             | 2208645          | 0.35              | 246511   | 0             | 246511           | 0.04              | -0.31                    |
| (d)           | Qualified Foreign Investor  | 0  | 0             | 0                | 0.00              | 0  | 0             | 0                | 0.00              | 0.00                     |
|               |   |  |               |                  |                   |  |               |                  |                   |                          |
|               | <b>Sub-Total B(2) :</b>   | <b>99797143</b>  | <b>630114</b> | <b>100427257</b> | <b>15.89</b>      | <b>99776066</b>                                      | <b>588690</b> | <b>100364756</b> | <b>15.82</b>      | <b>-0.07</b>             |
|               | <b>Total B=B(1)+B(2) :</b>  | <b>302717313</b>   | <b>630114</b> | <b>303347427</b> | <b>48.00</b>      | <b>305918006</b>                                     | <b>588690</b> | <b>306506696</b> | <b>48.44</b>      | <b>0.44</b>              |
|               | <b>Total (A+B) :</b>  | <b>631281306</b>   | <b>630114</b> | <b>631911420</b> | <b>100.00</b>     | <b>631322730</b>                                     | <b>588690</b> | <b>631911420</b> | <b>99.94</b>      | <b>-0.06</b>             |
|               |   |  |               |                  |                   |  |               |                  |                   |                          |
| (C)           | <b>Shares held by custodians, against which</b>                     |  |               |                  |                   |  |               |                  |                   |                          |
|               | 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>631281306</b>   | <b>630114</b> | <b>631911420</b> | <b>100.00</b>     | <b>631322730</b>                                     | <b>588690</b> | <b>631911420</b> | <b>100.00</b>     |                          |

(ii) Shareholding of Promoter

| 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 | 328563993                                 | 52.00                            | NIL  | 325404724                           | 51.50                            | NIL  | -0.5                                     |
|         | Total              | 328563993                                 | 52.00                            | NIL  | 325404724                           | 51.50                            | NIL  | -0.5                                     |

(iii) Change in Promoter's Shareholding

| Sl. No. | Name               | Shareholding at the beginning of the year |                                  | Date       | Increase/Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) |                                  |
|---------|--------------------|---|----------------------------------|------------|-----------------------------------|----------|--|----------------------------------|
|         |                    | No. of Shares                             | % of total shares of the Company |            |                                   |          | No. of Shares  | % of total shares of the Company |
| 1       | President of India | 328563993                                 | 52.00                            | 31/03/2019 |                                   |          | 328563993  | 52.00                            |
|         |                    |   |                                  | 10/10/2019 | -3159269                          | Transfer | 325404724  | 51.50                            |
|         |                    | 325404724                                 | 51.50                            | 31/03/2020 |                                   |          | 325404724  | 51.50                            |



## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) between 31-03-019 and 31-03-2020

| Sl. No. | Name of the Shareholder  | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2019 to 31-03-2020) |                                  |
|---------|--|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|         |  | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
| 1       | ICICI PRUDENTIAL VALUE FUND - SERIES 12                                | 50172867                                  | 7.94                             | 30-03-2019 |                                    |          | 50172867   | 7.94                             |
|         |  |   |                                  | 29-06-2019 | -3329315                           | Transfer | 46843552   | 7.41                             |
|         |  |   |                                  | 30-09-2019 | -267743                            | Transfer | 46575809   | 7.37                             |
|         |  |   |                                  | 31-12-2019 | -3811442                           | Transfer | 42764367   | 6.77                             |
|         |  |   |                                  | 17-01-2020 | -5398                              | Transfer | 42758969   | 6.77                             |
|         |  |   |                                  | 24-01-2020 | 663                                | Transfer | 42759632   | 6.77                             |
|         |  |   |                                  | 31-01-2020 | -423013                            | Transfer | 42336619   | 6.70                             |
|         |  |   |                                  | 07-02-2020 | -583859                            | Transfer | 41752760   | 6.61                             |
|         |  |   |                                  | 14-02-2020 | -1336                              | Transfer | 41751424   | 6.61                             |
|         |  |   |                                  | 17-02-2020 | -390                               | Transfer | 41751034   | 6.61                             |
|         |  |   |                                  | 21-02-2020 | 1287                               | Transfer | 41752321   | 6.61                             |
|         |  |   |                                  | 28-02-2020 | 481                                | Transfer | 41752802   | 6.61                             |
|         |  |   |                                  | 02-03-2020 | 3074                               | Transfer | 41755876   | 6.61                             |
|         |  |   |                                  | 06-03-2020 | -4131                              | Transfer | 41751745   | 6.61                             |
|         |  |   |                                  | 13-03-2020 | -83                                | Transfer | 41751662   | 6.61                             |
|         |  |   |                                  | 20-03-2020 | 2279                               | Transfer | 41753941   | 6.61                             |
|         |  |   |                                  | 27-03-2020 | 1935                               | Transfer | 41755876   | 6.61                             |
|         |  |   |                                  | 31-03-2020 | 113512                             | Transfer | 41869388   | 6.63                             |
| 2       | L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T CONSERVATIVE HYBRID FUND | 36413315                                  | 5.76                             | 30-03-2019 |                                    |          | 36413315   | 5.76                             |
|         |  |   |                                  | 29-06-2019 | 4020485                            | Transfer | 40433800   | 6.40                             |
|         |  |   |                                  | 30-09-2019 | 160700                             | Transfer | 40594500   | 6.42                             |
|         |  |   |                                  | 31-12-2019 | -4683300                           | Transfer | 35911200   | 5.68                             |
|         |  |   |                                  | 17-01-2020 | -1036168                           | Transfer | 34875032   | 5.52                             |
|         |  |   |                                  | 31-01-2020 | -53905                             | Transfer | 34821127   | 5.51                             |
|         |  |   |                                  | 07-02-2020 | -660022                            | Transfer | 34161105   | 5.41                             |
|         |  |   |                                  | 14-02-2020 | -795550                            | Transfer | 33365555   | 5.28                             |
|         |  |   |                                  | 28-02-2020 | -849443                            | Transfer | 32516112   | 5.15                             |
|         |  |   |                                  | 02-03-2020 | -263832                            | Transfer | 32252280   | 5.10                             |
|         |  |   |                                  | 06-03-2020 | -236168                            | Transfer | 32016112   | 5.07                             |
|         |  |   |                                  | 27-03-2020 | 236168                             | Transfer | 32252280   | 5.10                             |
|         |  |   |                                  | 31-03-2020 |                                    |          | 32252280   | 5.10                             |
| 3       | LIC OF INDIA CHILD FORTUNE PLUS SECURED FUND                           | 25285916                                  | 4.00                             | 30-03-2019 |                                    | Transfer | 25285916   | 4.00                             |
|         |  |   |                                  | 31-12-2019 | -1042615                           | Transfer | 24243301   | 3.84                             |
|         |  |   |                                  | 17-01-2020 | -498525                            | Transfer | 23744776   | 3.76                             |
|         |  |   |                                  | 24-01-2020 | -392797                            | Transfer | 23351979   | 3.70                             |
|         |  |   |                                  | 31-01-2020 | -380500                            | Transfer | 22971479   | 3.64                             |
|         |  |   |                                  | 07-02-2020 | -1136                              | Transfer | 22970343   | 3.64                             |
|         |  |   |                                  | 31-03-2020 |                                    |          | 22970343   | 3.64                             |
| 4       | ROCHDALE EMERGING MARKETS (MAURITIUS)                                  | 0   | 0.00                             | 30-03-2019 |                                    |          | 0  | 0.00                             |
|         |  |   |                                  | 30-09-2019 | 7195570                            | Transfer | 7195570  | 1.14                             |
|         |  |   |                                  | 31-12-2019 | 6473288                            | Transfer | 13668858   | 2.16                             |
|         |  |   |                                  | 02-03-2020 | -856018                            | Transfer | 12812840   | 2.03                             |

| Sl. No. | Name of the Shareholder   | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2019 to 31-03-2020) |                                  |
|---------|---|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|         |   | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
| 5       | SBI MAGNUM CHILDREN'S BENEFIT FUND  |   |                                  | 06-03-2020 | 856018                             | Transfer | 13668858   | 2.16                             |
|         |   |   |                                  | 27-03-2020 | -856018                            | Transfer | 12812840   | 2.03                             |
|         |   |   |                                  | 31-03-2020 |                                    |          | 12812840   | 2.03                             |
|         |   | 0   | 0.00                             | 30-03-2019 |                                    |          | 0  | 0.00                             |
|         |   |   |                                  | 31-12-2019 | 7043000                            | Transfer | 7043000  | 1.11                             |
|         |   |   |                                  | 28-02-2020 | 20000                              | Transfer | 7063000  | 1.12                             |
|         |   |   |                                  | 02-03-2020 | 3601642                            | Transfer | 10664642   | 1.69                             |
|         |   |   |                                  | 06-03-2020 | -2527092                           | Transfer | 8137550  | 1.29                             |
|         |   |   |                                  | 20-03-2020 | 1663316                            | Transfer | 9800866  | 1.55                             |
|         |   |   |                                  | 27-03-2020 | 863776                             | Transfer | 10664642   | 1.69                             |
| 6       | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE INFRASTRUCTURE FUND | 1132822                                   | 0.18                             | 31-03-2020 | 23879                              | Transfer | 10688521   | 1.69                             |
|         |   |   |                                  | 30-03-2019 |                                    |          | 1132822  | 0.18                             |
|         |   |   |                                  | 29-06-2019 | 2371200                            | Transfer | 3504022  | 0.55                             |
|         |   |   |                                  | 30-09-2019 | 4342600                            | Transfer | 7846622  | 1.24                             |
|         |   |   |                                  | 31-12-2019 | 672326                             | Transfer | 8518948  | 1.35                             |
|         |   |   |                                  | 17-01-2020 | 250043                             | Transfer | 8768991  | 1.39                             |
|         |   |   |                                  | 07-02-2020 | -201326                            | Transfer | 8567665  | 1.36                             |
|         |   |   |                                  | 21-02-2020 | -20118                             | Transfer | 8547547  | 1.35                             |
|         |   |   |                                  | 28-02-2020 | -46882                             | Transfer | 8500665  | 1.35                             |
|         |   |   |                                  | 02-03-2020 | -222146                            | Transfer | 8278519  | 1.31                             |
|         |   |   |                                  | 06-03-2020 | 358502                             | Transfer | 8637021  | 1.37                             |
|         |   |   |                                  | 13-03-2020 | 170530                             | Transfer | 8807551  | 1.39                             |
|         |   |   |                                  | 20-03-2020 | -721274                            | Transfer | 8086277  | 1.28                             |
|         |   |   |                                  | 27-03-2020 | 192242                             | Transfer | 8278519  | 1.31                             |
|         |   |   |                                  | 31-03-2020 | -362198                            | Transfer | 7916321  | 1.25                             |
| 7       | RELIANCE CAPITAL TRUSTEE CO. LTD- RELIANCE ETF DIV  | 10967636                                  | 1.74                             | 30-03-2019 |                                    |          | 10967636   | 1.74                             |
|         |   |   |                                  | 29-06-2019 | -195542                            | Transfer | 10772094   | 1.70                             |
|         |   |   |                                  | 30-09-2019 | -2702455                           | Transfer | 8069639  | 1.28                             |
|         |   |   |                                  | 31-12-2019 | -3259879                           | Transfer | 4809760  | 0.76                             |
|         |   |   |                                  | 17-01-2020 | 6286                               | Transfer | 4816046  | 0.76                             |
|         |   |   |                                  | 24-01-2020 | 2886                               | Transfer | 4818932  | 0.76                             |
|         |   |   |                                  | 31-01-2020 | -2442                              | Transfer | 4816490  | 0.76                             |
|         |   |   |                                  | 07-02-2020 | 3922                               | Transfer | 4820412  | 0.76                             |
|         |   |   |                                  | 14-02-2020 | 541                                | Transfer | 4820953  | 0.76                             |
|         |   |   |                                  | 17-02-2020 | 148                                | Transfer | 4821101  | 0.76                             |
|         |   |   |                                  | 21-02-2020 | -3552                              | Transfer | 4817549  | 0.76                             |
|         |   |   |                                  | 28-02-2020 | 186633                             | Transfer | 5004182  | 0.79                             |
|         |   |   |                                  | 02-03-2020 | 63425                              | Transfer | 5067607  | 0.80                             |
|         |   |   |                                  | 06-03-2020 | -5205                              | Transfer | 5062402  | 0.80                             |
|         |   |   |                                  | 13-03-2020 | 12580                              | Transfer | 5074982  | 0.80                             |
|         |   |   |                                  | 20-03-2020 | -6857                              | Transfer | 5068125  | 0.80                             |
|         |   |   |                                  | 27-03-2020 | 518                                | Transfer | 5067607  | 0.80                             |
|         |   |   |                                  | 31-03-2020 | 3951                               | Transfer | 5071558  | 0.80                             |

| Sl. No. | Name of the Shareholder                             | Shareholding at the beginning of the year |                                  | Date       | Increase/ Decrease in shareholding | Reason   | Cumulative Shareholding during the year (01-04-2019 to 31-03-2020) |                                  |
|---------|---|---|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
|         |   | No. of Shares                             | % of total shares of the company |            |                                    |          | No. of Shares  | % of total shares of the company |
| 8       | UNITED INDIA INSURANCE COMPANY LIMITED              | 4457745                                   | 0.71                             | 30-03-2019 |                                    |          | 4457745  | 0.71                             |
|         |   |   |                                  | 31-03-2020 |                                    |          | 4457745  | 0.71                             |
| 9       | HDFC TRUSTEE COMPANY LTD. A/C HDFC MULTI-ASSET FUND | 0   | 0.00                             | 30-03-2019 |                                    |          | 0  | 0.00                             |
|         |   |   |                                  | 02-03-2020 | 3690550                            | Transfer | 3690550  | 0.58                             |
|         |   |   |                                  | 06-03-2020 | -2879000                           | Transfer | 811550   | 0.13                             |
|         |   |   |                                  | 13-03-2020 | 1209900                            | Transfer | 2021450  | 0.32                             |
|         |   |   |                                  | 20-03-2020 | 1224000                            | Transfer | 3245450  | 0.51                             |
|         |   |   |                                  | 27-03-2020 | 445100                             | Transfer | 3690550  | 0.58                             |
|         |   |   |                                  | 31-03-2020 | 546000                             | Transfer | 4236550  | 0.67                             |
| 10      | THE ORIENTAL INSURANCE COMPANY LIMITED              | 3572622                                   | 0.57                             | 30-03-2019 |                                    |          | 3572622  | 0.57                             |
|         |   |   |                                  | 29-06-2019 | 393108                             | Transfer | 3965730  | 0.63                             |
|         |   |   |                                  | 31-03-2020 |                                    |          | 3965730  | 0.63                             |

## (v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name   | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason                         | Cumulative Shareholding during the year (01-04-2019 to 31-03-2020) |                                  |
|---------|--|--|----------------------------------|------------|------------------------------------|--------------------------------|--|----------------------------------|
|         |  | No. of Shares at the beginning (01-04-2019)/end of the year (31-03-2020) | % of total shares of the company |            |                                    |                                | No. of Shares  | % of total shares of the Company |
| 1       | Shri Jagdish Chander Nakra, Chairman & Managing Director           | 8534   | 0.00                             | 01/04/2019 |                                    |                                | 8534   | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the year   |  |                                  |
|         |  | 8534   | 0.00                             | 31/03/2020 |                                    |                                | 8534   | 0.00                             |
| 2       | Shri Sandeep Poundrik, Director (Govt. Nominee) (upto 01.05.2019)  | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | Nil  | 0.00                             | 01/05/2019 |                                    |                                | Nil  | 0.00                             |
| 3       | Shri Ashish Chatterjee, Director (Govt. Nominee) (upto 12.12.2019) | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | Nil  | 0.00                             | 12/12/2019 |                                    |                                | Nil  | 0.00                             |
| 4       | Shri B. N. Reddy, Director (Govt. Nominee) (w.e.f. 25.05.2019)     | Nil  | 0.00                             | 25/05/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | Nil  | 0.00                             | 31/03/2020 |                                    |                                | Nil  | 0.00                             |
| 5       | Shri Sunil Kumar, Director (Govt. Nominee) (w.e.f. 12.12.2019)     | Nil  | 0.00                             | 12/12/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | Nil  | 0.00                             | 31/03/2020 |                                    |                                | Nil  | 0.00                             |

| Sl. No. | Name   | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason                         | Cumulative Shareholding during the year (01-04-2019 to 31-03-2020) |                                  |
|---------|--|--|----------------------------------|------------|------------------------------------|--------------------------------|--|----------------------------------|
|         |  | No. of Shares at the beginning (01-04-2019)/end of the year (31-03-2020) | % of total shares of the company |            |                                    |                                | No. of Shares  | % of total shares of the Company |
| 6       | Dr. (Prof.) Mukesh Khare, Non-official Independent Director (upto 19.11.2019)        | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | Nil  | 0.00                             | 19/11/2019 |                                    |                                | Nil  | 0.00                             |
| 7       | Mrs. Arusha Vasudev, Non-official Independent Director (upto 19.11.2019)             | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  | 0.00                             |
|         |  | Nil  | 0.00                             | 19/11/2019 |                                    |                                | Nil  | 0.00                             |
| 8       | Shri Vikas Khushalrao Deshpande, Non-official Independent Director (upto 19.11.2019) | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | Nil  | 0.00                             | 19/11/2019 |                                    |                                | Nil  | 0.00                             |
| 9       | Shri Umesh Chandra Pandey, Non-official Independent Director (upto 19.11.2019)       | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  | 0.00                             |
|         |  | Nil  | 0.00                             | 19/11/2019 |                                    |                                | Nil  | 0.00                             |
| 10      | Ms. Shazia Ilmi Malik, Non-official Independent Director (upto 30.01.2020)           | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  | 0.00                             |
|         |  | Nil  | 0.00                             | 30/01/2020 |                                    |                                | Nil  | 0.00                             |
| 11      | Shri Chaman Kumar, Non-official Independent Director                                 | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the year   |  | 0.00                             |
|         |  | Nil  | 0.00                             | 31/03/2020 |                                    |                                | Nil  | 0.00                             |
| 12      | Shri Rajesh Kumar Gogna, Non-official Independent Director                           | Nil  | 0.00                             | 01/04/2019 |                                    |                                | Nil  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the year   |  | 0.00                             |
|         |  | Nil  | 0.00                             | 31/03/2020 |                                    |                                | Nil  | 0.00                             |
| 13      | Shri Vipin Chander Bhandari, Director (HR) (upto 29.02.2020)                         | 280  | 0.00                             | 01/04/2019 |                                    |                                | 280  | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the period |  |                                  |
|         |  | 280  | 0.00                             | 29/02/2020 |                                    |                                | 280  | 0.00                             |
| 14      | Shri Rakesh Kumar Sabharwal, Director (Commercial)                                   | 7400   | 0.00                             | 01/04/2019 |                                    |                                | 7400   | 0.00                             |
|         |  |  |                                  |            | 0                                  | Nil movement during the year   |  |                                  |
|         |  | 7400   | 0.00                             | 31/03/2020 |                                    |                                | 7400   | 0.00                             |
| 15      | Shri L.K. Vijn, Director (Technical)   | 680  | 0.00                             | 01/04/2019 |                                    |                                | 680  |                                  |
|         |  |  |                                  |            | 0                                  | Nil movement during the year   |  |                                  |
|         |  | 680  | 0.00                             | 31/03/2020 |                                    |                                | 680  | 0.00                             |

| Sl. No. | Name  | Shareholding   |                                  | Date       | Increase/ Decrease in shareholding | Reason                       | Cumulative Shareholding during the year (01-04-2019 to 31-03-2020) |                                  |
|---------|---|--|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|
|         |   | No. of Shares at the beginning (01-04-2019)/end of the year (31-03-2020) | % of total shares of the company |            |                                    |                              | No. of Shares  | % of total shares of the Company |
| 16      | Shri Sunil Bhatia, Director (Finance)                     | Nil  | 0.00                             | 01/04/2019 |                                    |                              | Nil  | 0.00                             |
|         |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|         |   | Nil  | 0.00                             | 31/03/2020 |                                    |                              | Nil  | 0.00                             |
| 17      | Shri Sanjeev Kumar Handa, Director (Projects)             | 2134   | 0.00                             | 01/04/2019 |                                    |                              | 2134   |                                  |
|         |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|         |   | 2134   | 0.00                             | 31/03/2020 |                                    |                              | 2134   | 0.00                             |
| 18      | Shri Ashok Kumar Kalra, Director (HR) (w.e.f. 01.03.2020) | 2934   | 0.00                             | 01/03/2020 |                                    |                              | 2934   | 0.00                             |
|         |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|         |   | 2934   | 0.00                             | 31/03/2020 |                                    |                              | 2934   | 0.00                             |
| 19      | Shri S.K. Padhi, Company Secretary                        | Nil  | 0.00                             | 01/04/2019 |                                    |                              | Nil  | 0.00                             |
|         |   |  |                                  |            | 0                                  | Nil movement during the year |  |                                  |
|         |   | Nil  | 0.00                             | 31/03/2020 |                                    |                              | 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 ₹

| Sl. No. | Particulars of Remuneration  | KEY MANAGERIAL PERSONNEL |                   |                   | Total            |
|---------|--|--------------------------|-------------------|-------------------|------------------|
|         |  | CEO*                     | CFO*              | Company Secretary |                  |
|         |  | Shri J.C. Nakra          | Shri Sunil Bhatia | Shri S.K. Padhi   |                  |
| 1       | GROSS SALARY   |                          |                   |                   |                  |
|         | (a) Salary as per provisions contained in Section 17 (1) of the income tax Act, 1961 | -                        | -                 | 24,26,765         | 24,26,765        |
|         | (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961                       | -                        | -                 | 2,00,419          | 2,00,419         |
|         | (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   | -                        | -                 | -                 | -                |
|         | <b>Total (A)</b>   | -                        | -                 | <b>26,27,184</b>  | <b>26,27,184</b> |

\*Salary paid to Shri J.C. Nakra 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, 2020





## 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 2020, 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 2020, 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. Subsequently, the company is completing the contract at the risk and cost of contractor in terms of provision 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 financial year 2018-19, 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.

EIL has filed its claim against the contractor with the IRP. Hon'ble Supreme Court, on the application of the contractor has stayed the Resolution proceedings. Hence during the year, company has approached Arbitral Tribunal and NCLT for revival of counter claims wherein company has been directed to approach the appropriate forum and accordingly company is in the process of filing the application. Refer Note 52 to the standalone financial statements.

This has been considered as a key audit matter given the uncertain outcome of legal proceedings/arbitral proceedings and the involvement of management's 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 N K Bhargava & Co.**

Chartered Accountants

(Firm’s Registration No. 000429N)

Sd/-

**N. K. Bhargava**  
(Partner)

M. No. 080624

UDIN : 20080624AAAACY4370

Place: New Delhi

Date: 25 June 2020

## 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:

| PARTICULARS                                      | (₹ in Lakhs) |           |
|--|--------------|-----------|
|  | GROSS BLOCK  | NET BLOCK |
| 4 Flats at Naranpura, Ahmedabad                  | 10.31        | 3.05      |
| 2 Flats at Viman Nagar, Pune                     | 8.45         | 2.64      |
| Eighty Four Flats at Gokuldham, Goregaon, Mumbai | 238.19       | 26.66     |
| Six Flats in Andheri East, Mumbai                | 9.93         | 0.16      |
| One Floor at CBD Belapur, Navi Mumbai            | 101.68       | 34.90     |

- ii. The company has carried out physical verification of inventory during the year. 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, IncomeTax, 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 2020 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 sales tax have not been deposited by the company on account of disputes:

| Sl. No. | Name of Statue | Nature of dues | Forum where dispute is pending | Period to which amount relates | Amount Including Interest (₹ in lakhs) |
|---------|----------------|----------------|--------------------------------|--------------------------------|--|
| 1       | Sales Tax      | VAT            | Andhra Pradesh High Court      | April 2014 to June 2017        | 150.14                                 |
| 2       | Sales Tax      | VAT            | Andhra Pradesh High Court      | April 2014 to June 2017        | 237.89                                 |
| 3       | Sales Tax      | VAT            | Karnataka High Court           | F.Y. 2009-10                   | 3826.84                                |
| 4       | Sales Tax      | VAT            | Karnataka High Court           | F.Y. 2010-11                   | 30552.56                               |
| 5       | Sales Tax      | VAT            | Karnataka High Court           | F.Y. 2013-14                   | 636.29                                 |
| 6       | Sales Tax      | VAT            | Karnataka High Court           | F.Y. 2014-15                   | 786.97                                 |

- 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 N K Bhargava & Co.**  
Chartered Accountants  
(Firm's Registration No. 000429N)

Place: New Delhi  
Date: 25 June 2020

Sd/-  
**N. K. Bhargava**  
(Partner)  
M. No. 080624  
UDIN : 20080624AAAACY4370



## 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:

| Sl. 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 terms and conditions.   |

**For N K Bhargava & Co.**  
Chartered Accountants  
(Firm's Registration No. 000429N)

Sd/-

**N. K. Bhargava**  
(Partner)

M. No. 080624

UDIN : 20080624AAAACY4370

Place: New Delhi  
Date: 25 June 2020

## 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 2020 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 2020, 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 N K Bhargava & Co.**

Chartered Accountants

(Firm's Registration No. 000429N)

Sd/-

**N. K. Bhargava**

(Partner)

M. No. 080624

UDIN : 20080624AAAACY4370

Place: New Delhi

Date: 25 June 2020



## Standalone Balance Sheet

CIN: L74899DL1965GOI004352

AS AT 31 MARCH, 2020

(₹ in Lakhs)

| Particulars  | Note No. | 31 March 2020      | 31 March 2019      |
|--|----------|--------------------|--------------------|
| <b>I Assets</b>  |          |                    |                    |
| <b>Non-current assets</b>  |          |                    |                    |
| (a) Property, plant and equipment  | 4        | 20,850.95          | 21,588.24          |
| (b) Right-of-use assets  | 39       | 1,327.07           | -                  |
| (c) Capital work-in-progress   | 4        | 213.60             | 3,366.97           |
| (d) Investment property  | 5        | 4,764.04           | 2,739.77           |
| (e) Other intangibles assets   | 6 A      | 232.85             | 232.75             |
| (f) Intangible assets under development  | 6 B      | 96.36              | 1,833.94           |
| (g) Financial assets   |          |                    |                    |
| (i) Investments  | 7 A      | 42,681.45          | 27,398.00          |
| (ii) Loans   | 8 A      | 4,679.45           | 3,988.39           |
| (iii) Other financial assets   | 9 A      | 9.97               | 38.16              |
| (h) Deferred tax assets (net)  | 10       | 26,945.73          | 29,691.53          |
| (i) Non-current tax assets (net)   | 11       | 3,414.50           | 1,705.75           |
| (j) Other non-current assets   | 12 A     | 1,097.24           | 1,058.01           |
| <b>Total non-current assets</b>  |          | <b>1,06,313.21</b> | <b>93,641.51</b>   |
| <b>Current assets</b>  |          |                    |                    |
| (a) Inventories  | 13       | 661.89             | 689.65             |
| (b) Financial assets   |          |                    |                    |
| (i) Investments  | 7 B      | 5,000.12           | 4,606.44           |
| (ii) Trade receivables   | 14       | 66,614.60          | 41,414.56          |
| (iii) Cash and cash equivalents  | 15       | 2,445.55           | 21,296.40          |
| (iv) Other bank balances   | 16       | 2,69,805.32        | 2,44,809.16        |
| (v) Loans  | 8 B      | 1,430.86           | 1,312.37           |
| (vi) Other financial assets  | 9 B      | 29,323.82          | 44,445.12          |
| (c) Other current assets   | 12 B     | 21,285.59          | 16,233.62          |
| <b>Total current assets</b>  |          | <b>3,96,567.75</b> | <b>3,74,807.32</b> |
| <b>Total assets</b>  |          | <b>5,02,880.96</b> | <b>4,68,448.83</b> |
| <b>II Equity and liabilities</b>   |          |                    |                    |
| <b>Equity</b>  |          |                    |                    |
| (a) Equity share capital   | 17       | 31,595.58          | 31,595.58          |
| (b) Other equity   | 18       | 2,02,950.16        | 1,95,988.94        |
| <b>Total equity</b>  |          | <b>2,34,545.74</b> | <b>2,27,584.52</b> |
| <b>Liabilities</b>   |          |                    |                    |
| <b>Non-current liabilities</b>   |          |                    |                    |
| (a) Financial liabilities  |          |                    |                    |
| (i) Lease Liabilities  | 39       | 244.53             | -                  |
| (ii) Other financial liabilities   | 19 A     | 669.05             | 389.44             |
| (b) Provisions   | 20 A     | 326.87             | 310.77             |
| (c) Other non-current liabilities  | 21 A     | 201.83             | 150.97             |
| <b>Total non-current liabilities</b>   |          | <b>1,442.28</b>    | <b>851.18</b>      |
| <b>Current liabilities</b>   |          |                    |                    |
| (a) Financial liabilities  |          |                    |                    |
| (i) Trade payables   | 22       |                    |                    |
| Total outstanding dues of Micro Enterprises and Small Enterprises  |          | 6,879.42           | 4,406.09           |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises                                 |          | 21,086.64          | 20,350.91          |
| (ii) Lease Liabilities   | 39       | 247.91             | -                  |
| (iii) Other financial liabilities  | 19 B     | 36,510.03          | 35,545.04          |
| (b) Other current liabilities  | 21 B     | 1,41,698.73        | 1,31,970.82        |
| (c) Provisions   | 20 B     | 59,182.89          | 47,610.80          |
| (d) Current tax liabilities (net)  | 23       | 1,287.32           | 129.47             |
| <b>Total current liabilities</b>   |          | <b>2,66,892.94</b> | <b>2,40,013.13</b> |
| <b>Total equity and liabilities</b>  |          | <b>5,02,880.96</b> | <b>4,68,448.83</b> |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 67  |                    |                    |

This is the balance sheet referred to in our report of even date.

For N K Bhargava &amp; Co.

For and on behalf of Engineers India Limited

Chartered Accountants

FRN No. 000429N

|                       |                          |                         |                                     |   |
|-----------------------|--------------------------|-------------------------|-------------------------------------|---|
| Sd/-                  | Sd/-                     | Sd/-                    | Sd/-                                | Sd/-  |
| N. K. Bhargava        | Suvendu Kumar Padhi      | R P Batra               | Sunil Bhatia                        | J C Nakra   |
| <b>Partner</b>        | <b>Company Secretary</b> | <b>C.G.M. [F&amp;A]</b> | <b>Director [Finance] &amp; CFO</b> | <b>Chairman &amp; Managing Director &amp; CEO</b> |
| Membership No. 080624 | PAN : AHYPP2198P         | PAN : AHPPB4262M        | DIN : 08259936                      | DIN : 07676468                                    |

Place : New Delhi

Date : 25 June 2020

# Standalone Statement of Profit and Loss

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

| Particulars  | Note No. | 31 March 2020      | 31 March 2019      |
|--|----------|--------------------|--------------------|
| <b>Revenue</b>   |          |                    |                    |
| I Revenue from operations  | 24       | 3,20,305.08        | 2,44,433.85        |
| II Other income  | 25       | 25,803.46          | 22,508.09          |
| III <b>Total Income (I+II)</b>   |          | <b>3,46,108.54</b> | <b>2,66,941.94</b> |
| <b>Expenses</b>  |          |                    |                    |
| Technical assistance/sub-contracts   | 26       | 1,08,953.44        | 45,093.48          |
| Construction materials and equipments  | 27       | 46,805.34          | 61,156.60          |
| Employee benefits expenses   | 28       | 84,435.56          | 75,706.98          |
| Finance costs  | 29       | 173.67             | 122.89             |
| Depreciation and amortisation expense  | 30       | 2,383.44           | 2,235.95           |
| Other expenses   | 31       | 35,806.19          | 25,875.42          |
| IV <b>Total expenses</b>   |          | <b>2,78,557.64</b> | <b>2,10,191.32</b> |
| V <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>   |          | <b>67,550.90</b>   | <b>56,750.62</b>   |
| VI Exceptional items   |          | -                  | -                  |
| VII <b>Profit before tax (V-VI)</b>  |          | <b>67,550.90</b>   | <b>56,750.62</b>   |
| VIII Less: Tax expense   | 32       |                    |                    |
| (1) Current tax  |          |                    |                    |
| - For the year   |          | 21,936.32          | 19,470.19          |
| - For earlier years tax adjustments (net)  |          | (49.35)            | (597.63)           |
| (2) Deferred tax   |          | 2,639.56           | 871.04             |
| IX <b>Profit for the year from continuing operations (VII-VIII)</b>  |          | <b>43,024.37</b>   | <b>37,007.02</b>   |
| X Profit/(Loss) from discontinued operations (After Tax)   |          | -                  | -                  |
| XI <b>Profit for the year (IX+X)</b>   |          | <b>43,024.37</b>   | <b>37,007.02</b>   |
| XII <b>Other comprehensive income</b>  |          |                    |                    |
| Items that will not be reclassified to profit and loss   |          |                    |                    |
| Re-measurement gains (losses) on defined benefit plans   |          | (3,163.61)         | (264.67)           |
| Income tax relating to items that will not be reclassified to profit and loss  |          | 33.89              | 92.48              |
| Items that will be reclassified to profit and loss   |          |                    |                    |
| Exchange differences on translation of foreign operations  |          | 96.49              | 22.19              |
| Income tax relating to items that will be reclassified to profit and loss  |          | (24.50)            | (7.75)             |
| XIII <b>Total comprehensive income for the year (XI+XII)</b>   |          | <b>39,966.64</b>   | <b>36,849.27</b>   |
| XIV <b>Earnings per equity share (Face value ₹ 5 per share)</b>  | 33       |                    |                    |
| (for continuing and discontinued operations)   |          |                    |                    |
| Basic (₹)  |          | 6.81               | 5.86               |
| Diluted (₹)  |          | 6.81               | 5.86               |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 67  |                    |                    |

This is the statement of profit and loss referred to in our report of even date.

For N K Bhargava &amp; Co.

Chartered Accountants

FRN No. 000429N

For and on behalf of Engineers India Limited

Sd/-

N. K. Bhargava

Partner

Membership No. 080624

Place : New Delhi

Date : 25 June 2020

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





# Standalone Statement of Changes in Equity

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

**A Equity share capital\***

(₹ in Lakhs)

| Particulars                                     | 2019-20          | 2018-19          |
|---|------------------|------------------|
| Balance at the beginning of the year            | 31,595.58        | 31,595.58        |
| Changes in equity share capital during the year | -                | -                |
| <b>Balance at the end of the year</b>           | <b>31,595.58</b> | <b>31,595.58</b> |

**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 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>1,300.26</b>   | <b>52.68</b>  | <b>(2,299.41)</b>                      | <b>1,95,988.94</b> |
| Profit for the year                                       | -                    | -                          | 43,024.37         | -                    | -   | -   | -                                      | 43,024.37          |
| Other comprehensive income                                | -                    | -                          | -                 | -                    | -   | 96.49   | (3,163.61)                             | (3,067.12)         |
| Income tax related to items of other comprehensive income | -                    | -                          | -                 | -                    | -   | (24.50)   | 33.89                                  | 9.39               |
| Dividend including tax impact (refer note 37)             | -                    | -                          | (33,005.42)       | -                    | -   | -   | -                                      | (33,005.42)        |
| Transfer from retained earnings                           | 6,397.89             | -                          | (8,489.34)        | 1,078.19             | 1,013.26  | -   | -                                      | -                  |
| Transfer to retained earnings                             | -                    | -                          | 2,518.06          | (1,128.49)           | (1,389.57)  | -   | -                                      | -                  |
| <b>Balance as at 31 March 2020</b>                        | <b>1,87,093.87</b>   | <b>2,098.09</b>            | <b>16,087.14</b>  | <b>2,051.57</b>      | <b>923.95</b>   | <b>124.67</b>   | <b>(5,429.13)</b>                      | <b>2,02,950.16</b> |

\*Refer note 17 for details

\*\*Refer note 18 for details

This is the statement of changes in equity referred to in our report of even date.

**For N K Bhargava & Co.**

Chartered Accountants

FRN No. 000429N

**For and on behalf of Engineers India Limited**

|   |   |  |   |  |
|---|---|--|---|--|
| Sd/-<br>N. K. Bhargava<br><b>Partner</b><br>Membership No. 080624 | Sd/-<br>Suvendu Kumar Padhi<br><b>Company Secretary</b><br>PAN : AHYPP2198P | Sd/-<br>R P Batra<br><b>C.G.M. [F&amp;A]</b><br>PAN : AHPPB4262M | Sd/-<br>Sunil Bhatia<br><b>Director [Finance] &amp; CFO</b><br>DIN : 08259936 | Sd/-<br>J C Nakra<br><b>Chairman &amp; Managing Director &amp; CEO</b><br>DIN : 07676468 |
|---|---|--|---|--|

Place : New Delhi

Date : 25 June 2020

# Standalone Cash Flow Statement

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

|   | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                             |                             |
| Profit before tax   | 67,550.90                   | 56,750.62                   |
| <b>Adjustments for:</b>   |                             |                             |
| Depreciation and amortisation expense                                       | 2,383.44                    | 2,235.95                    |
| Fixed assets written off  | 2.49                        | 1.06                        |
| Deposits written off  | -                           | 10.65                       |
| (Reversal of impairment)/impairment in value of investments                 | 0.37                        | (201.67)                    |
| Loss in Investment in Joint Venture   | -                           | 202.62                      |
| Bad debts written off   | 159.15                      | 79.59                       |
| Dry well written off  | -                           | 1,542.66                    |
| Allowance for expected credit losses - trade receivables and advances (net) | 3,920.84                    | (468.70)                    |
| Provision for Impairment of Exploration Expenditure                         | 2,839.20                    | -                           |
| Provision Employees' post retirement/long-term benefits                     | (217.87)                    | (6,431.63)                  |
| Provision for corporate social responsibility                               | (121.37)                    | 144.91                      |
| (Reversal of provision)/provision for contractual obligations (net)         | 9,534.85                    | 5,907.25                    |
| (Reversal of provision)/provision for expected losses (net)                 | (771.03)                    | 641.91                      |
| Interest expense  | 173.67                      | 122.89                      |
| (Profit)/loss on sale of fixed assets                                       | 11.22                       | (0.59)                      |
| Interest income   | (20,951.89)                 | (17,687.41)                 |
| Loss/(gain) on modification of employee advances                            | (68.53)                     | 29.19                       |
| Amortization of deferred income   | (136.99)                    | (111.71)                    |
| Capital gain on redemption of investments in mutual funds                   | (261.02)                    | (1.39)                      |
| Dividend income   | (824.92)                    | (981.30)                    |
| <b>Operating profit before changes in Assets &amp; Liabilities</b>          | <b>63,222.51</b>            | <b>41,784.90</b>            |
| <b>Movement in Assets and Liabilities</b>                                   |                             |                             |
| (Increase)/decrease in Trade and Other Receivables                          | (20,705.01)                 | 1,078.07                    |
| (Increase)/decrease in Inventories  | 27.76                       | (579.46)                    |
| Increase/(decrease) in Trade and Other Payables                             | 16,830.70                   | 33,797.47                   |
| <b>Cash flow from operations</b>  | <b>59,375.96</b>            | <b>76,080.98</b>            |
| Income tax paid (net)   | (22,201.88)                 | (21,608.52)                 |
| <b>Net cash flow from operating activities (A)</b>                          | <b>37,174.08</b>            | <b>54,472.46</b>            |

**Standalone Cash Flow Statement (Cont.)**

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

|   | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <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) | (1,777.81)                  | (3,215.16)                  |
| Sale of fixed assets  | 27.14                       | 6.92                        |
| Interest received   | 19,871.36                   | 16,545.41                   |
| Dividend received   | 824.92                      | 981.30                      |
| Receipt of Capital Grant  | 32.66                       | -                           |
| Investment in liquid plans of mutual funds (net)  | (132.66)                    | (2,103.45)                  |
| Fixed deposit placed with banks having original maturity of more than three months  | (2,69,331.00)               | (2,31,943.54)               |
| Fixed deposit with banks matured having original maturity of more than three months   | 2,43,021.73                 | 2,25,648.11                 |
| Investment in joint ventures  | (15,283.82)                 | (5,500.00)                  |
| <b>Net cash flows from investing activities (B)</b>   | <b>(22,747.48)</b>          | <b>419.59</b>               |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                             |                             |
| Dividend paid (including tax)   | (33,005.42)                 | (36,052.02)                 |
| Payment of Lease Liabilities  | (272.03)                    | -                           |
| <b>Net cash used in financing activities (C)</b>  | <b>(33,277.45)</b>          | <b>(36,052.02)</b>          |
| Increase/(decrease) in cash and cash equivalents (A+B+C)  | (18,850.85)                 | 18,840.03                   |
| Cash and cash equivalents at the beginning of the year (refer note 15)  | 21,296.40                   | 2,456.37                    |
| <b>Cash and cash equivalents at the end of the year (refer note 15)</b>   | <b>2,445.55</b>             | <b>21,296.40</b>            |

This is the cash flow statement referred to in our report of even date.

**For N K Bhargava & Co.**

Chartered Accountants

FRN No. 000429N

**For and on behalf of Engineers India Limited**

|                       |                          |                         |                                     |   |
|-----------------------|--------------------------|-------------------------|-------------------------------------|---|
| Sd/-                  | Sd/-                     | Sd/-                    | Sd/-                                | Sd/-  |
| N. K. Bhargava        | Suvendu Kumar Padhi      | R P Batra               | Sunil Bhatia                        | J C Nakra   |
| <b>Partner</b>        | <b>Company Secretary</b> | <b>C.G.M. [F&amp;A]</b> | <b>Director [Finance] &amp; CFO</b> | <b>Chairman &amp; Managing Director &amp; CEO</b> |
| Membership No. 080624 | PAN : AHYPP2198P         | PAN : AHPPB4262M        | DIN : 08259936                      | DIN : 07676468                                    |

**Place :** New Delhi**Date :** 25 June 2020

## Summary of significant accounting policies for the year ended 31 March 2020

### 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.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 25 June 2020.

### 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

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:
  - i. 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.
  - ii. 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 (software) 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.

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**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonable certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.



Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset except for perpetual lease. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **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.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. The sublease is classified as a finance lease or operating lease by reference to the right of use asset arising from the head lease.

Rental income is recognized on straight line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

#### **Transition to Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method 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 by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease by lease basis. The Company has also used the practical expedient provided by the standard on initial application.

The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. The principal and interest portion of lease liability have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. The weighted average incremental borrowing rate of 8.60% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The Company has leases that were classified as finance leases applying Ind AS 17 for certain lands on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands were classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset as measured applying Ind AS 17. Accordingly, an amount of ₹ 1,216.96 Lakhs has been reclassified from property, plant and equipment to right-of-use assets.

## **F. INVESTMENT PROPERTIES**

### **Recognition**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Owned 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. An Investment property held as right-of use asset are measured initially at its cost in accordance with Ind AS 116.

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.

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

### **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 GRANTS**

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 2020 | 31 March 2019 |
|---------|--|--------------------------|-----------------|---------------|---------------|
| 1       | Petroleum India International (Association of Person (AOP)) (Dissolved on 18 March 2020) | India                    | Joint Operation | -             | 9.50%         |
| 2       | CB-ONN-2010/11   | India                    | Joint Operation | 23.53%        | 20%           |
| 3       | CB-ONN-2010/08   | India                    | Joint Operation | 22.22%        | 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

There is no notification of new standards or amendments to the existing standards by Ministry of Corporate Affairs ("MCA") which would have been applicable from April 1, 2020.



**X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY****Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The lockdown was announced by the Government of India in the last week of the financial year and as such during the financial year 2019-20 there was no significant impact of COVID-19 on the operations of the company. Moving forward, management has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis, though the disruption on account of COVID-19 could have medium term impact.

The management has made assessment of its liquidity position and recoverability/carrying amount of trade receivables, unbilled revenue, investments and other advances at balance sheet date and expects to cover its carrying amount.

The entity shall continue to operate on going concern basis.

*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.

**Leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

## Notes to the Financial Statements for the year ended 31 March 2020

## 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 2018   | 297.91        | 1,287.25        | 20,790.31        | 86.88               | 3,357.96          | 1,806.70   | 0.44        | 5.60          | <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>  | -                        |
| Additions   | -             | -               | 3,750.83         | 20.80               | 71.31             | 141.64   | -           | -             | <b>3,984.58</b>   | -                        |
| Reclassification from/to investment property due to change in use     | -             | -               | (1,825.11)       | -                   | -                 | (21.11)  | -           | -             | <b>(1,846.22)</b> | -                        |
| Reclassified on account of adoption of Ind AS 116 (Refer Note No. 39) | -             | (1,287.25)      | -                | -                   | -                 | -  | -           | -             | <b>(1,287.25)</b> | -                        |
| Exchange difference on translation of foreign operation               | -             | -               | 0.98             | -                   | 9.87              | 31.03  | -           | -             | <b>41.88</b>      | -                        |
| Disposals/assets written off/ Adjustment                              | -             | -               | (52.05)          | -                   | (17.60)           | (11.06)  | (0.03)      | (0.03)        | <b>(80.77)</b>    | -                        |
| <b>Balance as at 31 March 2020</b>                                    | <b>297.91</b> | <b>-</b>        | <b>22,982.00</b> | <b>367.24</b>       | <b>3,861.74</b>   | <b>2,117.87</b>  | <b>0.41</b> | <b>5.71</b>   | <b>29,632.88</b>  | -                        |
| <b>Accumulated depreciation</b>                                       |               |                 |                  |                     |                   |  |             |               |                   |                          |
| At 1 April 2018   | -             | 52.72           | 2,641.30         | 3.38                | 2,170.10          | 716.04   | 0.12        | 5.60          | <b>5,589.26</b>   | -                        |
| 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>   | -                        |

## 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 |
|---|---------------|-----------------|------------------|---------------------|-------------------|--|-------------|---------------|------------------|--------------------------|
| Charge for the year   | -             | -               | 912.00           | 29.97               | 489.52            | 226.55   | 0.02        | -             | 1,658.06         | -                        |
| Reclassification from/to investment property due to change in use     | -             | -               | (30.61)          | -                   | -                 | (0.59)   | -           | -             | (31.20)          | -                        |
| Reclassified on account of adoption of Ind AS 116 (Refer Note No. 39) | -             | (70.29)         | -                | -                   | -                 | -  | -           | -             | (70.29)          | -                        |
| Exchange difference on translation of foreign operation               | -             | -               | 0.32             | -                   | 9.06              | 19.74  | -           | -             | 29.12            | -                        |
| Adjustments for disposals   | -             | -               | (15.10)          | -                   | (13.80)           | (7.25)   | -           | (0.03)        | (36.18)          | -                        |
| <b>Balance as at 31 March 2020</b>                                    | <b>-</b>      | <b>-</b>        | <b>4,314.17</b>  | <b>51.22</b>        | <b>3,219.78</b>   | <b>1,190.89</b>  | <b>0.16</b> | <b>5.71</b>   | <b>8,781.93</b>  | <b>-</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>          |
| <b>Net book value as at 31 March 2020</b>                             | <b>297.91</b> | <b>-</b>        | <b>18,667.83</b> | <b>316.02</b>       | <b>641.96</b>     | <b>926.98</b>  | <b>0.25</b> | <b>-</b>      | <b>20,850.95</b> | <b>213.60</b>            |

\*Refer note 39 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 Nil (previous year 31 March 2019: ₹ 30.82 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 2018   | 0.17          | 264.53          | 2,988.16                             | <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> |
| Additions   | -             | -               | 2.09                                 | <b>2.09</b>     |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | 1,846.22                             | <b>1,846.22</b> |
| Reclassification from/to Right of use Assets due to change in use           | -             | 350.84          | -                                    | <b>350.84</b>   |
| Disposals/assets written off  | -             | -               | (5.92)                               | <b>(5.92)</b>   |
| <b>Balance as at 31 March 2020</b>  | <b>0.17</b>   | <b>615.37</b>   | <b>4,766.51</b>                      | <b>5,382.05</b> |
| <b>Accumulated depreciation</b>   |               |                 |                                      |                 |
| At 1 April 2018   | -             | 2.13            | 368.52                               | <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>   |
| Charge for the year   | -             | 2.41            | 139.10                               | <b>141.51</b>   |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | 31.20                                | <b>31.20</b>    |
| Adjustments for disposals   | -             | -               | (3.75)                               | <b>(3.75)</b>   |
| <b>Balance as at 31 March 2020</b>  | <b>-</b>      | <b>5.25</b>     | <b>612.76</b>                        | <b>618.01</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> |
| <b>Net book value as at 31 March 2020</b>                                   | <b>0.17</b>   | <b>610.12</b>   | <b>4,153.75</b>                      | <b>4,764.04</b> |

\*Refer note 39 for details

**(i) Contractual obligations**

Refer to note 40B(b) for disclosure of contractual commitments for the acquisition of investment property.

**(ii) Amounts recognised in statement of profit and loss for investment properties**

(₹ in Lakhs)

| Particulars   | 31 March 2020          | 31 March 2019          |
|---|------------------------|------------------------|
| Rental income   | 2,330.37               | 2,101.95               |
| <b>Less:</b>  |                        |                        |
| Direct operating expenses generating rental income            | 670.70                 | 469.75                 |
| Direct operating expenses that did not generate rental income | 136.52                 | 116.28                 |
| <b>Profit/(Loss) from leasing of investment properties</b>    | <b><u>1,523.15</u></b> | <b><u>1,515.92</u></b> |

**(iii) Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39 for details.

**(iv) Fair value of investment property**

| Description       | Fair value (₹ in Lakhs) |               |
|-------------------|-------------------------|---------------|
|                   | 31 March 2020           | 31 March 2019 |
| Residential flats | 6,184.01                | 7,218.90      |
| Land and building | 36,068.77               | 32,316.45     |
| Office premises   | 1,985.12                | 785.13        |

**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 2018   | 1,739.33          | <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> |
| Additions   | 332.65            | 332.65          |
| Exchange difference on translation of foreign operation | 13.95             | 13.95           |
| Disposals/assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2020</b>                      | <b>2,144.50</b>   | <b>2,144.50</b> |
| <b>Accumulated amortisation</b>                         |                   |                 |
| At 1 April 2018   | 1,151.69          | <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> |
| Amortisation charge for the year                        | 332.55            | 332.55          |
| Exchange difference on translation of foreign operation | 13.95             | 13.95           |
| Adjustments for disposals                               | -                 | -               |
| <b>Balance as at 31 March 2020</b>                      | <b>1,911.65</b>   | <b>1,911.65</b> |
| <b>Net book value as at 31 March 2019</b>               | <b>232.75</b>     | <b>232.75</b>   |
| <b>Net book value as at 31 March 2020</b>               | <b>232.85</b>     | <b>232.85</b>   |

**Note : 6B**

| Intangible assets under development |                                   | (₹ in Lakhs)    |
|-------------------------------------|-----------------------------------|-----------------|
| Particulars                         | Exploration and evaluation assets | Total           |
| <b>Gross carrying amount</b>        |                                   |                 |
| At 1 April 2018                     | 2,844.04                          | 2,844.04        |
| 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> |
| Additions                           | 282.90                            | 282.90          |
| Transfer/adjustment                 | 818.72                            | 818.72          |
| Provision for Impairment            | (2,839.20)                        | (2,839.20)      |
| Disposals/assets written off        | -                                 | -               |
| <b>Balance as at 31 March 2020</b>  | <b>96.36</b>                      | <b>96.36</b>    |



(₹ in Lakhs)

| Particulars   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| <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 2019: 900,000) equity shares of ₹100 each fully paid up 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           |
| 5,500,000 (previous year 31 March 2019 : 5,500,000) equity shares of ₹10 each fully paid up   |                  |                  |
| Less: Impairment in value of investments  | (541.37)         | (541.00)         |
| <b>Sub-total (B)</b>  | <b>8.63</b>      | <b>9.00</b>      |
| Ramagundam Fertilizers and Chemicals Limited*   | 42,652.82        | 27,369.00        |
| 341,528,200 (previous year 31 March 2019: 273,690,002) equity shares of ₹10 each fully paid up  |                  |                  |
| <b>Sub-total (C)</b>  | <b>42,652.82</b> | <b>27,369.00</b> |
| <b>Grand total (A+B+C)</b>  | <b>42,681.45</b> | <b>27,398.00</b> |
| Aggregate book value of unquoted investments - Gross book value   | 43,222.82        | 27,939.00        |
| Aggregate amount of impairment in value of investments  | 541.37           | 541.00           |

| Particulars                                   | Principal place of business | Ownership interests                          | Accounted on   |
|---|-----------------------------|--|--|
| Certification Engineers International Limited | India                       | 100%   | Stated at cost   |
| TEIL Projects Limited                         | India                       | 50%  | as per the provisions of Ind AS 27 'Separate Financial Statements' |
| Ramagundam Fertilizers and Chemicals Limited  | India                       | 26.29% (Previous year 31 March 2019: 26.86%) |  |

\* Called Capital Commitments outstanding as of 31 March 2020 is ₹ 2,110.00 Lakhs (previous year 31 March 2019: Nil) paid on 24 April 2020 against which equity shares has been allotted on 27 April 2020.

\* Includes share application money for 8,50,00,000 shares of ₹ 10 each fully paid amounting to ₹ 8,500.00 lakhs ( Previous Year 31 March 2019 : Nil) against which equity shares has been allotted on 27 April 2020.

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| <b>B Investments - current</b>   |                 |                 |
| <b>Liquid plan of mutual funds (quoted)</b>                                      |                 |                 |
| UTI Liquid Cash Plan Nil units (Previous year 31 March 2019: 4,51,857.730 units) | -               | 4,606.44        |
| -Direct Daily dividend re-investment (31 March 2019: NAV - ₹1,019.4457)          |                 |                 |
| UTI Overnight Fund 1,82,880.344 units (Previous year 31 March 2019: Nil units)   | 5,000.12        | -               |
| -Direct Growth Plan (31 March 2020: NAV - ₹ 2,734.0948)                          |                 |                 |
|  | <b>5,000.12</b> | <b>4,606.44</b> |
| Aggregate book value of quoted investments                                       | 5,000.12        | 4,606.44        |
| Aggregate market value of quoted investments                                     | 5,000.12        | 4,606.44        |



(₹ in Lakhs)

| Particulars                                      | 31 March 2020          | 31 March 2019          |
|--|------------------------|------------------------|
| <b>Note : 8</b>                                  |                        |                        |
| <b>A Loans - non-current</b>                     |                        |                        |
| <b>(Considered good unless otherwise stated)</b> |                        |                        |
| <b>Secured</b>                                   |                        |                        |
| Loans to employees                               | 2,145.39               | 1,770.58               |
| <b>Unsecured</b>                                 |                        |                        |
| Security deposits                                | 104.41                 | 129.10                 |
| Loans to employees                               | 2,429.65               | 2,088.71               |
|  | <u><b>4,679.45</b></u> | <u><b>3,988.39</b></u> |
| <b>B Loans - current</b>                         |                        |                        |
| <b>(Considered good unless otherwise stated)</b> |                        |                        |
| <b>Secured</b>                                   |                        |                        |
| Loans to employees                               | 296.83                 | 268.59                 |
| <b>Unsecured</b>                                 |                        |                        |
| Loans to related parties:                        |                        |                        |
| Loans to directors                               | -                      | 0.10                   |
| Loans to employees                               | 683.44                 | 615.67                 |
| Security deposits                                |                        |                        |
| Considered good                                  | 450.59                 | 428.01                 |
| Considered doubtful                              | 4.23                   | 4.23                   |
|  | <u><b>1,435.09</b></u> | <u><b>1,316.60</b></u> |
| Less: Allowance for expected credit losses       | (4.23)                 | (4.23)                 |
|  | <u><b>1,430.86</b></u> | <u><b>1,312.37</b></u> |

**Note : 9**

|   |                    |                     |
|---|--------------------|---------------------|
| <b>A Other financial asset - non-current</b>    |                    |                     |
| Bank deposits with maturity more than 12 months | 9.97               | 38.16               |
|   | <u><b>9.97</b></u> | <u><b>38.16</b></u> |

The above includes bank deposits ₹ 9.97 lakhs (previous year as at 31 March 2019: ₹ 38.16 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                                 | 0.02                    | 7.32                    |
| Work-in-progress*   |                         |                         |
| Considered good   | 2.28                    | 121.53                  |
| Considered doubtful   | 220.92                  | 181.36                  |
| Unbilled revenue  |                         |                         |
| Considered good   | 26,647.08               | 42,302.97               |
| Considered doubtful   | 309.01                  | 144.73                  |
| Others  | 2,674.44                | 2,013.30                |
|   | <u><b>29,853.75</b></u> | <u><b>44,771.21</b></u> |
| Less: Allowance for expected credit losses                  | (529.93)                | (326.09)                |
|   | <u><b>29,323.82</b></u> | <u><b>44,445.12</b></u> |

\*As taken, valued and certified by the management

(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| <b>Note : 10</b>   |                  |                  |
| <b>Deferred tax assets (net)</b>                                 |                  |                  |
| <b>Deferred tax assets arising on:</b>                           |                  |                  |
| Employee benefits:   |                  |                  |
| Provision for leave encashment                                   | 5,662.96         | 6,538.29         |
| Provision for post retirement medical benefits                   | 6,001.56         | 7,292.91         |
| Provision for other benefits on retirement                       | 65.35            | 90.52            |
| Provision for long service awards                                | 27.74            | 34.08            |
| Provision for employee related expenses allowed on payment basis | 416.70           | 505.77           |
| Provision for contractual obligations                            | 12,270.96        | 13,705.51        |
| Provision for estimated losses                                   | 61.68            | 355.06           |
| Provision for doubtful debts and advances                        | 3,563.30         | 3,577.29         |
| Provision for Impairment of Oil Blocks                           | 714.57           | -                |
| Others:  |                  |                  |
| Provision for loss in joint venture                              | 126.12           | 126.03           |
| Amortised cost financial instruments                             | 59.09            | 73.15            |
| Leases   | 3.93             | -                |
| Foreign currency translation reserve                             | -                | 0.78             |
| <b>Deferred tax liabilities arising on:</b>                      |                  |                  |
| Depreciation   | (2,020.58)       | (2,607.86)       |
| Others:  |                  |                  |
| Foreign currency translation reserve                             | (7.65)           | -                |
|  | <b>26,945.73</b> | <b>29,691.53</b> |

**Movement in above mentioned deferred tax assets and liabilities**

(₹ in Lakhs)

| Particulars                                 | 1 April 2018     | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2019    | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2020    |
|---|------------------|--|--|------------------|--|--|------------------|
| <b>Assets</b>                               |                  |  |  |                  |  |  |                  |
| Employee benefits                           | 16,816.53        | 275.43                                   | (2,630.39)                                 | 14,461.57        | (97.81)                                  | (2,189.45)                                 | 12,174.31        |
| Provision for contractual obligations       | 11,641.27        | -  | 2,064.24                                   | 13,705.51        | -  | (1,434.55)                                 | 12,270.96        |
| Provision for estimated losses              | 130.75           | -  | 224.31                                     | 355.06           | -  | (293.38)                                   | 61.68            |
| Provision for Impairment of Oil Blocks      | -                | -  | -  | -                | -  | 714.57                                     | 714.57           |
| Provision for doubtful debts and advances   | 3,741.07         | -  | (163.78)                                   | 3,577.29         | -  | (13.99)                                    | 3,563.30         |
| Others                                      | 222.67           | (2.50)                                   | (20.21)                                    | 199.96           | (0.78)                                   | (10.04)                                    | 189.14           |
| <b>Deferred tax liabilities arising on:</b> |                  |  |  |                  |  |  |                  |
| Depreciation                                | (2,262.65)       | -  | (345.21)                                   | (2,607.86)       | -  | 587.28                                     | (2,020.58)       |
| Others                                      | -                | -  | -  | -                | (7.65)                                   | -  | (7.65)           |
| <b>Total</b>                                | <b>30,289.64</b> | <b>272.93</b>                            | <b>(871.04)</b>                            | <b>29,691.53</b> | <b>(106.24)</b>                          | <b>(2,639.56)</b>                          | <b>26,945.73</b> |

-The company has elected to exercise the option permitted under section 115 BAA of the Income - Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has remeasured its deferred tax assets/liabilities, basis the rates prescribed in the said section and taken the full effect to Statement of profit and loss in the current financial year. The re-measurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by ₹ 8,253.19 Lakhs which has accounted for in the Statement of profit and loss for the year ended 31 March 2020.

-No changes in the deferred taxes is expected due to COVID-19.



(₹ in Lakhs)

| Particulars   | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| <b>Note : 11</b>  |                 |                 |
| <b>Non-current tax assets (net)</b>   |                 |                 |
| Advance income tax (net of provision for taxation amounting to ₹ 41,621.08 lakhs (previous year 31 March 2019: ₹ 63,454.05 lakhs) | 3,414.50        | 1,705.75        |
|   | <b>3,414.50</b> | <b>1,705.75</b> |

**Note : 12****A Other non-current assets****(Unsecured, considered good unless otherwise stated)**

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| Capital advances                 | 32.77           | 60.46           |
| Prepaid expense and rent advance | 1,064.47        | 997.55          |
|                                  | <b>1,097.24</b> | <b>1,058.01</b> |

**B Other current assets****(Unsecured, considered good unless otherwise stated)**

|   |                  |                  |
|---|------------------|------------------|
| Advances to vendors/contractors                 |                  |                  |
| Considered good                                 | 10,807.26        | 10,840.27        |
| Considered doubtful                             | 5.04             | 5.04             |
| Prepaid expenses                                | 698.68           | 610.51           |
| Deposit with statutory authorities              | 7,210.50         | 4,492.81         |
| Assets held for sale (refer note 65)            | -                | 30.82            |
| Claims receivable                               |                  |                  |
| Considered good                                 | 0.60             | 0.60             |
| Considered doubtful                             | 1.79             | 1.79             |
| Advances to employees                           |                  |                  |
| Considered good                                 | 2,554.43         | 254.60           |
| Considered doubtful                             | 0.08             | 0.08             |
| Other advances                                  | 14.12            | 4.01             |
|   | <b>21,292.50</b> | <b>16,240.53</b> |
| <b>Less: Impairment of non-financial assets</b> | (6.91)           | (6.91)           |

**Note : 13****Inventories****(lower of cost or net realizable value)**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Stores, spares and chemicals in hand* | 661.89        | 689.65        |
|                                       | <b>661.89</b> | <b>689.65</b> |

\* Includes projects inventory to the tune of ₹ 568.95 lakhs (previous year 31 March 2019: ₹ 610.38 lakhs)

\*Management do not see any need to write down the inventories in view of COVID-19.

**Note : 14****Trade receivables**

Trade receivable (Unsecured)

|   |                  |                  |
|---|------------------|------------------|
| Considered good                                   | 66,614.60        | 41,414.56        |
| Considered doubtful                               | 13,627.62        | 9,910.62         |
|   | <b>80,242.22</b> | <b>51,325.18</b> |
| <b>Less: Allowance for expected credit losses</b> | (13,627.62)      | (9,910.62)       |
|   | <b>66,614.60</b> | <b>41,414.56</b> |

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019    |
|--|-----------------|------------------|
| <b>Note : 15</b>   |                 |                  |
| <b>Cash and cash equivalents</b>                           |                 |                  |
| Balances with banks in current account*                    | 1,535.78        | 844.80           |
| Remittance in transit                                      | 67.23           | -                |
| Banks deposits having maturity of less than three months** | 830.59          | 20,441.80        |
| Cash and stamps on hand*                                   | 11.95           | 9.80             |
|  | <b>2,445.55</b> | <b>21,296.40</b> |

\* Includes ₹ 94.80 lakhs (previous year 31 March 2019: ₹ 113.36 lakhs) in currencies which are not repatriable.

\*\* Includes interest accrued on bank deposits ₹ 0.07 lakhs (previous year 31 March 2019: ₹ 3.32 lakhs)

**Note : 16****Other bank balances**

|  |                    |                    |
|--|--------------------|--------------------|
| Unpaid dividend account  | 180.56             | 142.41             |
| Amount held on behalf of clients   | 1,053.17           | 3,315.89           |
| Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below) | 2,68,571.59        | 2,41,350.86        |
|  | <b>2,69,805.32</b> | <b>2,44,809.16</b> |

**Notes:**

- (i) Includes bank deposits having more than twelve months original maturity of ₹ 42,055.50 lakhs (previous year 31 March 2019: ₹ 26,458.80 lakhs)
- (ii) Includes interest accrued on bank deposits ₹ 4,940.59 lakhs (previous year 31 March 2019: ₹ 4,057.32 lakhs)

**Note : 17****Equity share capital****Authorised share capital**

|   |                  |                  |
|---|------------------|------------------|
| 800,000,000 (previous year 31 March 2019: 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 2019: 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 2019: 631,911,420) equity shares of par value of ₹ 5 each | 31,595.57 | 31,595.57 |
|---|-----------|-----------|

**Add: Forfeited shares**

|  |      |      |
|--|------|------|
|  | 0.01 | 0.01 |
|--|------|------|

Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2019: 2,600 equity shares of par value of ₹ 5 each )

|                  |                  |
|------------------|------------------|
| <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  | 63,19,11,420        | 63,19,11,420        |
| <b>Shares outstanding at the end of the year</b> | <b>63,19,11,420</b> | <b>63,19,11,420</b> |

**b) Details of shareholders holding more than 5% equity shares in the Company****Name of shareholders**

|   |              |              |
|---|--------------|--------------|
| President of India  | 32,54,04,724 | 32,85,63,993 |
|   | 51.50%       | 52.00%       |
| ICICI Prudential Value Fund- Series 20 (Previous year 31 March 2019 : ICICI Prudential Exports and Services Fund)   | 4,18,69,388  | 5,01,72,867  |
|   | 6.63%        | 7.94%        |
| L&T Mutual Fund Trustee Limited - L&T Emerging Fund (Previous Year 31 March 2019: L And T Mutual Fund Trustee Limited - L and T Conservative Hybrid Fund) | 3,22,52,280  | 3,64,13,315  |
|   | 5.10%        | 5.76%        |





(₹ in Lakhs)

| Particulars  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| <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.

**Note : 19****A Other financial liabilities - non-current**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security deposits and retentions | 669.05        | 389.44        |
|                                  | <b>669.05</b> | <b>389.44</b> |

**B Other financial liabilities - Current**

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Security deposits and retentions | 28,543.80        | 24,379.90        |
| Capital creditors                | 925.69           | 1,319.07         |
| Accrued employees benefits       | 5,806.81         | 6,387.77         |
| Unpaid dividend*                 | 180.56           | 142.41           |
| Amount held on behalf of clients | 1,053.17         | 3,315.89         |
|                                  | <b>36,510.03</b> | <b>35,545.04</b> |

\*Excluding amount due for payment to Investor Education And Protection Fund

(₹ in Lakhs)

| Particulars                                   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| <b>Note : 20</b>                              |                  |                  |
| <b>A Provisions - non-current</b>             |                  |                  |
| Employees' post retirement/long-term benefits | 326.87           | 310.77           |
|   | <b>326.87</b>    | <b>310.77</b>    |
| <b>B Provisions - current</b>                 |                  |                  |
| Employees' post retirement/long-term benefits | 9,920.75         | 6,991.11         |
| Provision for contractual obligations         | 48,902.99        | 39,368.14        |
| Provision for expected losses                 | 245.06           | 1,016.09         |
| Provision for corporate social responsibility | 114.09           | 235.46           |
|   | <b>59,182.89</b> | <b>47,610.80</b> |

**Note : 21**

|  |                    |                    |
|--|--------------------|--------------------|
| <b>A Other non-current liabilities</b>                     |                    |                    |
| Advances received from clients                             | 142.64             | 119.79             |
| Deferred income  | 59.19              | 31.18              |
|  | <b>201.83</b>      | <b>150.97</b>      |
| <b>B Other current liabilities</b>                         |                    |                    |
| Advances received from clients*                            | 10,784.96          | 11,650.56          |
| Income received in advance                                 | 1,18,204.10        | 1,11,832.35        |
| Service tax/GST payable                                    | 6,911.74           | 5,911.90           |
| Withholding for employees including employers contribution | 1,620.69           | 1,510.51           |
| Withholding for income taxes                               | 2,094.78           | 772.36             |
| Deferred income  | 120.93             | 48.62              |
| Accrued provident fund liability**                         | 1,630.10           | -                  |
| Other liabilities  | 331.43             | 244.52             |
|  | <b>1,41,698.73</b> | <b>1,31,970.82</b> |

\* Includes ₹ 7,114.09 lakhs (previous year 31 March 2019 : ₹ 7,114.09 lakhs) received pursuant to the order of Hon'able court against which appeal has been filed by the client.

\*\* Represents default till 31-03-2020 on account of Provident Fund Trust investment.

**Note : 22****Trade payables**

|  |                  |                  |
|--|------------------|------------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note 56)      | 6,879.42         | 4,406.09         |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 21,086.64        | 20,350.91        |
|  | <b>27,966.06</b> | <b>24,757.00</b> |

**Note : 23****Current tax liabilities (net)**

|   |                 |               |
|---|-----------------|---------------|
| Provision for taxation (net of advance tax amounting to ₹ 20,610.97 Lakhs (previous year 31 March 2019: Nil)) | 1,287.32        | 129.47        |
|   | <b>1,287.32</b> | <b>129.47</b> |



(₹ in Lakhs)

| Particulars                                    | 31 March 2020      | 31 March 2019      |
|--|--------------------|--------------------|
| <b>Note : 24</b>                               |                    |                    |
| <b>Revenue from operations*</b>                |                    |                    |
| I <b>Consultancy and engineering services</b>  | <b>1,55,088.69</b> | <b>1,34,550.11</b> |
| <b>Increase/(decrease) in work-in-progress</b> |                    |                    |
| Closing work-in-progress                       | 223.20             | 302.89             |
| Less: Opening work-in-progress                 | 302.89             | 393.89             |
|  | <b>(79.69)</b>     | <b>(91.00)</b>     |
| <b>Other operating income</b>                  |                    |                    |
| Income under service export from India scheme  | 1,522.02           | 487.86             |
| <b>Sub-total (A)</b>                           | <b>1,56,531.02</b> | <b>1,34,946.97</b> |
| II <b>Turnkey projects</b>                     | <b>1,63,774.06</b> | <b>1,09,486.88</b> |
| <b>Increase/(decrease) in work-in-progress</b> |                    |                    |
| Closing work-in-progress                       | -                  | -                  |
| Less: Opening work-in-progress                 | -                  | -                  |
|  | -                  | -                  |
| <b>Sub-total (B)</b>                           | <b>1,63,774.06</b> | <b>1,09,486.88</b> |
| <b>Grand total (A+B)</b>                       | <b>3,20,305.08</b> | <b>2,44,433.85</b> |

\* Excludes Goods and Services Tax (GST)

**Note : 25****Other income****Interest income**

|   |                  |                  |
|---|------------------|------------------|
| Bank deposits   | 19,467.90        | 17,111.72        |
| Loan to employees   | 335.58           | 328.14           |
| Income-tax refunds  | 120.36           | 62.73            |
| Others  | 1,028.05         | 184.82           |
| Gain on modification of employee advances   | 68.53            | -                |
| Amortization of deferred income   | 136.99           | 111.71           |
| Dividend income from subsidiary company   | 647.00           | 650.00           |
| Dividend income from current investments  | 177.92           | 331.30           |
| Capital gain on redemption of investments in mutual funds   | 261.02           | 1.39             |
| Funds received against research and development (netting off the utilisation)   | -                | -                |
| (31 March 2020: Received ₹ 63.47 lakhs and utilised ₹ 63.47 lakhs and 31 March 2019: Received ₹ 155.36 lakhs and utilised ₹ 155.36 lakhs) |                  |                  |
| Profit on sale of assets  | 4.43             | 2.90             |
| Foreign exchange difference (net)   | 786.49           | 793.23           |
| Rental income   | 2,365.44         | 2,138.80         |
| Miscellaneous income  | 403.75           | 791.35           |
|   | <b>25,803.46</b> | <b>22,508.09</b> |

**Note : 26****Technical assistance/sub contracts**

|                    |                  |
|--------------------|------------------|
| <b>1,08,953.44</b> | <b>45,093.48</b> |
|--------------------|------------------|

**Note : 27****Construction materials and equipments**

|                  |                  |
|------------------|------------------|
| <b>46,805.34</b> | <b>61,156.60</b> |
|------------------|------------------|

(₹ in Lakhs)

| Particulars   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| <b>Note : 28</b>  |                  |                  |
| <b>Employee benefits expense</b>  |                  |                  |
| Salaries and allowances@  |                  |                  |
| Staff   | 68,429.53        | 62,037.72        |
| Directors   | 244.57           | 177.27           |
| Contribution towards employees pension and provident fund and administration charges thereon* |                  |                  |
| Staff   | 6,971.91         | 4,930.46         |
| Directors   | 21.02            | 14.29            |
| Contribution towards employees defined contributory superannuation scheme                     |                  |                  |
| Staff   | 3,700.46         | 5,127.74         |
| Directors   | 16.35            | 16.36            |
| Staff Welfare #   |                  |                  |
| Staff   | 3,770.27         | 2,403.76         |
| Directors   | 20.39            | 15.68            |
| Contribution to gratuity fund (net of contribution received from others)**                    | 1,261.06         | 983.70           |
|   | <b>84,435.56</b> | <b>75,706.98</b> |

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.35 lakhs (previous year : ₹ 0.32 lakhs).

b) ₹ 4,521.91 lakhs (previous year : ₹ 4,508.63 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

c) ₹ 709.83 lakhs (previous year : ₹ 681.03 lakhs) 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 ₹ 1,389.57 lakhs (previous year : ₹ 557.34 lakhs) for employees retired prior to 01.01.2007.

\*Includes ₹ 1,630.10 Lakhs (previous year: Nil) of accrued provident fund liability for default till 31-03-2020 on account of Provident Fund Trust investment.

\*\*Includes Term Insurance Premium paid to LIC of India.

## Note : 29

### Finance cost

|  |               |               |
|--|---------------|---------------|
| Interest on shortfall in payment of income tax | -             | 11.17         |
| Unwinding of discount on security deposit      | 129.60        | 111.72        |
| Interest on Lease Liabilities                  | 44.07         | -             |
|  | <b>173.67</b> | <b>122.89</b> |

## Note : 30

### Depreciation and amortization

|   |                 |                 |
|---|-----------------|-----------------|
| Depreciation on property, plant and equipment | 1,658.06        | 1,707.26        |
| Depreciation of investment property           | 141.51          | 123.01          |
| Amortization of other intangible assets       | 332.55          | 405.68          |
| Depreciation on Right of use Assets           | 251.32          | -               |
|   | <b>2,383.44</b> | <b>2,235.95</b> |



(₹ in Lakhs)

| Particulars   | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| <b>Note : 31</b>  |                 |                 |
| <b>Other expenses</b>   |                 |                 |
| <b>A Facilities</b>   |                 |                 |
| Rent expense - office   | 538.98          | 560.69          |
| Rent - residential accommodation  |                 |                 |
| Staff (net of recovery of ₹ 59.13 lakhs (previous year: ₹ 60.07 lakhs))     | 314.86          | 321.47          |
| Light, water and power  | 1,305.79        | 1,302.02        |
| Insurance   | 209.54          | 235.76          |
| Miscellaneous repair and maintenance  | 3,340.57        | 3,585.46        |
| Repair and maintenance of own building                                      | 72.30           | 103.11          |
| Repair and maintenance of plant and machinery                               | 474.28          | 437.46          |
| Hire charges of office equipments   | 14.19           | 13.97           |
| <b>Sub total (A)</b>  | <b>6,270.51</b> | <b>6,559.94</b> |
| <b>B Corporate costs</b>  |                 |                 |
| Bank charges  | 197.05          | 152.26          |
| Sitting fees to independent directors                                       | 19.65           | 25.05           |
| Advertisement for tender and recruitment                                    | 30.96           | 63.21           |
| Publicity   | 375.79          | 529.56          |
| Subscription  | 112.18          | 113.26          |
| Entertainment   | 163.38          | 178.94          |
| Remuneration to auditors :  |                 |                 |
| For Audit   | 12.04           | 12.02           |
| For Tax Audit   | 2.25            | 2.25            |
| Others  | 8.85            | 8.90            |
| Filing fee  | 0.35            | 0.23            |
| Legal and professional charges  | 1,063.79        | 1,081.28        |
| Licences and taxes  | 803.38          | 441.05          |
| Loss on sale of assets  | 15.65           | 2.31            |
| Fixed assets written off  | 2.49            | 1.06            |
| <b>Sub total (B)</b>  | <b>2,807.81</b> | <b>2,611.38</b> |
| <b>C Other costs</b>  |                 |                 |
| Consumables/stores/equipment - R&D Centre                                   | 98.53           | 16.41           |
| Travel and conveyance   |                 |                 |
| Directors*  | 84.85           | 60.90           |
| Others  | 7,841.88        | 6,242.72        |
| Printing, stationery and general Office supplies                            | 368.49          | 417.50          |
| Newspapers and periodicals  | 28.95           | 26.10           |
| Postage and telecommunications  | 491.06          | 480.29          |
| Courier, transportation and handling  | 87.06           | 138.43          |
| Commission to foreign agents  | 192.73          | 176.97          |
| Allowance for expected credit losses - trade receivables and advances (net) | 3,920.84        | (468.70)        |
| Bad debts written off   | 159.15          | 79.59           |
| Deposits written off  | -               | 10.65           |
| Dry well written off  | -               | 1,542.66        |



(₹ in Lakhs)

| Particulars   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| Provision for contractual obligations (net)                 | 9,534.85         | 5,907.25         |
| Provision for expected losses (net)                         | (771.03)         | 641.91           |
| (Reversal of impairment)/impairment in value of investments | 0.37             | (201.67)         |
| Provision for Impairment of Exploration Expenditure         | 2,839.20         | -                |
| Loss in Investment in Joint Venture                         | -                | 202.62           |
| Training Expenses   |                  |                  |
| Travel  | 54.78            | 14.93            |
| Others  | 68.05            | 45.16            |
| CSR Expenses (Refer note below)                             | 1,128.49         | 1,004.37         |
| Expenditure relating to oil and gas exploration blocks      | 145.56           | 251.19           |
| Loss on modification of employee advances                   | -                | 29.19            |
| Miscellaneous expenses                                      | 527.57           | 191.67           |
|   | <b>26,801.38</b> | <b>16,810.14</b> |
| <b>Less: Inhouse expenditure relating to</b>                |                  |                  |
| Capital works   | (73.51)          | (106.04)         |
| <b>Sub total (C)</b>  | <b>26,727.87</b> | <b>16,704.10</b> |
| <b>Grand total (A+B+C)</b>                                  | <b>35,806.19</b> | <b>25,875.42</b> |

\*Includes recovery of ₹ 1.43 lakhs on account of use of car (previous year : ₹ 0.80 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 2019-20 - ₹ 1078.19 lakhs (previous year: ₹ 981.06 lakhs)

(b) Amount spent during the financial year ended 31 March 2020 and 31 March 2019 on:

|   |               | (₹ in Lakhs) |                        |        |
|---|---------------|--------------|------------------------|--------|
| Particulars                               |               | In cash      | Yet to be paid in cash | Total  |
| (i) Construction/acquisition of any asset | 31 March 2020 | 402.95       | -                      | 402.95 |
|   | 31 March 2019 | 315.19       | 9.07                   | 324.26 |
| (ii) On purposes other than (i) above     | 31 March 2020 | 712.13       | 13.41                  | 725.54 |
|   | 31 March 2019 | 453.72       | 226.39                 | 680.11 |

**Note : 32**

**Income tax**

**Tax expense comprises of:**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Current income tax                  | 21,936.32        | 19,470.19        |
| Earlier years tax adjustments (net) | (49.35)          | (597.63)         |
| Deferred tax                        | 2,639.56         | 871.04           |
|                                     | <b>24,526.53</b> | <b>19,743.60</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 25.168% (Previous year :34.944%) and the reported tax expense in statement of profit and loss are as follows:

**Statement of profit and loss**

|  |           |           |
|--|-----------|-----------|
| Accounting profit before tax   | 67,550.90 | 56,750.62 |
| At India's statutory income tax rate of 25.168% (31 March 2019: 34.944%) | 17,001.21 | 19,830.94 |



(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| <b>Adjustments in respect of tax expense</b>       |                  |                  |
| Tax expense on account of joint control operation  | 51.86            | 0.62             |
| Tax impact of exempted income                      | (328.99)         | (342.91)         |
| Tax impact of expenses which will never be allowed | 296.41           | 439.28           |
| Earlier years current tax adjustments (net)        | (49.35)          | (597.63)         |
| Earlier years deferred tax adjustments (net)       | 7,555.37         | 436.80           |
| Others   | 0.02             | (23.50)          |
|  | <b>24,526.53</b> | <b>19,743.60</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.

|  | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 43,024.37     | 37,007.02     |
| Weighted average number of equity shares                       | 63,19,11,420  | 63,19,11,420  |
| <b>Nominal value per share in ₹</b>                            | <b>5.00</b>   | <b>5.00</b>   |
| <b>Earnings per equity share in ₹</b>                          |               |               |
| Basic  | 6.81          | 5.86          |
| Diluted  | 6.81          | 5.86          |

### 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 2020                 | Level 1         | Level 2  | Level 3  | Total           |
|-------------------------------|-----------------|----------|----------|-----------------|
| <b>Financial assets</b>       |                 |          |          |                 |
| Liquid plan of mutual funds   | 5,000.12        | -        | -        | 5,000.12        |
| <b>Total financial assets</b> | <b>5,000.12</b> | <b>-</b> | <b>-</b> | <b>5,000.12</b> |

#### Financial assets and liabilities measured at fair value – recurring fair value measurements

| 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> |

#### (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 2020   |                    | 31 March 2019   |                    |
|-------------------------------------|-----------------|--------------------|-----------------|--------------------|
|                                     | FVTPL           | Amortised cost     | FVTPL           | Amortised cost     |
| <b>Financial assets</b>             |                 |                    |                 |                    |
| Investments - mutual funds          | 5,000.12        | -                  | 4,606.44        | -                  |
| Trade receivables                   | -               | 66,614.60          | -               | 41,414.56          |
| Loans (excluding security deposits) | -               | 5,555.31           | -               | 4,743.65           |
| Other financial assets              | -               | 29,333.79          | -               | 44,483.28          |
| Cash and cash equivalents           | -               | 2,445.55           | -               | 21,296.40          |
| Other bank balances                 | -               | 2,69,805.32        | -               | 2,44,809.16        |
| Security deposits                   | -               | 555.00             | -               | 557.11             |
| <b>Total financial assets</b>       | <b>5,000.12</b> | <b>3,74,309.57</b> | <b>4,606.44</b> | <b>3,57,304.16</b> |
| <b>Financial liabilities</b>        |                 |                    |                 |                    |
| Trade payables                      | -               | 27,966.06          | -               | 24,757.00          |
| Security deposits and retentions    | -               | 29,212.85          | -               | 24,769.34          |
| Lease Liabilities                   | -               | 492.44             | -               | -                  |
| Other financial liabilities         | -               | 7,040.54           | -               | 9,846.07           |
| Capital creditors                   | -               | 925.69             | -               | 1,319.07           |
| <b>Total financial liabilities</b>  | <b>-</b>        | <b>65,637.58</b>   | <b>-</b>        | <b>60,691.48</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 2020 | 31 March 2019 |
|-------------------------|---|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 3,74,309.57   | 3,57,304.16   |
| B: Moderate credit risk | Trade receivables, loans and other financial assets   | 6,429.56      | 3,269.29      |
| C: High credit risk     | Trade receivables   | 7,732.22      | 6,971.65      |

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 2020    | 31 March 2019    |
|---------------------|------------------|------------------|
| Chemical Fertilizer | 1,577.09         | 1,322.70         |
| Hydro Carbon        | 69,941.32        | 43,279.23        |
| Infrastructure      | 4,651.99         | 4,659.04         |
| Metallurgy          | 1,245.95         | 359.60           |
| Power               | 1,270.94         | 889.12           |
| Others              | 1,554.93         | 815.49           |
| <b>Total</b>        | <b>80,242.22</b> | <b>51,325.18</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 2020**

(₹ in Lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|------------------------|---|
| Cash and cash equivalents           | 2,445.55                                   | -                      | 2,445.55                                    |
| Other bank balances                 | 2,69,805.32                                | -                      | 2,69,805.32                                 |
| Loans (excluding security deposits) | 5,555.31                                   | -                      | 5,555.31                                    |
| Security deposits                   | 559.23                                     | 4.23                   | 555.00                                      |
| Other financial assets              | 29,863.72                                  | 529.93                 | 29,333.79                                   |

**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                                   |

## (ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2020

(₹ in Lakhs)

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 38,171.47   | 8,412.45      | 7,992.86       | 2,726.36       | 1,877.32       | 3,338.75       |
| Expected credit loss (provision)    | 761.09      | 568.56        | 1,128.60       | 845.70         | 732.73         | 738.55         |
| Carrying amount (net of impairment) | 37,410.38   | 7,843.89      | 6,864.26       | 1,880.66       | 1,144.59       | 2,600.20       |

| Particulars                         | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 380.27         | 1,070.29       | 3,843.95        | 7,732.22   |
| Expected credit loss (provision)    | 72.07          | 287.35         | 760.75          | 7,732.22   |
| Carrying amount (net of impairment) | 308.20         | 782.94         | 3,083.20        | -          |

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        | -          |

## Reconciliation of loss provision – lifetime expected credit losses

(₹ in Lakhs)

| Reconciliation of loss allowance                    | Security deposits | Other financial assets | Trade receivables |
|---|-------------------|------------------------|-------------------|
| Loss allowance on 1 April 2018                      | 4.23              | 233.73                 | 10462.14          |
| Impairment loss recognised/reversed during the year | -                 | 94.76                  | (515.50)          |
| Amounts written off                                 | -                 | (2.40)                 | (36.02)           |
| Loss allowance on 31 March 2019                     | 4.23              | 326.09                 | 9,910.62          |
| Impairment loss recognised/reversed during the year | -                 | 203.84                 | 3,850.16          |
| Amounts written off                                 | -                 | -                      | (133.16)          |
| Loss allowance on 31 March 2020                     | 4.23              | 529.93                 | 13,627.62         |

**(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 2020                    | Less than 1 year | 1 - 2 years   | More than 2 years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 27,966.06        | -             | -                 | 27,966.06        |
| Security deposits and retentions | 28,598.98        | 682.57        | 85.49             | 29,367.04        |
| Capital creditors                | 925.69           | -             | -                 | 925.69           |
| Other financial liabilities      | 7,040.54         | -             | -                 | 7,040.54         |
| <b>Total</b>                     | <b>64,531.27</b> | <b>682.57</b> | <b>85.49</b>      | <b>65,299.33</b> |

(₹ 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> |

**(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 2020 | 31 March 2019 |
|--|----------|---------------|---------------|
| Trade payables, security deposits and retentions | AED      | 248.61        | 35.78         |
|  | USD      | 10,972.71     | 9,391.84      |
|  | EURO     | 340.59        | 173.32        |
|  | GBP      | 407.97        | 387.09        |
|  | Others   | 140.93        | 188.57        |
| Trade receivables and security deposits          | AED      | 742.76        | 295.17        |
|  | USD      | 15,720.72     | 8,154.25      |
|  | EURO     | 519.68        | 469.17        |
|  | GBP      | 1.39          | 1.36          |
|  | Others   | 172.59        | 138.23        |
| Cash and bank balance                            | AED      | 353.64        | 294.04        |
|  | USD      | 67.26         | 13.75         |
|  | GBP      | 38.37         | 36.94         |
|  | Others   | 104.98        | 119.14        |



## 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 2020                | 31 March 2019 | 31 March 2020                | 31 March 2019 |
| Trade payables, security deposits and retentions | AED      | (2.49)                       | (0.36)        | 2.49                         | 0.36          |
|  | USD      | (109.73)                     | (93.92)       | 109.73                       | 93.92         |
|  | EURO     | (3.40)                       | (1.73)        | 3.40                         | 1.73          |
|  | GBP      | (4.08)                       | (3.87)        | 4.08                         | 3.87          |
|  | Others   | (1.41)                       | (1.89)        | 1.41                         | 1.89          |
| Trade receivables and deposits                   | AED      | 7.43                         | 2.95          | (7.43)                       | (2.95)        |
|  | USD      | 157.21                       | 81.54         | (157.21)                     | (81.54)       |
|  | EURO     | 5.19                         | 4.69          | (5.19)                       | (4.69)        |
|  | GBP      | 0.01                         | 0.01          | (0.01)                       | (0.01)        |
|  | Others   | 1.73                         | 1.38          | (1.73)                       | (1.38)        |
| Cash and bank balance                            | AED      | 3.54                         | 2.94          | (3.54)                       | (2.94)        |
|  | USD      | 0.67                         | 0.14          | (0.67)                       | (0.14)        |
|  | GBP      | 0.38                         | 0.37          | (0.38)                       | (0.37)        |
|  | Others   | 1.05                         | 1.19          | (1.05)                       | (1.19)        |

### (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 2020 | 31 March 2019 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | 150.00        | 138.19        |
| Price decrease by (3 %)- FVTPL | (150.00)      | (138.19)      |

### (D) Other risk - Impact of COVID-19

Financial assets carried at fair value as at 31 March 2020 is ₹ 5,000.12 Lakhs. These financial assets are classified as Level 1 having fair value of ₹ 5,000.12 Lakhs as at 31 March 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19.

Financial assets carried at amortised cost of ₹ 3,74,309.58 Lakhs, consisting of ₹ 2,72,260.84 Lakhs is in the form of cash and cash equivalents, bank deposits and other bank balances with Banks, where the Company does not expect increased credit risk and consequential default. Further, Trade receivables and other financial assets of ₹ 1,02,048.73 Lakhs as at March 31, 2020, part of the financial assets carried at amortised cost, is valued considering provision for allowance using expected credit loss method. The allowance for expected credit losses for trade receivables and other financial assets of ₹ 14,161.78 Lakhs as at 31 March 2020 is considered adequate as on date.

## 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 2020 | 31 March 2019 |
|----------------------|---------------|---------------|
| Equity share capital | 31,595.58     | 31,595.58     |
| Other equity         | 2,02,950.16   | 195,988.94    |

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 2020 and 31 March 2019.

## Note : 37

### Dividends

(₹ in Lakhs)

| Nature  | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| <b>Cash dividend on equity shares declared and paid</b>   |                  |                  |
| Final dividend for 31 March 2019 (₹ 0.75 per share) (previous year 31 March 2018: ₹ 1.50 per share)   | 4,739.34         | 9,478.67         |
| Dividend distribution tax on final dividend   | 902.24           | 1,876.43         |
| Interim dividend for 31 March 2020 (₹ 3.60 per share) (previous year 31 March 2019: ₹ 3.25 per share) | 22,748.81        | 20,537.12        |
| Dividend distribution tax on Interim dividend   | 4,615.03         | 4,159.80         |
| <b>Total</b>  | <b>33,005.42</b> | <b>36,052.02</b> |

(₹ in Lakhs)

| Proposed dividend on equity shares  | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| Proposed Final dividend for 31 March 2020 (₹ 1.55 per share) (previous year 31 March 2019: ₹ 0.75 per share)  | 9,794.63        | 4,739.34        |
| Dividend distribution tax on Proposed dividend  | -               | 902.24          |
| <b>Total</b>  | <b>9,794.63</b> | <b>5,641.58</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%  |   |
| Ramagundam Fertilizers and Chemicals Limited ("RFCL")  | India                       | 26.29%<br>(Previous year: 31 March 2019: 26.86%) |   |

| 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.      | Ramagundam Fertilizers And Chemicals Limited ("RFCL")                 | Joint venture company                           |
| 4.      | Petroleum India International ("PII")*<br>-Dissolved on 18 March 2020 | Joint operation                                 |
| 5.      | Oil And Gas Exploration And Production Block No. CB-ONN-2010/8 *      | Joint operation - Participating Interest 22.22% |
| 6.      | Oil And Gas Exploration And Production Block No. CB-ONN-2010/11 *     | Joint operation - Participating Interest 23.53% |

| Sl. No. | Name of the Related Party                                     | Nature of Relationship   |
|---------|---|--|
| 7.      | <b>Directors/key management personnel(KMP)(31 March 2020)</b> |  |
|         | Mr. Jagdish Chander Nakra                                     | Chairman & Managing Director and CEO   |
|         | Mr. B. N. Reddy   | Director (Government Nominee) with effect from 27 May 2019                                       |
|         | Mr. Sunil Kumar   | Director (Government Nominee) with effect from 12 December 2019                                  |
|         | Mr. Sandeep Poundrik  | Director (Government Nominee) upto 30 April 2019   |
|         | Mr. Ashish Chatterjee   | Director (Government Nominee) upto 11 December 2019  |
|         | Mr. Chaman Kumar  | Non-Official Independent Director  |
|         | Mr. Rajesh Kumar Gogna  | Non-Official Independent Director  |
|         | Mr. M. Arulmurugan  | Non-Official Independent Director with effect from 17 July 2019                                  |
|         | Mr. Umesh Chandra Pandey                                      | Non-Official Independent Director upto 19 November 2019  |
|         | Mr. Vikas Khushalero Deshpande                                | Non-Official Independent Director upto 19 November 2019  |
|         | Dr. (Prof.) Mukesh Khare                                      | Non-Official Independent Director upto 19 November 2019  |
|         | Mrs. Arusha Vasudev   | Non-Official Independent Director upto 19 November 2019  |
|         | Ms. Shazia Ilmi Malik   | Non-Official Independent Director upto 30 January 2020   |
|         | Mr. Rakesh Kumar Sabharwal                                    | Director (Commercial)  |
|         | Mr. L. K. Vijh  | Director (Technical)   |
|         | Mr. Sunil Bhatia  | Director (Finance) and CFO   |
|         | Mr. Sanjeev Kumar Handa                                       | Director (Projects)  |
|         | Mr. Ashok Kumar Kalra   | Director (Human Resource) with effect from 1 March 2020  |
|         | Mr. Vipin Chander Bhandari                                    | Director (Human Resource) upto 29 February 2020  |
|         | Mr. S.K. Padhi  | Company Secretary  |
| 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. 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. 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  |

\*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 2020 | -                       | 468.41                  | -    | -        | -               | -             | -            | 468.41    |
|  | 31 March 2019 | -                       | 349.19                  | -    | -        | -               | -             | -            | 349.19    |
| Dividend   | 31 March 2020 | 647.00                  | -                       | -    | -        | -               | -             | -            | 647.00    |
|  | 31 March 2019 | 650.00                  | -                       | -    | -        | -               | -             | -            | 650.00    |
| Rendering of services and other transactions   | 31 March 2020 | 188.26                  | 837.57                  | -    | -        | -               | -             | -            | 1,025.83  |
|  | 31 March 2019 | 280.45                  | 2,751.54                | -    | -        | -               | -             | -            | 3,031.99  |
| Services and facilities received   | 31 March 2020 | 1,419.28                | -                       | -    | -        | -               | -             | -            | 1,419.28  |
|  | 31 March 2019 | 1,901.81                | -                       | -    | -        | -               | -             | -            | 1,901.81  |
| Equity contribution  | 31 March 2020 | -                       | 15,283.82               | -    | -        | -               | -             | -            | 15,283.82 |
|  | 31 March 2019 | -                       | 5,500.00                | -    | -        | -               | -             | -            | 5,500.00  |
| Equity /Capital Divestment   | 31 March 2020 | -                       | -                       | -    | -        | 135.14          | -             | -            | 135.14    |
|  | 31 March 2019 | -                       | -                       | -    | -        | 47.51           | -             | -            | 47.51     |
| (Reversal of Impairment)/impairment in value of investment                                   | 31 March 2020 | -                       | -                       | 0.37 | -        | -               | -             | -            | 0.37      |
|  | 31 March 2019 | -                       | -                       | 0.95 | (202.62) | -               | -             | -            | (201.67)  |
| Loss in investment in Joint Venture  | 31 March 2020 | -                       | -                       | -    | -        | -               | -             | -            | -         |
|  | 31 March 2019 | -                       | -                       | -    | 202.62   | -               | -             | -            | 202.62    |
| Survey cost, capital expenditure, impairment provision, other costs and dry well written off | 31 March 2020 | -                       | -                       | -    | -        | -               | 1,744.69      | 1,522.97     | 3,267.66  |
|  | 31 March 2019 | -                       | -                       | -    | -        | -               | 1,527.69      | 798.72       | 2,326.41  |
| Share of Income / (Expenses)   | 31 March 2020 | -                       | -                       | -    | -        | 33.98           | -             | -            | 33.98     |
|  | 31 March 2019 | -                       | -                       | -    | -        | 2.24            | -             | -            | 2.24      |

# Dissolved on 14 August 2018

**Balances during the year**

(₹ in Lakhs)

| Particulars   | As at         | Wholly Owned Subsidiaries | Joint Venture Companies |       | Joint Operation |               |              | Total    |
|---|---------------|---------------------------|-------------------------|-------|-----------------|---------------|--------------|----------|
|   |               | CEIL                      | RFCL                    | TEIL  | PII             | Block 2010-11 | Block 2010-8 |          |
| Outstanding receivables/ unbilled/advances paid/ prepaid /deposits and other assets | 31 March 2020 | 45.50                     | 434.01                  | 16.29 | -               | 0.80          | 2.72         | 499.32   |
|   | 31 March 2019 | 34.93                     | 63.98                   | 16.29 | 101.51          | 572.72        | 340.86       | 1,130.29 |
| Outstanding payable/ retentions   | 31 March 2020 | 631.13                    | -                       | -     | -               | 21.31         | 51.33        | 703.77   |
|   | 31 March 2019 | 391.49                    | -                       | -     | 0.35            | 2.21          | -            | 394.05   |
| Intangible assets under development & PPE (net of impairment)                       | 31 March 2020 | -                         | -                       | -     | -               | 26.07         | 70.35        | 96.42    |
|   | 31 March 2019 | -                         | -                       | -     | -               | 821.87        | 1,019.13     | 1,841.00 |

**Transactions and balances pertaining to KMP's**

(₹ in Lakhs)

| Particulars                                       | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration/sitting fees                         | 349.32        | 301.03        |
| Rent paid for residential accommodation           | -             | -             |
| Interest income on loans given                    | -             | 0.05          |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding loans, interest and other receivables | -             | 0.10          |

**Funded**

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                   |               |                           |               |   |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|   | 31 March 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| Total defined benefit obligation                        | 91.43             | 87.16         | 138.04                    | 89.25         | 56.76                                     | 35.08         |

**Unfunded**

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                               |               |   |               |
|---|-------------------------------|---------------|---|---------------|
|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|   | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Total defined benefit obligation                        | 0.04                          | 0.11          | 2.43                                    | 2.11          |

**Note : 39****A. Leases***Company as a lessee*

The Company's lease assets primarily consist of leases of lands, cars and office/residential premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method 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 by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Following are changes in the carrying value of right of use assets for the year ended 31 March 2020:

(₹ in Lakhs)

| Particulars  | Category of ROU asset |          |          | Total    |
|--|-----------------------|----------|----------|----------|
|  | Land                  | Building | Vehicles |          |
| Balance as of 1 April 2019   | -                     | 176.45   | 319.27   | 495.72   |
| Reclassified on account of adoption of Ind AS 116 (refer Note No. 4) | 1,216.96              | -        | -        | 1,216.96 |
| Additions  | -                     | 200.66   | 15.89    | 216.55   |
| Depreciation   | (15.87)               | (146.01) | (89.44)  | (251.32) |
| Reclassification to Investment Property due to change in use         | (350.84)              | -        | -        | (350.84) |
| Balance as of 31 March 2020  | 850.25                | 231.10   | 245.72   | 1,327.07 |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:

(₹ in Lakhs)

| Particulars                   | 31 March 2020 |
|-------------------------------|---------------|
| Current lease liabilities     | 247.91        |
| Non-Current lease liabilities | 244.53        |
| <b>Total</b>                  | <b>492.44</b> |

The following is the movement in lease liabilities:

(₹ in Lakhs)

| Particulars                          | Year ended 31 March 2020 |
|--------------------------------------|--------------------------|
| Balance as of 1 April 2019           | 503.85                   |
| Additions                            | 216.55                   |
| Finance cost accrued during the year | 44.07                    |
| Payment of lease liabilities         | (272.03)                 |
| Balance as of 31 March 2020          | 492.44                   |



The detail regarding the contractual maturities of lease liabilities on undiscounted basis is as follows:

(₹ in Lakhs)

| Particulars           | 31 March 2020 |
|-----------------------|---------------|
| Less than one year    | 278.60        |
| One year to two years | 149.76        |
| More than two years   | 115.59        |
| <b>Total</b>          | <b>543.95</b> |

The Company does not face a significantly liquidity risk with regard to its lease liabilities as the current assets (including cash and bank balances) are sufficient to meet the obligations related to lease liabilities as and when they fall due.

During the year Company recognise as operating expenses of ₹ 713.79 Lakhs towards short term leases for certain office/residential premises.

*Company as a lessor*

The Company has given certain office/residential premises on operating lease. During the year an amount of ₹ 2,330.37 Lakhs (including reimbursement of operating expenditure of ₹ 606.40 Lakhs) (previous year: ₹ 2,101.95 Lakhs (including reimbursement of operating expenditure of ₹ 425.02 Lakhs)) has been accounted for as rental income in respect of these operating leases.

The detail regarding the contractual maturities of lease payments to be received on undiscounted basis is as follows:

(₹ in Lakhs)

| Particulars           | 31 March 2020   |
|-----------------------|-----------------|
| Less than one year    | 1,628.12        |
| One year to two years | 1,126.28        |
| More than two years   | 100.06          |
| <b>Total</b>          | <b>2,854.46</b> |

**Impact of COVID-19**

The leases that the Company has entered with lessors are long term in nature and no changes are expected in lease terms to the existing lease contracts due to COVID-19.

**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 ₹ 16,488.95 Lakhs (previous year 31 March 2019: ₹ 15,174.51 Lakhs).

- An amount of ₹ 916.12 Lakhs reduced from vendors invoices for 'delayed supply' on account of PRS in terms of provision of contract, for which credit note is yet to be received.

- b) Income tax assessments have been completed up to the assessment year 2017-18.

The Company has exercised Vivad se Vishwas Scheme introduced in Budget 2020. After the introduction of Vivad se Vishwas Scheme of the Government, Income Tax department had shared list of pending cases as per their record. The same were reconciled with Company record and scheme was exercised for the pending appeals in March 2020. The Income tax department was in appeal in Income Tax Appellate Tribunal in respect of Assessment Year 2013-14 and 2014-15.

The company thus exercised option to settle case with Income Tax department under Vivad se Vishwas Scheme (VsVS) which has been recognised in the books of account as detail below:

(₹ in Lakhs)

| No. | Assessment Year | Amount in dispute | Amount Payable under VsVS @ 50% | Amount already paid | Balance amount to be paid/ (refunded) |
|-----|-----------------|-------------------|---------------------------------|---------------------|---------------------------------------|
| 1   | 2013-14         | 89.56             | 44.78                           | 89.56               | (44.78)                               |
| 2   | 2014-15         | 74.66             | 37.33                           | -                   | 37.33                                 |
|     | <b>TOTAL</b>    | <b>164.22</b>     | <b>82.11</b>                    | <b>89.56</b>        | <b>(7.45)</b>                         |

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 ₹ 237.89 Lakhs (including interest) (previous year 31 March 2019: ₹ 219.88 Lakhs (including interest)) for the period April 2014 to June 2017.

The Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the Penalty Notice of Assistant Commissioner (CT) dated 14 May 2019 levying penalty of ₹ 150.14 Lakhs (previous year 31 March 2019: 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 ₹ 3,826.84 Lakhs (including interest) (previous year 31 March 2019: ₹ 3,589.12 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 ₹ 30,552.56 Lakhs (including interest) (previous year 31 March 2019: ₹ 28,572.56 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 ₹ 636.29 Lakhs (including interest) (previous year 31 March 2019: ₹ 584.89 Lakhs (including interest)) 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 ₹ 786.97 Lakhs (including interest) (previous year 31 March 2019: ₹ 718.74 Lakhs (including interest)) 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 ₹ 109.97 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2019: ₹ 428.73 Lakhs (inclusive of taxes wherever applicable)).
- Owned Investment property – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 14.64 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2019: Nil).
- 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 2020 is ₹ 4,190.58 Lakhs (previous year 31 March 2019: ₹ 3,942.94 Lakhs).

#### Note : 41

- Guarantees issued by the banks and outstanding as on 31 March, 2020: ₹ 99,603.35 Lakhs (previous year 31 March 2019: ₹ 97,081.66 Lakhs), against which a provision of ₹ 37,901.63 Lakhs (previous year 31 March 2019: ₹ 30,135.35 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- Letter of credit outstanding as on 31 March, 2020: ₹ 1,977.29 Lakhs (previous year 31 March 2019: ₹ 477.90 Lakhs).
- Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2020 : ₹ 16,486.81 Lakhs (previous year 31 March 2019: ₹ 19,917.97 Lakhs).

#### Note : 42

##### Land and buildings

- Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2019: ₹ 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  |

- 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 2020 |       | 31 March 2019 |       |
|-----|---|---------------|-------|---------------|-------|
|     |   | Cost          | WDV   | Cost          | WDV   |
| (a) | Four Flats at Naranpura, Ahmedabad                | 10.31         | 3.05  | 10.31         | 3.30  |
| (b) | Land at Memnagar, Ahmedabad                       | -             | -     | 69.21         | 53.10 |
| (c) | Two Flats at Viman Nagar, Pune                    | 8.45          | 2.64  | 8.45          | 2.84  |
| (d) | Eighty Four Flats at Gokuldham, Goregaon, Mumbai* | 238.19        | 26.66 | 238.19        | 32.38 |
| (e) | Six Flats in Andheri East, Mumbai                 | 9.93          | 0.16  | 9.93          | 0.16  |
| (f) | One Floor at CBD Belapur, Navi Mumbai             | 101.68        | 34.90 | 101.68        | 37.34 |

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 s–quare 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   | 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.

No change in useful life of assets is felt necessary due to COVID-19.

ii) The Capital work in progress comprises cost of Property Plant and Equipment and Investment Property 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 2020 | 31 March 2019   |
|---|---------------|-----------------|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date | 213.60        | 3,366.97        |
| <b>Total</b>  | <b>213.60</b> | <b>3,366.97</b> |

**Note : 44**

The details of revenue are as below:

(₹ in Lakhs)

| Particulars             | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|-------------------------|-----------------------------|-----------------------------|
| Revenue from Operations | 3,20,305.08                 | 2,44,433.85                 |
| Other Income            | 25,803.47                   | 22,508.09                   |
| <b>Total Revenue</b>    | <b>3,46,108.55</b>          | <b>2,66,941.94</b>          |

**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                            | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Revenue by nature of services</b>   |                             |                             |
| Consultancy and engineering projects   | 1,56,531.02                 | 1,34,946.97                 |
| Turnkey projects                       | 1,63,774.06                 | 1,09,486.88                 |
| <b>Total</b>                           | <b>3,20,305.08</b>          | <b>2,44,433.85</b>          |
| <b>Revenues by geographical region</b> |                             |                             |
| India                                  | 2,84,152.64                 | 2,26,449.10                 |
| Nigeria                                | 30,279.93                   | 11,362.72                   |
| United Arab Emirates (UAE)             | 2,715.08                    | 1,068.35                    |
| Oman                                   | 1,168.01                    | 1,028.43                    |
| Mongolia                               | 1,164.55                    | 707.69                      |
| Algeria                                | 19.78                       | 2,320.37                    |
| Others                                 | 805.09                      | 1,497.19                    |
| <b>Total</b>                           | <b>3,20,305.08</b>          | <b>2,44,433.85</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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Trade Receivables (Note No. 14) – Net of Allowance for expected credit losses                    | 66,614.60     | 41,414.56     |
| Contract Assets ( Unbilled Revenue) (Note No. 9 B) – Net of Allowance for expected credit losses | 2,6647.08     | 42,302.97     |
| Contract Liabilities ( Income Received in Advance) (Note No. 21 B)                               | 1,18,204.10   | 1,11,832.35   |

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 31 March 2020 and 31 March 2019, ₹ 31,982.33 Lakhs and ₹ 20,215.90 Lakhs of Contract assets (unbilled revenue) as of 1 April 2019 and 1 April 2018 respectively has been reclassified to Trade receivables upon billing to customers.

During the year ended 31 March 2020 and 31 March 2019, the company recognized revenue of ₹ 79,204.54 Lakhs and ₹ 55,308.00 Lakhs arising from opening Contract liabilities (Income Received in Advance) as of 1 April 2019 and 1 April 2018 respectively.

During the year ended March 31, 2020, the company recognized revenue of ₹ 9,662.03 Lakhs (previous year : ₹ 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 2020 is ₹ 9,55,543.00 Lakhs. Out of this, the Company expects to recognize revenue of around 29% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2019 is ₹ 11,18,864.00 Lakhs.

**The revenue recognised with the contracted price is as follows:**

| (₹ in Lakhs)   |                    |                    |
|--|--------------------|--------------------|
| Particulars  | 31 March 2020      | 31 March 2019      |
| Contracted price                                     | 3,29,569.69        | 2,50,382.20        |
| Reduction towards variable consideration components* | 9,264.61           | 5,948.35           |
| <b>Revenue recognised</b>                            | <b>3,20,305.08</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

### Impact of COVID-19

The Company evaluated the impact of COVID-19 on recognition of revenue. Since the company follows percentage completion method for accounting of revenue, management expects delay in completion of certain jobs in the prevailing situation, the impact of which has already been considered in recognition of revenue. Moving forward, management has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis, though the disruption on account of COVID-19 could have medium term impact.

## 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 2019: ₹ 1,500 lakhs) and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2019: ₹ 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 2019 ₹ 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 2019, the Company's share of negative 'other equity' of ₹ 541.00 Lakhs has been accounted for as impairment in value of investment.

During the current financial year 2019-20, based on liquidator statement, TEIL had a net loss of ₹ 0.74 lakhs. The Company's share of loss of ₹ 0.37 lakhs has been recorded as impairment in value of investments.

#### b) 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 ₹ 200,000 Lakhs (previous year: 31 March 2019: ₹ 150,000 Lakhs) consisting 20,000 Lakhs (previous year: 31 March 2019: 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:

Engineers India Limited (EIL): 26%

National Fertilizers Limited (NFL): 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 IK/S: 3.90%

IFU: 3.90%

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the RFCL in regard to facility area (Lease hold land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project.

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 ₹ 14,449.00 Lakhs at par value as a consideration towards granting concession rights in the land and value of usable assets to the Company.

During the year, RFCL Board has approved the revised project cost to ₹ 6,12,055.00 Lakhs to be funded through equity of ₹ 1,72,163.00 Lakhs. As per terms of shareholders agreement, additional equity of ₹ 4,489.00 Lakhs to be issued to FCIL. Thus, total equity issuance to FCIL based on this revised project cost will be ₹ 18,938.00 Lakhs.

The paid up capital by Joint Venture Partners as on 31 March 2020 is as under:

(in Lakhs)

| Shareholder                   | 31 March 2020                                 |                       | 31 March 2019                                 |                       |
|-------------------------------|---|-----------------------|---|-----------------------|
|                               | 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                           | 3,415.28                                      | ₹ 34,152.82           | 2,736.90                                      | ₹27,369.00            |
| NFL                           | 3,415.28                                      | ₹ 34,152.82           | 2,736.90                                      | ₹27,369.00            |
| FCIL                          | 1,444.93                                      | ₹ 14,449.27           | 1,157.96                                      | ₹11,579.64            |
| State Government of Telangana | 1,300.47                                      | ₹ 13,004.73           | 821.16  | ₹8,211.58             |
| GAIL (India) Limited          | 1,878.41                                      | ₹ 18,784.05           | 1,505.30                                      | ₹15,052.95            |
| Others                        | 1,536.88                                      | ₹ 15,368.77           | 1,231.60                                      | ₹12,316.05            |
| <b>Total</b>                  | <b>12,991.25</b>                              | <b>₹ 1,29,912.46</b>  | <b>10,189.82</b>                              | <b>₹1,01,898.22</b>   |

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

| Particulars   | 31 March 2020      | 31 March 2019<br>(Restated)* |
|---|--------------------|------------------------------|
| Cash and cash equivalents   | 14,529.44          | 14,628.01                    |
| Other Current assets  | 7,700.43           | 10,826.48                    |
| <b>Total Current assets (A)</b>   | <b>22,229.87</b>   | <b>25,454.49</b>             |
| <b>Non-current assets (B)</b>   | <b>4,78,061.84</b> | <b>3,87,597.57</b>           |
| Current financial liabilities(excluding trade payables and provisions)      | 5,946.75           | 4,209.31                     |
| Trade payables and provisions   | 17,372.66          | 20,430.49                    |
| Other Current liabilities   | 435.07             | 327.17                       |
| <b>Total Current liabilities (C)</b>  | <b>23,754.48</b>   | <b>24,966.97</b>             |
| Non current financial liabilities (excluding trade payables and provisions) | 3,40,002.72        | 2,86,700.20                  |
| Other Non current liabilities   | 4,909.04           | 2,427.10                     |
| <b>Total Non-current liabilities (D)</b>                                    | <b>3,44,911.76</b> | <b>2,89,127.30</b>           |
| <b>Net assets (A+B-C-D)</b>   | <b>131,625.47</b>  | <b>98,957.79</b>             |

**Summarised Statement of profit and loss**

(₹ in Lakhs)

| Particulars                             | 31 March 2020     | 31 March 2019<br>(Restated)* |
|---|-------------------|------------------------------|
| Interest income                         | 406.10            | 230.47                       |
| Other income                            | 467.42            | 277.44                       |
| <b>Total revenue (A)</b>                | <b>873.52</b>     | <b>507.91</b>                |
| Depreciation and Amortization           | 3.74              | -                            |
| Interest Expenses                       | 627.90            | -                            |
| Other expense                           | 4,059.72          | 2,176.54                     |
| <b>Total expenses (B)</b>               | <b>4,691.36</b>   | <b>2,176.54</b>              |
| Profit before tax (C = A-B)             | (3,817.84)        | (1,668.63)                   |
| Tax expense (D)                         | -                 | -                            |
| <b>Loss for the year (E = C-D)</b>      | <b>(3,817.84)</b> | <b>(1,668.63)</b>            |
| Other comprehensive income (F)          | (0.11)            | -                            |
| <b>Total comprehensive income (E-F)</b> | <b>(3817.95)</b>  | <b>(1,668.63)</b>            |

\* RFCL has restated its previously reported financial statements as at April 1 2018 and for the year ended 31 March 2019 to ensure compliance of Expert Advisory Committee (EAC) opinion of ICAI, which opined that the project insurance expenses cannot be considered as directly attributable costs to Property Plant & Equipment and should be charged to the Statement of profit and loss.

Accordingly, project insurance expenses amounting to ₹ 638.64 Lakhs (Company share ₹ 171.54 Lakhs) incurred till 31 March 2018 has been adjusted in the balance of retained earnings as on 1 April 2018 with corresponding adjustment in capital work in progress, in the financial statements of RFCL for year ended 31 March 2020.

Similarly, insurance expenses amounting to ₹ 412.47 Lakhs (Company share ₹ 110.79 Lakhs) for the financial year 2018-19 is charged to the Statement of profit and loss for the year ended 31 March 2019 with corresponding adjustment in the capital work in progress, in the financial statements of RFCL for year ended 31 March 2020.

**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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995* | 6,992.93      | 4,944.75      |
| Employees Defined Contributory Superannuation Scheme             | 3,716.81      | 5,144.10      |

\*Includes ₹ 1,630.10 Lakhs (previous year: Nil) of accrued provident fund liability for default till 31.03.2020 on account of Provident Fund Trust investment.

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, 2020 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 2020 and 31 March 2019.

**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                    | If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability. |
| Interest risk (discount rate risk) | Reduction in discount rate in subsequent valuations can increase the plan's liability.  |
| Mortality risk                     | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.  |
| Salary risk                        | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.                    |
| Medical expense inflation risk     | Increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption will also increase the liability.            |
| Cash allowance variation risk      | Actual award cost increases will increase the Plan's liability. Increase in award cost increase rate assumption in future valuations will also increase the 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 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019   | 31 March 2020                             | 31 March 2019   |
| Present value of obligations as at the end of year       | 21,600.78         | 20,527.63     | 22,500.50                 | 18,710.62       | 23,845.84                                 | 20,870.11       |
| Fair value of plan assets as at the end of the year      | 19,854.41         | 20,124.00     | 18,085.47                 | 14,201.86       | 20,836.88                                 | 19,518.21       |
| Funded status  | (1,746.37)        | (403.63)      | (4,415.03)                | (4,508.76)      | (3008.96)                                 | (1,351.90)      |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>1,746.37</b>   | <b>403.63</b> | <b>4,415.03</b>           | <b>4,508.76</b> | <b>3008.96</b>                            | <b>1,351.90</b> |

**b) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |               |
|--|-------------------|-----------------|---------------------------|-----------------|---|---------------|
|  | 31 March 2020     | 31 March 2019   | 31 March 2020             | 31 March 2019   | 31 March 2020                             | 31 March 2019 |
| Current service cost                                       | 1,194.13          | 1,356.31        | 3,695.88                  | 3,944.79        | 418.58                                    | 404.64        |
| Past service cost  | -                 | -               | -                         | -               | -   | -             |
| Interest cost on defined benefit obligation                | 1,560.10          | 1,593.77        | 1,422.01                  | 1,209.69        | 1,586.13                                  | 1,512.46      |
| Interest income on plan assets                             | (1529.42)         | (915.33)        | (1079.34)                 | (1,069.12)      | (1,483.39)                                | (1,361.40)    |
| Re-measurements  | -                 | -               | 483.36                    | 423.27          | -   | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>1,224.81</b>   | <b>2,034.75</b> | <b>4,521.91</b>           | <b>4,508.63</b> | <b>521.32</b>                             | <b>555.70</b> |

**c) Expenses recognized in Other comprehensive income**

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|--|-------------------|-----------------|---------------------------|---------------|---|---------------|
|  | 31 March 2020     | 31 March 2019   | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| Return on plan assets                                    | 80.02             | (285.77)        | -                         | -             | (5.88)                                    | (100.90)      |
| Actuarial (gains)/loss                                   | 443.28            | (237.77)        | -                         | -             | 2643.01                                   | 896.93        |
| <b>Expenses recognized in other comprehensive income</b> | <b>523.30</b>     | <b>(523.54)</b> | <b>-</b>                  | <b>-</b>      | <b>2637.13</b>                            | <b>796.03</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 2020     | 31 March 2019    | 31 March 2020             | 31 March 2019    | 31 March 2020                             | 31 March 2019    |
| Present value of obligations as at beginning of year  | 20,527.63         | 20,698.36        | 18,710.62                 | 15,710.21        | 20,870.11                                 | 19,642.27        |
| Interest cost   | 1,560.10          | 1,593.77         | 1,422.01                  | 1,209.69         | 1,586.13                                  | 1,512.46         |
| Current service cost                                  | 1,194.13          | 1,356.31         | 3,695.88                  | 3,944.79         | 418.58                                    | 404.64           |
| Actuarial (gains)/losses arising from                 |                   |                  |                           |                  |   |                  |
| Changes in demographic assumptions                    | 6.48              | -                | 5.65                      | -                | 4.77                                      | -                |
| Changes in financial assumptions                      | 1,287.36          | 159.85           | 785.31                    | 92.60            | 1,995.97                                  | 266.13           |
| Experience adjustments                                | (850.55)          | (397.61)         | (164.12)                  | 334.65           | 642.27                                    | 630.80           |
| Past service cost                                     | -                 | -                | -                         | -                | -   | -                |
| Benefits paid   | (2,124.37)        | (2,883.05)       | (1847.82)                 | (2,581.32)       | (1522.40)                                 | (1,586.19)       |
| Benefits paid directly by employer                    | -                 | -                | (107.03)                  | -                | (149.59)                                  | -                |
| <b>Present value of obligations as at end of year</b> | <b>21,600.78</b>  | <b>20,527.63</b> | <b>22,500.50</b>          | <b>18,710.62</b> | <b>23,845.84</b>                          | <b>20,870.11</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 2020     | 31 March 2019    | 31 March 2020             | 31 March 2019    | 31 March 2020                             | 31 March 2019    |
| Fair value of plan assets as on beginning of year   | 20,124.00         | 11,887.44        | 14,201.86                 | 13,884.63        | 19,518.21                                 | 17,680.45        |
| Interest income   | 1,529.42          | 915.33           | 1,079.34                  | 1,069.12         | 1,483.38                                  | 1,361.40         |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense | (80.01)           | 285.77           | 143.48                    | 3.98             | 5.88                                      | 100.90           |
| Contributions from the employer   | 405.37            | 9,918.51         | 4,508.61                  | 1,825.45         | 1,351.81                                  | 1,961.65         |
| Benefits paid   | (2,124.37)        | (2,883.05)       | (1847.82)                 | (2,581.32)       | (1522.40)                                 | (1,586.19)       |
| <b>Fair value of plan assets at the end of year</b>   | <b>19,854.41</b>  | <b>20,124.00</b> | <b>18,085.47</b>          | <b>14,201.86</b> | <b>20,836.88</b>                          | <b>19,518.21</b> |

**f) Actuarial Assumptions**

|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | 31 March 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| Discount rate                           | 6.80%             | 7.60%         | 6.80%                     | 7.60%         | 6.80%                                     | 7.60%         |
| 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 (2012 - 14) (Previous year: 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 2020     | 31 March 2019    | 31 March 2020             | 31 March 2019    | 31 March 2020                             | 31 March 2019    |
| Weighted average of the defined benefit obligation | 13.42 years       | 14 years         | 13.42 years               | 14 years         | 13.42 years                               | 14 years         |
| Duration of defined benefit obligation             |                   |                  |                           |                  |   |                  |
| Duration (years)                                   |                   |                  |                           |                  |   |                  |
| 1  | 2,509.01          | 2,752.18         | 2,416.79                  | 2,605.03         | 1,718.35                                  | 1,152.47         |
| 2  | 1,505.51          | 2,158.06         | 1,741.14                  | 2,082.69         | 1,828.02                                  | 1,083.32         |
| 3  | 1,514.02          | 1,459.76         | 1,605.30                  | 1,430.89         | 1,924.75                                  | 1,028.88         |
| 4  | 1,423.51          | 1,440.23         | 1,553.84                  | 1,323.05         | 2,058.28                                  | 962.13           |
| 5  | 1,269.16          | 1,316.47         | 1,397.84                  | 1,136.97         | 2,200.02                                  | 900.15           |
| Above 5  | 13,379.57         | 11,400.93        | 13,785.59                 | 10,131.99        | 14,116.42                                 | 15,743.16        |
| <b>Total</b>                                       | <b>21,600.78</b>  | <b>20,527.63</b> | <b>22,500.50</b>          | <b>18,710.62</b> | <b>23,845.84</b>                          | <b>20,870.11</b> |
| Duration of defined benefit payments               |                   |                  |                           |                  |   |                  |
| Duration (years)                                   |                   |                  |                           |                  |   |                  |
| 1  | 2,619.49          | 2,854.84         | 2,508.52                  | 2,702.21         | 1,718.35                                  | 1,195.46         |
| 2  | 1,713.26          | 2,408.70         | 1,944.48                  | 2,324.57         | 1,924.83                                  | 1,209.14         |
| 3  | 1,814.06          | 1,753.13         | 1,928.95                  | 1,718.45         | 2,097.61                                  | 1,235.65         |
| 4  | 1,833.54          | 1,861.13         | 2,008.94                  | 1,709.70         | 2,321.64                                  | 1,243.30         |
| 5  | 1,757.34          | 1,830.48         | 1,944.53                  | 1,580.90         | 2,568.37                                  | 1,251.61         |
| Above 5  | 38,182.54         | 35,412.75        | 27,631.42                 | 20,301.68        | 88,489.90                                 | 89,215.56        |
| <b>Total</b>                                       | <b>47,920.23</b>  | <b>46,121.03</b> | <b>37,966.84</b>          | <b>30,337.51</b> | <b>99,120.70</b>                          | <b>95,350.72</b> |
| Duration of defined benefit payments               |                   |                  |                           |                  |   |                  |

## h) Major Categories of Plan Assets (as percentage of total plan assets)

|                         | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|-------------------------|-------------------|---------------|---------------------------|---------------|---|---------------|
|                         | 31 March 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate        | +/-1%                | +/-1%         | 1,920.13                               | 1,743.40      | 1,774.27                               | 1,494.68      |
| Expected rate of future salary increase     | +/-1%                | +/-1%         | 312.33                                 | 303.97        | 333.40                                 | 350.77        |

(₹ 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                | +/-1%                | +/-1%         | 1,112.10                               | 983.15        | 1,092.45                               | 883.76        |
| Expected rate of future salary increase             | +/-1%                | +/-1%         | 1,162.40                               | 960.53        | 1,083.64                               | 880.65        |

(₹ 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                                | +/-1%                | +/-1%         | 3,416.80                               | 3,034.18      | 2,706.37                               | 2,412.40      |
| Expected rate of future salary increase                             | +/-1%                | +/-1%         | 2,924.50                               | 2,603.31      | 2,334.35                               | 2,086.81      |

\*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 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Present value of obligations as at the end of year | 110.22                        | 97.52         | 259.68                                  | 259.04        |
| Net (asset)/liability recognized in balance sheet  | 110.22                        | 97.52         | 259.68                                  | 259.04        |

##### b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Current service cost                                | 8.67                          | 8.16          | 14.07                                   | 13.15         |
| Past Service Cost                                   | -                             | (495.76)      | -                                       | -             |
| Interest cost                                       | 7.41                          | 46.33         | 19.69                                   | 20.70         |
| Re-measurements                                     | 3.14                          | (51.59)       | -                                       | -             |
| Expenses recognized in statement of profit and loss | 19.22                         | (492.86)      | 33.76                                   | 33.85         |

##### c) Expenses recognized in other comprehensive income

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Return on plan assets                             | -                             | -             | -                                       | -             |
| Actuarial (gains)/losses                          | -                             | -             | 3.18                                    | (7.82)        |
| Expenses recognized in other comprehensive income | -                             | -             | 3.18                                    | (7.82)        |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Present value of obligations as at beginning of year        | 97.52                         | 601.67        | 259.04                                  | 268.85        |
| Interest cost   | 7.41                          | 46.33         | 19.69                                   | 20.70         |
| Current service cost  | 8.67                          | 8.16          | 14.07                                   | 13.15         |
| Actuarial (gains)/losses arising from                       |                               |               |   |               |
| Changes in demographic assumptions                          | (0.06)                        | -             | (0.06)                                  | -             |
| Changes in financial assumptions                            | 4.65                          | 0.56          | 14.68                                   | 1.96          |
| Experience adjustments                                      | (1.45)                        | (52.15)       | (11.43)                                 | (9.78)        |
| Past service cost, including losses/(gains) on Curtailments | -                             | (495.76)      | -                                       | -             |
| Benefits paid   | (6.52)                        | (11.29)       | (36.31)                                 | (35.84)       |
| <b>Present value of obligations as at end of year</b>       | <b>110.22</b>                 | <b>97.52</b>  | <b>259.68</b>                           | <b>259.04</b> |

**e) Actuarial Assumptions**

|                                 | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---------------------------------|-------------------------------|---------------|---|---------------|
|                                 | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Discount rate                   | 6.80%                         | 7.60%         | 6.80%                                   | 7.60%         |
| Increase in compensation levels | -                             | -             | 5.00%                                   | 5.00%         |

Mortality rates inclusive of provision for disability -100% of IALM (2012 - 14) (Previous year: 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 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Weighted average of the defined benefit obligation | 13.42 years                   | 14 years      | 13.42 years                             | 14 years      |
| Duration of defined benefit obligation             |                               |               |   |               |
| Duration (years)                                   |                               |               |   |               |
| 1  | 9.75                          | 7.46          | 33.27                                   | 38.34         |
| 2  | 11.26                         | 7.31          | 17.15                                   | 30.14         |
| 3  | 17.03                         | 8.44          | 15.86                                   | 17.15         |
| 4  | 17.69                         | 14.27         | 19.80                                   | 18.54         |
| 5  | 17.03                         | 13.26         | 18.03                                   | 17.36         |
| Above 5  | 37.46                         | 46.78         | 155.57                                  | 137.51        |
| <b>Total</b>                                       | <b>110.22</b>                 | <b>97.52</b>  | <b>259.68</b>                           | <b>259.04</b> |
| Duration of defined benefit payments               |                               |               |   |               |
| Duration (years)                                   |                               |               |   |               |
| 1  | 9.91                          | 7.58          | 34.52                                   | 39.77         |
| 2  | 12.39                         | 8.04          | 19.14                                   | 33.65         |
| 3  | 20.23                         | 10.03         | 19.04                                   | 20.59         |
| 4  | 22.66                         | 18.28         | 25.59                                   | 23.96         |
| 5  | 23.56                         | 18.35         | 25.06                                   | 24.14         |
| Above 5  | 93.62                         | 104.41        | 492.30                                  | 435.16        |
| <b>Total</b>                                       | <b>182.37</b>                 | <b>166.69</b> | <b>615.65</b>                           | <b>577.27</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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                  | +/-1%                | +/-1%         | 7.04                                   | 5.98          | 6.74                                   | 5.39          |

**(₹ 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                            | +/-1%                | +/-1%         | 21.87                                  | 21.40         | 18.96                                  | 18.31         |
| Expected rate of future salary increase                         | +/-1%                | +/-1%         | 21.92                                  | 21.75         | 19.01                                  | 18.89         |

**\*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 has been implemented in current financial year 2019-20 and liability of arrear has been provided for in the books of accounts against which payment has been done in April, 2020.

**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 | 23.53%                  |
| CB-ONN-2010/08 | 22.22%                  |

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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Revenue expenditure                    | 145.56        | 251.19        |
| Drywell written off                    | -             | 1,542.66      |
| Provision for impairment of Oil Blocks | 2,839.20      | -             |
| Capital expenditure                    | 282.90        | 532.56        |

\* The original participating interest in production sharing contract of company in both blocks is 20% each. 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. The Company along with other partners has acquired the share of defaulted partner in proportion to their original participating interest and the share of company is 22.22% and 23.53% in the blocks CB-ONN-2010/08 and CB-ONN-2010/11 respectively.

During the year company has received its share of ₹ 46.39 Lakhs against settlement of default component in Block No. CB-ONN-2010/08.



**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 2020      | 31 March 2019      |
|--------------------------------------|--------------------|--------------------|
| <b>Segment revenue</b>               |                    |                    |
| Consultancy and engineering projects | 1,56,531.02        | 1,34,946.97        |
| Turnkey projects                     | 1,63,774.06        | 1,09,486.88        |
| <b>Total</b>                         | <b>3,20,305.08</b> | <b>2,44,433.85</b> |
| <b>Segment profit</b>                |                    |                    |
| Consultancy and engineering projects | 49,892.58          | 38,938.00          |
| Turnkey projects                     | 6,544.96           | 6,278.82           |
| <b>Total (a)</b>                     | <b>56,437.54</b>   | <b>45,216.82</b>   |
| Interest                             | 173.67             | 122.89             |
| Other un-allocable expenditure*      | 14,516.43          | 10,851.40          |
| <b>Total (b)</b>                     | <b>14,690.10</b>   | <b>10,974.29</b>   |
| <b>Other income (c)</b>              | <b>25,803.46</b>   | <b>22,508.09</b>   |
| <b>Profit before tax (a-b+c)</b>     | <b>67,550.90</b>   | <b>56,750.62</b>   |
| <b>Income tax expense</b>            | <b>24,526.53</b>   | <b>19,743.60</b>   |
| <b>Profit for the year</b>           | <b>43,024.37</b>   | <b>37,007.02</b>   |
| <b>Capital employed**</b>            | <b>2,34,545.74</b> | <b>2,27,584.52</b> |

\* Includes expenditure on Oil and Gas exploration blocks including dry well written off and impairment amounting to ₹ 2,984.83 Lakhs (previous year : ₹ 1,793.85 Lakhs).

\* Includes ₹ 1,630.10 Lakhs (previous year: Nil) of accrued provident fund liability for default till 31.03.2020 on account of Provident Fund Trust investment.

\*\*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 2020                        | 31 March 2019      | 31 March 2020      | 31 March 2019      |
| India                      | 1,20,378.58                          | 1,16,962.22        | 1,63,774.06        | 1,09,486.88        |
| Nigeria                    | 30,279.93                            | 11,362.72          | -                  | -                  |
| United Arab Emirates (UAE) | 2,715.08                             | 1,068.35           | -                  | -                  |
| Oman                       | 1,168.01                             | 1,028.43           | -                  | -                  |
| Mongolia                   | 1,164.55                             | 707.69             | -                  | -                  |
| Algeria                    | 19.78                                | 2,320.37           | -                  | -                  |
| Others                     | 805.09                               | 1,497.19           | -                  | -                  |
| <b>Total</b>               | <b>1,56,531.02</b>                   | <b>1,34,946.97</b> | <b>1,63,774.06</b> | <b>1,09,486.88</b> |

**Segment revenue with major customers**

During the year 31 March 2020, ₹ 62,729.68 Lakhs (previous year 31 March 2019: ₹ 52,719.57 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two (previous year 31 March 2019: three) customers.

During the year 31 March 2020, ₹ 1,62,359.36 Lakhs (previous year 31 March 2019: ₹ 1,01,233.16 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from four (previous year 31 March 2019: two) customers.

## Note : 51

The turnover and operating profit for the year ended 31 March 2020 includes ₹ 9,662.03 Lakhs and ₹ 8,478.50 Lakhs respectively on account of impact of variation order received in Consultancy and Engineering Projects segment.

## 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 from financial year 2015-16.

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. Contractor has 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, 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. Hon'ble Supreme Court, on the application of contractor, has stayed the Resolution proceedings. Hence during the year, company has approached Arbitral Tribunal and NCLT for revival of its counter claims wherein company has been directed to approach the appropriate forum and accordingly company is in the process of filing the application. 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

During the current financial year, members of Petroleum India International (PII), an Association of Person (AOP), have executed Termination Agreement dated 18 March 2020 bringing an end to the MOU entered into between Members as on 1 March 1986. Accordingly AOP has been dissolved on 18 March 2020.

During the year, Company has received ₹ 135.14 Lakhs as its share out of total amount of ₹ 1,417.08 Lakhs (Previous Year 31 March 2019: ₹ 47.51 Lakhs as its share out of total amount of ₹ 500.01 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)

| Sl. No. | Particulars                          | Class of provision      |                  |                 |                 |
|---------|--------------------------------------|-------------------------|------------------|-----------------|-----------------|
|         |                                      | Contractual obligations |                  | Expected losses |                 |
|         |                                      | 31 March 2020           | 31 March 2019    | 31 March 2020   | 31 March 2019   |
| 1       | Opening balance                      | 39,368.14               | 33,460.89        | 1,016.09        | 374.18          |
| 2       | Additional provision during the year | 15,135.88               | 10,345.03        | 11.78           | 769.27          |
| 3       | Provision used during the year       | -                       | 9.95             | 62.26           | 127.36          |
| 4       | Provision reversed during the year   | 5,601.03                | 4,427.83         | 720.55          | -               |
| 5       | <b>Closing balance</b>               | <b>48,902.99</b>        | <b>39,368.14</b> | <b>245.06</b>   | <b>1,016.09</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 and accordingly no further impact is required due to COVID-19.

### 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 2020 | 31 March 2019 |
| i            | Amount due and payable at the year end  |               |               |
|              | - Principal   | 6,879.42      | 4,406.09      |
|              | - 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 Basis pay plus Dearness allowance. The company has recognised the proportionate increase in gratuity ceiling corresponding to Dearness allowance as on 31 March 2020 based on actuarial valuation. To the extent of the impact of such an increase of ₹ 709.83 Lakhs (previous year 31 March 2019: ₹ 681.03 Lakhs), the corresponding Defined Contribution Superannuation Scheme to the employees has been reduced to met the Superannuation benefits within 30% of Basis 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 ₹ 2,430.96 Lakhs (previous year 31 March 2019: ₹ 1,852.84 Lakhs).

**Note : 60****Capital Grant in respect of Research projects:**

The Company has received capital grant from agency in respect of procurement/setting up of Capital assets for research project undertaken. The unamortized capital grant amount as on 31 March 2020 is of ₹ 30.45 Lakhs (previous year 31 March 2019: Nil). During the year, the Company has recognised ₹ 4.75 Lakhs (previous year: Nil) in the statement of profit and loss as amortisation of capital grants.

**Note : 61**

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) "Impairment of Assets" including due to COVID-19.

**Note : 62**

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 : 63**

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 : 64**

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 : 65**

During the previous financial year, the Company proposed to sale its old obsolete computers ('Assets') which was classified as Assets held for sale. These assets has been sold during the current financial year.

**Note : 66**

Government of India, has sold 31,59,269 equity shares of the company to the AMC to the BHARAT 22 ETF. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 52.00 % to 51.50%.

**Note : 67**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to the figures of the current year.

**For N K Bhargava & Co.**

Chartered Accountants

FRN No. 000429N

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

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**

**Place :** New Delhi

**Date :** 25 June 2020

## **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, 2020**

The preparation of financial statement of Engineers India Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 June, 2020.

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 2020 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 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



**(D.K. Sekar)**

Director General of Audit (Energy)  
New Delhi

Place: New Delhi  
Date: 11.08.2020

## Directors' Report

To

**The Shareholders**  
**Certification Engineers International Limited**

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report on the performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

### PERFORMANCE DURING THE FINANCIAL YEAR 2019-20

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 2019-20 is highlighted below:

(₹ in Lakhs)

| RESULTS OF OPERATIONS  | For the<br>year ended<br>31.3.2020 | For the<br>year ended<br>31.03.2019 |
|--|------------------------------------|-------------------------------------|
| <b>Income from services rendered</b><br>(Including adjustment of work-in-progress) | <b>4921.12</b>                     | <b>5291.40</b>                      |
| <b>Expenditure</b>   | <b>3968.90</b>                     | <b>4380.52</b>                      |
| Operating profit   | 952.22                             | 910.88                              |
| Other Income   | 445.42                             | 409.92                              |
| <b>Profit before Tax</b>   | <b>1397.64</b>                     | <b>1320.80</b>                      |
| Provision for Taxation (incl. earlier years)                                       |                                    |                                     |
| Current Tax  | 413.70                             | 407.57                              |
| Deferred Tax   | (-) 24.28                          | (-) 22.63                           |
| <b>Profit after Tax</b>  | <b>1008.22</b>                     | <b>935.86</b>                       |
| Other Comprehensive Income<br>(Net of Taxes)                                       | (41.70)                            | 6.57                                |
| <b>Total Comprehensive Income</b>  | <b>966.52</b>                      | <b>942.43</b>                       |

### DIVIDEND

The Board of Directors of the Company have recommended for the financial year 2019-20, a final dividend of ₹450 Lakhs (9,00,000 equity shares of ₹100/- per share) in addition to ₹297 Lakhs (9,00,000 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 ₹747 Lakhs and dividend distribution tax of ₹61.05 Lakhs aggregating to total outflow of ₹808.05 Lakhs.

### 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), Kakinada Onshore Gas Terminal, Revival, and revamping of GS 23-1 Platform works at Eastern Offshore, Heera Redevelopment Project III.

### INFRASTRUCTURE

Third Party Inspection Services for:

- Hon. Prime Ministers Special Protection Group (SPG) Housing Complex project.
- Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC) - 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, Kasauli, Khadki and Dehu Road.
- Sardar Sarovar Narmada Nigam Ltd. (SSNNL).
- Quality control services during Construction of Vanijya Bhavan complex under Ministry of Commerce.

### PIPELINES

TPI services for various Pipeline Project of Gujarat State Petronet Limited (GSPL) and its JVs viz:

- GIGL : Mundra Bhatinda Phase II
- GITL : MBBVPL Phase I – RFCL Connectivity
- GSPL : Small Connectivity projects
- Vendor Assessment services for Gujarat State Petronet Limited/ Gujarat Gas Limited/ GSPL India Gasnet Limited

### REFINERIES & PETROCHEMICALS

- Technimont / KTI – Inspection services for HGU project at HPCL Mumbai
- BPCL – LPG Import terminal Haldia
- HMEL – Specialized NDT Inspection services at Bhatinda site.
- OPaL : Construction Quality Supervision services for its units at Dahej
- VTV : TPI at HPCL site and Dahej works (for Dangote Refinery)



## HSE AUDITS

During the year, following HSE work were done:

- T4S Audit as per PNGRB Regulation for GSPL Pipeline Gas Grid Network throughout state of Gujarat including Gana Compressor Station.
- T4S Audit as per PNGRB Regulation for Adani Gas Limited CGD Network—Faridabad, Khurja, Ahmedabad & Vadodara
- T4S Audit, ERDMP Certification and Integrity Management System audit of Torrent Power Limited, Dahej Dedicated gas pipeline.
- Fit For Purpose Certification of 22 no. Intrafield pipeline (Mangala, Bhagyam, Aishwarya, Raageshwari) of Vedanta Limited—Cairn Oil & Gas.

Your Company has also diversified its operations in other sectors for sustained growth. Some of the major assignments were undertaken in following sectors are as below:

## 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
- Quality Assurance Inspection Services for 16 Bridges on Katra-Dharam sector (KRCL)
- Quality Assurance Inspection Services for Anji Khad Bridge (KRCL)
- Dedicated Freight Corridor Corporation (DFCC) – Inspection of steel web girder bridges for various projects
- Inspection of steel web girder bridges for various projects of NHAI, MSRDC

## 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
- Nashik Municipal Smart City Development Corporation Limited (NMSCDCL) – Third Party Quality Inspection Audits

## TECHNICAL SERVICES

- Technical Services were also provided to EIL for its various ongoing projects in Design, Central Planning, Construction, Commissioning departments.

## MISCELLANEOUS TPI SERVICES WERE PROVIDED FOR:

- UP Irrigation Corporation, Jammu & Kashmir PHED, Various suppliers & contractors all over India
- Jindal Saw: Third Party Inspection of Pipes
- NLC – Third Party Inspection of Conveyor Belts

**The following major TPI/ Certification/ Quality Assurance/ ERDMP/ Safety Audit etc. Assignments were secured during the year:**

- ONGC Kakinada: Third Party Inspection services for Onshore Gas Terminal Kakinada

- Third Party Inspection services for Revival and revamping of GS 23-1 Platform works, Eastern Offshore Kakinada
- Third Party Inspection services for Heera Redevelopment Project III
- Neyveli Lignite Corporation: Third Party Inspection Services for Steel Reinforced Conveyor belts
- Dedicated Freight Corridor Corporation (DFCC)-Inspection of Web steel Girder bridges EDFC CP 303 Package (L&T) and Bihar Corridor
- NHAI : Third party Inspection services for ROB Yavatmal
- M/s GSPL India Gasnet Limited (GIGL): Third party inspection services for MBPL Phase II
- Quality assurance services for Construction of Vanijya Bhavan under Ministry of Commerce
- Konkan Railway Corporation Limited (KRCL): Third Party Inspection and Quality assurance services for Anji – Khad Bridge
- Nashik Municipal Corporation: Third Party Inspection and Quality Assurance Services for Nashik Smart City
- Pre dispatch inspection and capacity assessment services for Rashtriya Ispat Nigam Limited (RINL)
- Third Party Inspection services for ROB Steel Girder bridge fabrication at Indiana Gratings for Maharashtra State Road Development Corporation (MSRDC)
- Third Party Inspection and Quality Assurance services for South Delhi Municipal Corporation (SDMC)
- Konkan Railway Corporation Limited (KRCL): Third party Inspection services for fabrication of FOBs in Roha / Veer Section Konkan Railways
- L&T Hydrocarbon: Third Party Inspection services for RUF project of HPCL Vizag
- VMC, SMC & RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- OPaL – Construction supervision and quality control for Offsites and utilities
- Gujarat State Petronet Limited (GSPL) - Third Party Inspection of various small connectivity pipeline projects
- IMS Conformity of GITL Gas Pipeline.
- T4S Audit of Natural Gas Pipeline Network Gujarat including gana compressor station, GSPL
- IMS Audit of Torrent Gas Moradabad Limited CGD Network in Moradabad
- T4S Audit of Adani Gas Limited CGD Network- Ahmedabad, Vadodara, Faridabad & Khurja
- External Safety Audit Natural Gas Pipeline Network, GSPL
- T4S Audit, IMS Audit, 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:

- Smt. Anita Gurjar was appointed as Additional Director (Non-official Independent) w.e.f. 31.10.2019 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31033/1/2019-CA PNG(29974) dated 21.10.2019.
- Shri Avneesh Sawhney, Executive Director(Projects), EIL was appointed as Additional (Part-time) Director of the Company w.e.f. 01.09.2020 in place of Shri R. Mahajan.

Pursuant to the provisions of Companies Act, 2013, Smt. Anita Gurjar, Non-official Independent Director and Shri Avneesh Sawhney, 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 Amitabh Budhiraja and Shri Sunil Bhatia, Part-time Director(s) shall retire by rotation, at the ensuing Annual General Meeting of the Company, and being eligible, have offered themselves 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 25<sup>th</sup> Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Shri R. Mahajan during his tenure as Director of the Company.

## KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2020 are: Shri G. Suresh, Chief Executive Officer, Shri G.D. Goswami, Chief Financial Officer and Ms. Jaya Totlani, Company Secretary.

## NUMBER OF MEETINGS OF THE BOARD

The Board met 6 times during the financial year 2019-20, 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 has a robust risk management structure and framework which 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 28<sup>th</sup> October, 2019 to 2<sup>nd</sup> November 2019 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 2020, your Company had total manpower of 71. Regular employees were 69 and 2 employees were on deputation from EIL.

## 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 Personality Development, Communication Skill and Team Building was organized inhouse at three location viz Mumbai, Vadodara and Delhi for CEIL Employees. Training on Ethical Leadership Development by National HRD Network was also imparted to our present Chief Executive Officer.

## 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 14.09.2019 and 'Hindi Fortnight' was organized from 14.09.2019 to 28.09.2019 in consultation 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: ₹22.79 Lakhs

(b) Total Foreign Exchange Outgo : ₹97.83 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 2019-20.

#### **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 2019-20, 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**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of its knowledge and ability, confirm that:

- In the preparation of the annual accounts for the year ended March 31, 2020, 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;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they 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;
- they have prepared the annual accounts on a going concern basis;
- they 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
- they have devised proper systems to ensure compliance with the provisions of the applicable laws and that such systems are 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 31.3.2020, no application is pending under RTI Act, 2005.

#### **BANKERS**

The Bankers of the Company are Bank of India, Corporation Bank, State Bank of India and Indusind Bank Ltd.



## 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 conforms 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 02.09.2022. 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). Periodic external audit is conducted by Certifying Body and present certificate of approval is valid up to 19.06.2022.

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 2019-20 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 2019-20 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, [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 2019-20, 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 2019-20:-

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 and on behalf of the Board of Directors

Date : 02.09.2020  
Place: New Delhi

**(J.C. Nakra)**  
Chairman  
DIN: 07676468



## Management Discussion & Analysis Report

We have the pleasure of presenting you an analysis report covering the performance of the company for the year 2019-20 and the future outlook.

### **BUSINESS OVERVIEW**

During the financial year 2019-20, your Company was able to secure business worth ₹61.03 Crores. The business secured has increased by 27.46% as compared to previous financial year.

The order book as on 31.03.2020 was ₹43.06 Crores.

During the year, Company has secured major orders from GSPL India Gas Limited (GIGL), Oil and Natural Gas Corporation (ONGC), Konkan Railway (KRCL), Vadodara Municipal Corporation (VMSS), Nashik Smart City Municipal Corporation, Rashtriya Ispat Nigam Limited (RINL), L&T Hydrocarbon and from other esteemed clients like OPaL, SPG, DFCC, Cantonment Boards etc. There has also been a growth in order book for 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, GSPL, GIGL, KRCL, Technimont, Pune Smart City Development Corporation, Nashik Smart City, L&T Hydrocarbon, SSNNL, Vizag Steel Plant, OPaL, DFCC, 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.

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 Government Infrastructure projects, Pipelines, Railways, Affordable Housing, Nuclear, Fertilizers, Power etc.

### **COVID-19 PANDEMIC**

The COVID-19 pandemic is a defining health crisis of our time. It is spreading too fast with severe impact on both lives and livelihood. The company is taking all necessary measures to mitigate its impact both on its operations and business.

### **FINANCIAL PERFORMANCE**

During the financial year, the income from services rendered by the Company has decreased to ₹4921.12 from ₹5291.40 Lakhs in the previous year.

Profit before tax (PBT) has increased from ₹1320.80 Lakhs in the previous year to ₹1397.64 Lakhs in the current year, which is 5.81% more than the previous year. Similarly, Profit after tax (PAT) has increased from ₹935.86 Lakhs in the previous year to ₹1008.22 Lakhs in the current year which is 7.73% more than the previous year.

### **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 will sign MOU with EIL for the financial year 2020-21. The Signing of MOU is under finalization.

### **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 Government Infrastructure Projects, Railways, Defense, Infrastructure, Nuclear, Fertilizer etc along with upcoming Refinery Projects. 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 71 during the year. 118 Man days training was imparted to employees during the year through 10 nos. training programs.

Your Company intends to pursue domain specific training related latest advanced NDT techniques, Asset Integrity Management, Industry 4.0 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. Decentralization of Marketing activities with Senior Personnel at Regional offices handling marketing activities and overall monitoring by Head (Marketing) has helped the company to achieve significant order book. Engineers are motivated to discuss with the clients and suppliers during the inspection visits and inform the potential leads to marketing department. CEIL presence in Social Media Platforms is also yielding significant results.

#### **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 engineers 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 2019-20, CSR activity was done with Matheran Giristhan Nagarparishad (MGN), Vadodara Mahanagar Seva Sadan (VMSS), and also supported emergency situation of COVID-19 through contribution towards PM CARES.

#### **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 2019-20

**1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and 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 <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 ₹15.62 Crore**

**4) Prescribed CSR Expenditure (2% of the amount as in item 3 above) is ₹31.25 Lakhs**

**5) Details of amount spent towards CSR during the financial year 2019-20**

- a) Total amount to be spent for the financial year 2019-20 was ₹31.25 Lakhs
- b) Amount unspent, if any - ₹64.21 Lakhs
- c) Manner in which the amounts spent towards CSR during the financial year 2019-20.

| Sl. No. | CSR project or activity identified  | Sector in which the Project is covered                 | Project or Programs<br>[1] Local area or other<br>[2] Specify the State and district where projects or programs was undertaken | Amount outlay [budget] project or programs wise (in ₹) | Amount spent on the projects or programs Sub-heads:<br>[1] Direct Expenditure on projects or programs.<br>[2] Overheads: | Cumulative expenditure upto to the reporting period. (in ₹) | Amount spent : Direct or through implementing agency |
|---------|---|--|--|--|--|---|--|
| 1       | To support / sponsor Vadodara Mahanagar Seva Sadan (VMSS), for providing Solar Benches and Water Free Toilet                  | Health Care/<br>Drinking Water/<br>Sanitation facility | Gujarat/<br>Vadodara   | 7.45 Lakhs   | Direct on project  | 6,74,350/-  | Through VMSS   |
| 2       | To support / sponsor Matheran Giristhan Nagarparishad (MGN), for providing medical equipment for their primary health center. | Health Care  | Local Area   | 10.00 Lakhs  | Direct on project  | 9,10,404/-  | Through MGN  |
| 3       | To Support emergency or distress situation due to COVID-19 pandemic by contributing in PM CARES                               | Emergency or Distress Situation                        | National Level   | 31 Lakhs   | Direct to PM CARES fund  | 31,00,000/-   | Directly to PM CARES Fund                            |

- 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 – NIL
- 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

Anita Gurjar  
Chairperson, CSR Committee

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2020****[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 & Transfer Agents (RTA ) 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 Engineers India House, 1, Bhikaji Cama Place, 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 31.03.2020 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, Director (Projects), Engineers India Ltd.                                  | 45*                                   | 0.005%              |
| 5       | Shri Amitabh Budhiraja, Part-time Director Executive Director, Engineers India Ltd.         | 72*                                   | 0.008%              |
| 6       | Shri R. Mahajan, Part-time Director ED (Projects), Engineers India Ltd.                     | 45*                                   | 0.005%              |
| 7       | Shri G. Suresh, CEO, CEIL   | 45*                                   | 0.005%              |
| 8       | 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 Fee |
|-------------------|--|
| Shri O.P. Mishra  | ₹210000                                  |
| Smt. Anita Gurjar | ₹15000                                   |

**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 details of remuneration of Chief Financial Officer and Company Secretary are as follows:

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel (Company Secretary) | Key Managerial Personnel (CFO) |
|---------|---|--|--------------------------------|
| 1.      | Gross Salary  |  |                                |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | ₹11,27,905                                   | ₹36,95,528                     |
|         | (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961                      | -  | ₹5,04,465                      |
|         | (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   | ₹11,27,905                                   | ₹42,00,933                     |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

## 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.

Your Company believes, 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 fifteen.

As on March 31, 2020, CEIL is having 6 Directors on its Board comprising of 4(four) Part-time Directors including Chairman and 2(two) 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 6 times during the financial year 2019-20. The details of the Board Meetings are as under:

| Sl. No. | Date of Meeting  | Place     | Board Strength | No. of Directors Present |
|---------|------------------|-----------|----------------|--------------------------|
| 1.      | April 12, 2019   | New Delhi | 5              | 4                        |
| 2.      | May 10, 2019     | New Delhi | 5              | 5                        |
| 3.      | August 5, 2019   | New Delhi | 5              | 5                        |
| 4.      | August 29, 2019  | New Delhi | 5              | 4                        |
| 5.      | October 28, 2019 | New Delhi | 5              | 5                        |
| 6.      | January 23, 2020 | New Delhi | 6              | 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 2019-2020 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 29.08.2019 | 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                     | 6                      | Yes                         | 2  | -                           | -                             |
| Shri Sunil Bhatia*                                       | 4                      | Yes                         |  |                             |                               |
| Shri R. Mahajan  | 5                      | No                          | 0  | -                           | -                             |
| Shri Amitabh Budhiraja                                   | 5                      | Yes                         | 0  | -                           | -                             |
| <b>II) Past Directors</b>                                |                        |                             |  |                             |                               |
| Shri S. K. Handa**                                       | 1                      | Yes                         | -  | -                           | -                             |



| Name of the Director                                  | Attendance Particulars |                             | Number of other Directorships/ Committee Membership/Chairmanship## |                             |                               |
|---|------------------------|-----------------------------|--|-----------------------------|-------------------------------|
|   | Board Meetings         | Last AGM held on 29.08.2019 | Other Directorships  | Other Committee Memberships | Other Committee Chairmanships |
| <b>B) Non-official Part-time Independent Director</b> |                        |                             |  |                             |                               |
| <b>I) Present Directors</b>                           |                        |                             |  |                             |                               |
| Shri O.P.Mishra                                       | 6                      | Yes                         | 1  | -                           | -                             |
| Smt. Anita Gurjar                                     | 1                      | -                           | -  | -                           | -                             |

Remarks:

\* Shri Sunil Bhatia was appointed as Part-time Director w.e.f. 17.05.2019.

\*\* Shri S.K.Handa ceased to be Director w.e.f. 17.05.2019.

## 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, 2020.

Date : 31.03.2020

Place : New Delhi

(G.Suresh)

Chief Executive Officer

**f) Separate Meetings of Independent Directors**

A separate Meeting of the Independent Directors was held on 23.01.2020 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, 2020, the Audit Committee comprises of Shri O.P.Mishra, Non-official Independent Director as Chairman, Smt. Anita Gurjar (Non-official Independent Director) and Shri Sunil Bhatia (Part-time Director) as members. The Audit Committee was reconstituted during the year due to the following:

- Shri S.K.Handa ceased to be member w.e.f. 17.05.2019
- Shri Sunil Bhatia was inducted as member w.e.f. 17.05.2019
- Shri R.Mahajan ceased to be member w.e.f. 23.01.2020
- Smt. Anita Gurjar was inducted as member w.e.f. 23.01.2020

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Governance for CPSEs. The details of meetings held during the financial year 2019-20 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name              | Chairman/Member | Attendance |
|---------|---------------------|-------------------|-----------------|------------|
| 1.      | 10.05.2019          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri S.K. Handa   | Member          | Present    |
|         |                     | Shri R. Mahajan   | Member          | Present    |
| 2.      | 05.08.2019          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri Sunil Bhatia | Member          | Present    |
|         |                     | Shri R. Mahajan   | Member          | Present    |
| 3.      | 28.10.2019          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri Sunil Bhatia | Member          | Present    |
|         |                     | Shri R. Mahajan   | Member          | Present    |
| 4.      | 23.01.2020          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri Sunil Bhatia | Member          | Present    |
|         |                     | Shri R. Mahajan   | Member          | 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 26<sup>th</sup> November, 2008 regarding pay revision of CPSE executives. As on March 31, 2020, the Remuneration Committee comprises of Shri O.P.Mishra, Non-official Independent Director as Chairman, Smt. Anita Gurjar and Shri R.Mahajan as Members. The Remuneration Committee was reconstituted during the year due to the following:

- Shri Amitabh Budhiraja ceased to be member w.e.f. 23.01.2020.
- Smt. Anita Gurjar was inducted as member w.e.f. 23.01.2020.

The details of meeting held during the financial year 2019-20 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name                   | Chairman/Member | Attendance |
|---------|---------------------|------------------------|-----------------|------------|
| 1.      | 12.04.2019          | Shri O.P. Mishra       | Chairman        | Present    |
|         |                     | Shri R. Mahajan        | Member          | Present    |
|         |                     | Shri Amitabh Budhiraja | Member          | 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 2019-20 are given below:

(Amount in ₹)

| Name of Non-official Part- time Independent Director | Sitting Fees* |                   | Total  |
|--|---------------|-------------------|--------|
|  | Board Meeting | Committee Meeting |        |
| Shri O.P.Mishra                                      | 90000         | 120000            | 210000 |
| Smt. Anita Gurjar                                    | 15000         | -                 | 15000  |

\* 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, 2020, the CSR and SD Committee comprises of Smt. Anita Gurjar, Non-official Independent Director as Chairperson, Shri O.P. Mishra and Shri Sunil Bhatia as Members. The CSR and SD Committee of the Board was reconstituted during the year due to the following:

- Shri S.K. Handa ceased to be member w.e.f. 17.05.2019.
- Shri Sunil Bhatia was inducted as member w.e.f. 17.05.2019.
- Shri R. Mahajan was ceased to be member w.e.f. 23.01.2020.
- Smt. Anita Gurjar was inducted as Chairperson and Member w.e.f. 23.01.2020.

The details of meetings held during the financial year 2019-20 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name              | Chairman/Member | Attendance |
|---------|---------------------|-------------------|-----------------|------------|
| 1.      | 10.05.2019          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri S.K. Handa   | Member          | Present    |
|         |                     | Shri R. Mahajan   | Member          | Present    |
| 2.      | 05.08.2019          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri Sunil Bhatia | Member          | Present    |
|         |                     | Shri R. Mahajan   | Member          | Present    |
| 3.      | 23.01.2020          | Shri O.P. Mishra  | Chairman        | Present    |
|         |                     | Shri Sunil Bhatia | 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.

## 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      |
|------------------|---------|--|------------|-----------|
| 22 <sup>nd</sup> | 2016-17 | EIB, 1, Bhikaiji Came Place, New Delhi-110066. | 28.08.2017 | 3.00 p.m. |
| 23 <sup>rd</sup> | 2017-18 | EIB, 1, Bhikaiji Came Place, New Delhi-110066. | 28.08.2018 | 3.00 p.m. |
| 24 <sup>th</sup> | 2018-19 | EIB, 1, Bhikaiji Came Place, New Delhi-110066. | 29.08.2019 | 4.00 p.m. |

**ii) Details of Special Resolutions passed at last three AGMs**

| AGM              | Details of Special Resolutions Passed |
|------------------|---------------------------------------|
| 22 <sup>nd</sup> | Nil                                   |
| 23 <sup>rd</sup> | Nil                                   |
| 24 <sup>th</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 2019-20, an Extra-ordinary General Meeting of the Members was held on 23.01.2020 regarding the following matters:  
Adoption of new set of Articles of Association of the Company.

**11. Disclosures**

- (i) Details of transactions between the company and its holding Company, associates, key managerial personnel during the financial year 2019-20 are given in Note 35 of the Notes to Accounts for the year ended 31<sup>st</sup> March, 2020. These transactions do not have any potential conflict with the interests of the Company at large.
- (ii) 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.
- (iii) 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.
- (iv) 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 01.04.2019 to 30.10.2019).
- (v) During the last three years, no Presidential Directive has been received by the Company.
- (vi) No Expenditures were debited in the Books of Accounts during the Financial Year 2019-20 which are not for the purposes of the Business.
- (vii) No expenses had been incurred which are personnel in nature and incurred for the Board of Directors and the top Management.
- (viii) The administrative and office expenses are 19.02% of the total expenses in the Financial Year 2019-20 as against 20.83% during the Financial Year 2018-19.
- (ix) None of the Directors of the Company are inter-se related as on 31<sup>st</sup> March, 2020.
- (x) None of the Non-official Part-time Independent Directors hold any equity shares of the Company as on 31<sup>st</sup> March, 2020.

**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://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 Vigil Mechanism/Whistle blower policy 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**

|              |  |
|--------------|--|
| <b>Date</b>  | Friday, 25 <sup>th</sup> September 2020          |
| <b>Time</b>  | 04:00 pm   |
| <b>Venue</b> | E.I.B, 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 ₹450 Lakhs (9,00,000 equity shares of ₹100/- per share) for the Financial Year ended 31<sup>st</sup> March, 2020 subject to approval of Shareholders in the ensuing Annual General Meeting. This was in addition to the Interim Dividend of ₹297 Lakhs (9,00,000 equity shares @ ₹100/- each) paid in January, 2020.

**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.



## 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, 2020.
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

Date: 19.06.2020

Place: New Delhi



# Independent Auditors 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, 2020 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.

## **Auditor's 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 31<sup>st</sup> March 2020.
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 Relevant Services Engagements.

## **Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, subject to 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 did not have two Independent Directors upto 30.10.2019 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 hands it may come without our prior consent in writing.

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

Date: 19.06.2020  
Place: New Delhi

**CA VIVEK KUMAR**  
Partner  
Membership No.503826



## Management's Reply to Auditors' Report on Corporate Governance (2019-20)

| Auditors' Comments   | 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 did not have two Independent Directors upto 30.10.2019 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.<br>However, presently there are 2 Independent Directors on the Board of CEIL.   |

## 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 March 2020, 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,2020 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 2020, 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 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 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, 2020 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 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

Date: 19.06.2020  
Place: New Delhi

## Annexure - A to the Auditors' 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 2020, we report that:
- a) The company has been 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 generally consists of stock of office stationary. Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) Procedures for physical verification of inventory 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. 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 2020 for a period of more than six months from the date these 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<br>(₹ In Lacs) | Period to which the<br>amount relates | Forum where<br>dispute is pending |
|---------------------------------------|--|-----------------------|---------------------------------------|-----------------------------------|
| Service Tax, as per Finance Act, 1994 | Show Cause Notice cum<br>Demand of service Tax | 1053.62*              | April 2004 to March 2013              | CESTAT                            |

\*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

Date: 19.06.2020  
Place: New Delhi



## Supplementary-Directions to the Statutory Auditors

| SL. No. | Directions   | Reply  |
|---------|--|--|
| 1       | Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting 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 2019-20.  |
| 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

Date: 19.06.2020  
Place: New Delhi



## 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 2020 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial 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 authorization 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 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 2020, 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

**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 ending 31<sup>st</sup> March 2020 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

**CA VIVEK KUMAR**  
Partner  
Membership No.503826

Date: 19.06.2020  
Place: New Delhi



# Balance Sheet

AS AT 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

| PARTICULARS  | Note No. | As At<br>31 <sup>st</sup> March 2020 | As At<br>31 <sup>st</sup> March 2019 |
|--|----------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>  |          |                                      |                                      |
| <b>Non-current Assets</b>  |          |                                      |                                      |
| Property, Plant and Equipment  | 4        | 28.87                                | 224.69                               |
| Right of Use Assets  | 4 A      | 182.71                               | -                                    |
| Other Intangible Assets  | 5        | 0.64                                 | 1.34                                 |
| Financial Assets   |          |                                      |                                      |
| Loans  | 6 A      | 57.56                                | 6.82                                 |
| Other Financial Assets   | 7 A      | 22.44                                | 0.39                                 |
| Deferred Tax Assets (Net)  | 8        | 256.83                               | 218.52                               |
| Non-Current Tax Assets (Net)   | 9        | 317.46                               | 307.49                               |
| Other non-current assets   | 10 A     | 1.19                                 | 0.08                                 |
| <b>Total Non-Current Assets</b>  |          | <b>867.70</b>                        | <b>759.33</b>                        |
| <b>Current Assets</b>  |          |                                      |                                      |
| Inventories  | 11       | 8.81                                 | 4.17                                 |
| Financial Assets   |          |                                      |                                      |
| Investments  | 12       | 202.50                               | 284.38                               |
| Loans  | 6 B      | 303.93                               | 396.20                               |
| Trade Receivables  | 13       | 1,934.56                             | 1,469.86                             |
| Cash and Cash Equivalents  | 14       | 127.33                               | 67.75                                |
| Other Bank Balances  | 15       | 5,371.75                             | 5,380.84                             |
| Other Financial Assets   | 7 B      | 422.61                               | 448.09                               |
| Other Current Assets   | 10 B     | 68.92                                | 65.10                                |
| <b>Total Current Assets</b>  |          | <b>8,440.41</b>                      | <b>8,116.39</b>                      |
| <b>Total Assets</b>  |          | <b>9,308.11</b>                      | <b>8,875.72</b>                      |
| <b>EQUITY AND LIABILITIES</b>  |          |                                      |                                      |
| <b>Equity</b>  |          |                                      |                                      |
| Equity Share Capital   | 16       | 900.00                               | 900.00                               |
| Other Equity   | 17       | 6,960.46                             | 6,773.93                             |
| <b>Total Equity</b>  |          | <b>7,860.46</b>                      | <b>7,673.93</b>                      |
| <b>Non-Current Liabilities</b>   |          |                                      |                                      |
| Financial Liabilities  |          |                                      |                                      |
| Other Financial Liabilities  | 18 A     | 15.59                                | 3.19                                 |
| Other Non-Current Liabilities  | 19 A     | 1.67                                 | 0.05                                 |
| Long-Term Provisions   | 20 A     | 607.27                               | 452.16                               |
| <b>Total Non-Current Liabilities</b>   |          | <b>624.53</b>                        | <b>455.40</b>                        |
| <b>Current Liabilities</b>   |          |                                      |                                      |
| Financial Liabilities  |          |                                      |                                      |
| Trade Payables   | 21       |                                      |                                      |
| Total outstanding dues of Micro Enterprises and small enterprises                      |          | 83.63                                | 20.21                                |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |          | 153.03                               | 110.81                               |
| Other Financial Liabilities  | 18 B     | 157.94                               | 100.97                               |
| Other Current Liabilities  | 19 B     | 334.02                               | 475.56                               |
| Short-Term Provisions  | 20 B     | 73.06                                | 38.84                                |
| Current Tax Liabilities (Net)  | 22       | 21.44                                | -                                    |
| <b>Total Current Liabilities</b>   |          | <b>823.12</b>                        | <b>746.39</b>                        |
| <b>Total Equity and Liabilities</b>  |          | <b>9,308.11</b>                      | <b>8,875.72</b>                      |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 49

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

**(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

Date: 19.06.2020

Place: New Delhi

# Statement of Profit and Loss

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

| PARTICULARS   | Note No. | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---|----------|-----------------------------|-----------------------------|
| <b>Revenue</b>  |          |                             |                             |
| Income From Services  | 23       | 4,921.12                    | 5,291.40                    |
| Other Income  | 24       | 445.42                      | 409.92                      |
| <b>Total Revenue</b>  |          | <b>5,366.54</b>             | <b>5,701.32</b>             |
| <b>Expenses</b>   |          |                             |                             |
| Manpower Services   | 25       | 662.55                      | 869.51                      |
| Employee Benefits Expenses  | 26       | 2,214.50                    | 2,537.73                    |
| Finance Costs   | 27       | 0.80                        | 0.32                        |
| Depreciation and Amortisation Expenses  | 28       | 16.47                       | 13.42                       |
| Other Expenses  |          |                             |                             |
| Facilities  | 29 A     | 159.54                      | 153.82                      |
| Corporate Costs   | 29 B     | 61.54                       | 77.46                       |
| Other Costs   | 29 C     | 853.50                      | 728.26                      |
| <b>Total Expenses</b>   |          | <b>3,968.90</b>             | <b>4,380.52</b>             |
| <b>Profit Before Tax</b>  |          | <b>1,397.64</b>             | <b>1,320.80</b>             |
| Tax Expense   |          |                             |                             |
| Current Tax   | 30       | 413.76                      | 407.57                      |
| Earlier years tax adjustments (net)   |          | (0.06)                      | -                           |
| Deferred Tax  |          | (24.28)                     | (22.63)                     |
| <b>Profit For The Year</b>  |          | <b>1,008.22</b>             | <b>935.86</b>               |
| <b>Other Comprehensive Income</b>   |          |                             |                             |
| Items that will not be reclassified to profit and loss                        |          |                             |                             |
| Re-measurement gains (losses) on defined benefit plans                        |          | (55.73)                     | 9.27                        |
| Income tax relating to items that will not be reclassified to profit and loss |          | 14.03                       | (2.70)                      |
| <b>Total Comprehensive Income For The Year</b>                                |          | <b>966.52</b>               | <b>942.43</b>               |
| <b>Earnings Per Equity Share (Face Value ₹ 100 Per Share)</b>                 | 31       |                             |                             |
| Basic (₹)   |          | 112.02                      | 103.98                      |
| Diluted (₹)   |          | 112.02                      | 103.98                      |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 49

This is the Statement of Profit & 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

FRN No. 000386N

**(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

Date: 19.06.2020

Place: New Delhi



## Statement of changes in equity

AS AT 31<sup>ST</sup> MARCH, 2020**A Equity Share Capital\***

(₹ in Lakhs)

| Particulars          | Opening Balance As At 1 <sup>st</sup> April 2018 | Changes in Equity Share Capital During The Year (Issue of Bonus Shares) | Redemption Of Equity Share Capital During The Year | Balance As At 31 <sup>st</sup> March 2019 | Changes in Equity Share Capital During The Year (Issue of Bonus Shares) | Redemption Of Equity Share Capital During The Year | Balance As At 31 <sup>st</sup> March 2020 |
|----------------------|--|---|--|---|---|--|---|
| Equity Share Capital | 100.00   | 800.00  | -  | 900.00                                    | -   | -  | 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<sup>st</sup> 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                | -   | (0.00)          |
| 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> |
| Profit for the year                             | -                    | 1,008.22          | -                    | -   | 1,008.22        |
| Other comprehensive income                      | -                    | -                 | -                    | (41.70)   | (41.70)         |
| Dividend (including tax impact)                 | -                    | (779.99)          | -                    | -   | (779.99)        |
| Transfer from statement of profit and loss      | -                    | -                 | -                    | -   | -               |
| Bonus issue of shares                           | -                    | -                 | -                    | -   | -               |
| Transfer from retained earnings                 | 122.22               | (153.47)          | 31.25                | -   | -               |
| Transfer to retained earnings                   | -                    | 46.85             | (46.85)              | -   | -               |
| <b>Balance as at 31 March 2020</b>              | <b>6,268.87</b>      | <b>665.77</b>     | <b>48.62</b>         | <b>(22.80)</b>  | <b>6,960.46</b> |

\*Refer note 16 for details

\*Refer note 17 for details

**For V.K. VERMA & CO.**

Chartered Accountants

Firm Regn. No. 000386N

**Vivek Kumar**

Partner

Membership No. 503826

FRN No. 000386N

**(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

**For and on behalf of Certification Engineers International Limited**

Date: 19.06.2020

Place: New Delhi



# Cash Flow Statement

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

| PARTICULARS  | 31 <sup>st</sup> March<br>2020 | 31 <sup>st</sup> March<br>2019 |
|--|--------------------------------|--------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                                |                                |
| Profit Before Tax  | 1,397.64                       | 1,320.80                       |
| <b>Adjustments for:</b>  |                                |                                |
| Depreciation and Amortisation Expenses                                       | 16.47                          | 13.42                          |
| Provision For Employee Benefits  | 102.60                         | (22.07)                        |
| Allowance for expected credit losses - trade receivables and advances (net)  | 120.61                         | 120.04                         |
| Provision for corporate social responsibility                                | 31.00                          | -                              |
| Interest Income and Amortised Income On Security Deposit                     | (443.66)                       | (396.77)                       |
| Interest Expense   | 0.80                           | 0.32                           |
| Dividend Income  | (1.48)                         | (9.85)                         |
| Capital (Gain) / Loss On Sale Of Mutual Funds                                | 13.36                          | (0.01)                         |
| <b>Operating Profit Before Working Capital Changes</b>                       | <b>1,237.34</b>                | <b>1,025.88</b>                |
| <b>Movement In Working Capital</b>   |                                |                                |
| Decrease/(Increase) In Trade Receivables                                     | (573.48)                       | 212.22                         |
| Decrease/(Increase) In Inventories   | (4.64)                         | (1.64)                         |
| Decrease/(Increase) In Other Current and Non-Current Assets                  | (4.93)                         | 17.65                          |
| Increase In Loans  | 41.53                          | (125.02)                       |
| Decrease/(Increase) In Other Current Financial Assets                        | 25.48                          | (50.86)                        |
| (Decrease)/Increase In Other Current and Non-Current Liabilities             | (139.92)                       | 284.28                         |
| (Decrease)/Increase In Other Current Financial and Non-Financial Liabilities | 175.01                         | (329.83)                       |
| <b>Cash Flow From Operating Activities Post Working Capital Changes</b>      | <b>756.39</b>                  | <b>1,032.68</b>                |
| Income Tax Paid (Net)  | (414.06)                       | (610.39)                       |
| <b>Net Cash Flow From Operating Activities (A)</b>                           | <b>342.33</b>                  | <b>422.29</b>                  |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |                                |                                |
| Purchase Of Property, Plants, Equipements and Intangible Assets (Net)        | (2.66)                         | (22.62)                        |
| Movement In Current Investments (Net)  | 68.52                          | (284.37)                       |
| Investment In Bank Deposits (Net)  | (9.28)                         | (245.31)                       |
| Interest Received  | 439.98                         | 396.77                         |
| Dividend Received  | 1.48                           | 9.85                           |
| <b>Net Cash Flows Used In Investing Activities (B)</b>                       | <b>498.04</b>                  | <b>(145.68)</b>                |



## Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

| PARTICULARS  | 31 <sup>st</sup> March<br>2020 | 31 <sup>st</sup> March<br>2019 |
|--|--------------------------------|--------------------------------|
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>            |                                |                                |
| Dividend Paid (Including Tax)                            | (779.99)                       | (783.61)                       |
| Interest Paid  | (0.80)                         | (0.32)                         |
| <b>Net Cash Used In Financing Activities (C)</b>         | <b>(780.79)</b>                | <b>(783.93)</b>                |
| <br><b>Increase In Cash And Cash Equivalents (A+B+C)</b> | <br><b>59.58</b>               | <br><b>(507.31)</b>            |
| Cash And Cash Equivalents At The Beginning Of The Year   | 67.75                          | 575.06                         |
| <b>Cash And Cash Equivalents At The End Of The Year</b>  | <b>127.33</b>                  | <b>67.75</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

FRN No. 000386N

**(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

Date: 19.06.2020

Place: New Delhi

# Significant Accounting Policies for the Year Ended 31<sup>st</sup> March, 2020

## 1. NATURE OF PRINCIPAL ACTIVITIES

Certification Engineers International Limited (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, recertification, 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 1 Bhikaji Cama, 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 2020 were authorized and approved for issue by the Board of Directors on 19<sup>th</sup> June 2020.

## 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 satisfies 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 (software) 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 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.

*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-recognized 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 lump sum 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 byway 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. LEASES**

#### **Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonable certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset except for perpetual lease. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

#### **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.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. The sublease is classified as a finance lease or operating lease by reference to the right of use asset arising from the head lease.

Rental income is recognized on straight line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

#### **Adoption of IND AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method 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 by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On adoption, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease by lease basis. The Company has also used the practical expedient provided by the standard on initial application.

The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share.

The Company has lease that was classified as property, plant & equipment for office building on long-term lease for the period of 60 years. This was classified as leasehold property and is being depreciated over the tenure of the lease. An amount of ₹186.58 Lakhs has been reclassified from property, plant and equipment to right-of-use assets.

#### **O. RECENT ACCOUNTING PRONOUNCEMENT**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

#### **P. 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.

#### **Q. 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 Lump-sum 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<sup>ST</sup> MARCH 2020

## Note : 4

| Property, Plant And Equipment (₹ in Lakhs)                         |          |                   |                     |                 |                   |                        |               |          |
|--|----------|-------------------|---------------------|-----------------|-------------------|------------------------|---------------|----------|
| Particulars  | Vehicles | Office Equipments | Leasehold Property* | Air Conditioner | Computer Hardware | Furniture and Fixtures | Library Books | Total    |
| Balance as at 31 <sup>st</sup> March 2018                          | 3.24     | 5.67              | 202.08              | 6.98            | 27.65             | 22.82                  | 0.29          | 268.73   |
| Additions  | -        | 1.83              | -                   | -               | 18.09             | 1.62                   | 0.15          | 21.69    |
| Disposals/assets written off                                       | -        | -                 | -                   | -               | (1.40)            | -                      | -             | (1.40)   |
| Balance as at 31 <sup>st</sup> March 2019                          | 3.24     | 7.50              | 202.08              | 6.98            | 44.34             | 24.44                  | 0.44          | 289.02   |
| Additions  | -        | 0.33              | -                   | -               | 1.04              | 1.27                   | 0.02          | 2.66     |
| Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A) | -        | -                 | (202.08)            | -               | -                 | -                      | -             | (202.08) |
| Disposals/assets written off                                       | -        | -                 | -                   | -               | -                 | -                      | -             | -        |
| Balance as at 31 <sup>st</sup> March 2020                          | 3.24     | 7.83              | -                   | 6.98            | 45.38             | 25.71                  | 0.46          | 89.60    |
| <b>Accumulated Depreciation</b>                                    |          |                   |                     |                 |                   |                        |               |          |
| Balance as at 31 <sup>st</sup> March 2018                          | 1.95     | 4.07              | 11.63               | 5.76            | 13.43             | 15.71                  | 0.29          | 52.84    |
| 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)   |
| Balance as at 31 <sup>st</sup> March 2019                          | 2.60     | 4.74              | 15.50               | 5.78            | 18.84             | 16.43                  | 0.44          | 64.33    |
| Charge For The Year  | 0.37     | 0.65              | -                   | 0.02            | 10.06             | 0.78                   | 0.02          | 11.90    |
| Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A) | -        | -                 | (15.50)             | -               | -                 | -                      | -             | (15.50)  |
| Adjustments For Disposals  | -        | -                 | -                   | -               | -                 | -                      | -             | -        |
| Balance as at 31 <sup>st</sup> March 2020                          | 2.97     | 5.39              | -                   | 5.80            | 28.90             | 17.21                  | 0.46          | 60.73    |
| Net Book Value as at 31 <sup>st</sup> March 2019                   | 0.64     | 2.76              | 186.58              | 1.20            | 25.50             | 8.01                   | -             | 224.69   |
| Net Book Value as at 31 <sup>st</sup> March 2020                   | 0.27     | 2.44              | -                   | 1.18            | 16.48             | 8.50                   | 0.00          | 28.87    |

\*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 : 4 A

| Right of Use Assets (₹ in Lakhs)                                 |                     |        |
|--|---------------------|--------|
| Particulars  | Leasehold Property* | Total  |
| Balance as at 31 <sup>st</sup> March 2019                        | -                   | -      |
| Reclassified on account of adoption of Ind AS 116 (Refer Note 4) | 186.58              | 186.58 |
| Additions  | -                   | -      |
| Disposals/assets written off                                     | -                   | -      |
| Balance as at 31 <sup>st</sup> March 2020                        | 186.58              | 186.58 |
| <b>Accumulated Depreciation</b>                                  |                     |        |
| Balance as at 31 <sup>st</sup> March 2019                        | -                   | -      |
| Charge For The Year  | 3.87                | 3.87   |
| Adjustments For Disposals  | -                   | -      |
| Balance as at 31 <sup>st</sup> March 2020                        | 3.87                | 3.87   |
| Net Book Value as at 31 <sup>st</sup> March 2019                 | -                   | -      |
| Net Book Value as at 31 <sup>st</sup> March 2020                 | 182.71              | 182.71 |

\*Acquired from CIDCO Limited on 60 years lease basis

**Note : 5**

| Intangible assets                                |                   | (₹ in Lakhs) |  |
|--|-------------------|--------------|--|
| Particulars                                      | Computer software | Total        |  |
| <b>Gross carrying amount</b>                     |                   |              |  |
| Balance as at 31 <sup>st</sup> March 2018        | 3.13              | 3.13         |  |
| Additions  | 0.95              | 0.95         |  |
| Disposals/Assets Written Off                     | -                 | -            |  |
| Balance as at 31 <sup>st</sup> March 2019        | 4.08              | 4.08         |  |
| Additions  | -                 | -            |  |
| Disposals/Assets Written Off                     | -                 | -            |  |
| Balance as at 31 <sup>st</sup> March 2020        | 4.08              | 4.08         |  |
| <b>Accumulated Amortisation</b>                  |                   |              |  |
| Balance as at 31 <sup>st</sup> March 2018        | 2.19              | 2.19         |  |
| Amortisation Charge For The Year                 | 0.55              | 0.55         |  |
| Adjustments For Disposals                        | -                 | -            |  |
| Balance as at 31 <sup>st</sup> March 2019        | 2.74              | 2.74         |  |
| Amortisation Charge For The Year                 | 0.70              | 0.70         |  |
| Adjustments For Disposals                        | -                 | -            |  |
| Balance as at 31 <sup>st</sup> March 2020        | 3.44              | 3.44         |  |
| Net Book Value as at 31 <sup>st</sup> March 2019 | 1.34              | 1.34         |  |
| Net Book Value as at 31 <sup>st</sup> March 2020 | 0.64              | 0.64         |  |

|  | (₹ in lakhs)                |                             |
|--|-----------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |

**Note : 6**
**A Loans - Non-Current**
**Unsecured, Considered Good Unless Otherwise Stated**

|                  |              |             |
|------------------|--------------|-------------|
| Security Deposit | 57.56        | 6.82        |
|                  | <u>57.56</u> | <u>6.82</u> |

**B Loans - Current**
**Unsecured, Considered Good Unless Otherwise Stated**

|                    |               |               |
|--------------------|---------------|---------------|
| Loans To Employees | 18.18         | 53.88         |
| Security Deposit   | 285.75        | 342.32        |
|                    | <u>303.93</u> | <u>396.20</u> |

**Note : 7**
**A Other Financial Assets - Non-Current**
**Term Deposits With Maturity Exceeding One Year\***

|  |              |             |
|--|--------------|-------------|
|  | 22.44        | 0.39        |
|  | <u>22.44</u> | <u>0.39</u> |

\*Includes bank deposits held under lien against bank guarantees of ₹ 0.37 Lakhs (previous year 31 March 2019: ₹ 0.39 lakhs) The above also includes interest accrued on bank deposits of ₹ 0.91 Lakhs (previous year 31 March 2019 ₹ 0.02 lakhs)

**B Other Financial Assets - Current**

|                   |               |               |
|-------------------|---------------|---------------|
| Unbilled Income   | 419.52        | 446.63        |
| Work In Progress* | 3.09          | 1.46          |
|                   | <u>422.61</u> | <u>448.09</u> |

\*As taken, valued and certified by Management

(₹ in Lakhs)

31<sup>st</sup> March 2020 31<sup>st</sup> March 2019**Note : 8****Deferred Tax Assets (Net)****Deferred Tax Assets Arising On:**

## Employee Benefits:

|  |        |        |
|--|--------|--------|
| Provision for leave encashment                                   | 146.52 | 143.74 |
| Provision for long service awards                                | 5.74   | 5.50   |
| Provision for employee related expenses allowed on payment basis | 11.39  | 0.17   |
| Provision for doubtful receivables and advances                  | 119.99 | 103.71 |

## Others:

|                                      |   |      |
|--------------------------------------|---|------|
| Amortised cost financial instruments | - | 0.43 |
|--------------------------------------|---|------|

**Deferred Tax Liabilities Arising On:**

|                                      |         |         |
|--------------------------------------|---------|---------|
| Depreciation                         | (25.88) | (28.77) |
| Provision for gratuity               | -       | (6.26)  |
| Amortised cost financial instruments | (0.93)  | -       |

|               |               |
|---------------|---------------|
| <b>256.83</b> | <b>218.52</b> |
|---------------|---------------|

**Movement In Deferred Tax Assets and Liabilities**

(₹ in Lakhs)

| Particulars                  | 31-Mar-18     | Recognised In Other Comprehensive Income | Recognised In Statement Of Profit And Loss | 31-Mar-19     | Recognised In Other Comprehensive Income | Recognised In Statement Of Profit And Loss | 31-Mar-20     |
|------------------------------|---------------|--|--|---------------|--|--|---------------|
| <b>Assets</b>                |               |  |  |               |  |  |               |
| Employee Benefits            | 155.99        | (2.70)                                   | (3.88)                                     | 149.41        | 14.03                                    | 0.21                                       | 163.65        |
| Trade Receivables & Advances | 68.76         | -  | 34.95                                      | 103.71        |  | 16.28                                      | 119.99        |
| Others                       | 0.33          | -  | 0.10                                       | 0.43          |  | (1.36)                                     | (0.93)        |
| <b>Liabilities</b>           |               |  |  |               |  |  |               |
| Depreciation                 | (26.48)       | -  | (2.29)                                     | (28.77)       |  | 2.89                                       | (25.88)       |
| Employee Benefits            | -             | -  | (6.26)                                     | (6.26)        | -  | 6.26                                       | -             |
|                              | <b>198.60</b> | <b>(2.70)</b>                            | <b>22.62</b>                               | <b>218.52</b> | <b>14.03</b>                             | <b>24.28</b>                               | <b>256.83</b> |

The company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognised provision for income tax for the year ended 31<sup>st</sup> March 2020 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the profit and loss account. The re-measurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by ₹29.66 Lakhs which has been fully charged to the profit and Loss account.

**Note : 9****Non-Current Tax Assets (Net)**

|   |               |               |
|---|---------------|---------------|
| Advance Income Tax (net of provision for taxation amounting to ₹1538.39 lakhs (previous year 31 <sup>st</sup> March 2019: ₹2110.63 lakhs) | 317.46        | 295.66        |
| Advance Fringe Benefit Tax  | 11.83         | 11.83         |
| Less: Allowance for expected credit losses  | (11.83)       | -             |
|   | <b>317.46</b> | <b>307.49</b> |



(₹ in Lakhs)

31<sup>st</sup> March 2020 31<sup>st</sup> March 2019**Note : 10****A Other Non-Current Assets**

|                  |             |             |
|------------------|-------------|-------------|
| Prepaid Expenses | 1.19        | 0.08        |
|                  | <u>1.19</u> | <u>0.08</u> |

**B Other Current Assets**

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Balance with Government Authorities | 59.40        | 54.53        |
| Prepaid Expense                     | 9.52         | 10.57        |
|                                     | <u>68.92</u> | <u>65.10</u> |

**Note : 11****Inventories (Lower Of Cost Or Net Realizable Value)**

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Stores, Spares and Chemicals in Hand | 8.81        | 4.17        |
|                                      | <u>8.81</u> | <u>4.17</u> |

**Note : 12****Investments**

|  |               |               |
|--|---------------|---------------|
| UTI Treasury Advantage Fund (face value ₹1000 per unit)* | 202.50        | 284.38        |
|  | <u>202.50</u> | <u>284.38</u> |

\* At 31<sup>st</sup> March 2020 21347.952 units (previous year: 31<sup>st</sup> March 2019: 28370.891 units)

**Note : 13****Trade Receivables (Unsecured)**

|  |                 |                 |
|--|-----------------|-----------------|
| Trade Receivable                           |                 |                 |
| Considered Good                            | 1,934.56        | 1,469.86        |
| Considered Doubtful                        | <u>464.93</u>   | <u>356.15</u>   |
|  | 2,399.49        | 1,826.01        |
| Less: Allowance for expected credit losses | <u>(464.93)</u> | <u>(356.15)</u> |
|  | <u>1,934.56</u> | <u>1,469.86</u> |

**Note : 14****Cash and Cash Equivalents**

|  |               |              |
|--|---------------|--------------|
| Balances With Banks In Current Account | 127.29        | 67.74        |
| Cash On Hand                           | 0.04          | 0.01         |
|  | <u>127.33</u> | <u>67.75</u> |

**Note : 15****Other Bank Balances**

|  |                 |                 |
|--|-----------------|-----------------|
| Balances with banks in deposits account having maturity of more than three months but are due for maturity within twelve months* | 5,371.75        | 5,380.84        |
|  | <u>5,371.75</u> | <u>5,380.84</u> |

\*Includes ₹78.18 Lakhs (previous year 31<sup>st</sup> March 2019 : ₹95.61 Lakhs) held under lien against bank guarantees.

\*Includes interest accrued on bank deposits ₹273.57 lakhs (previous year 31<sup>st</sup> March 2019 : ₹270.76 lakhs)



(₹ in Lakhs)

|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Note-16</b>   |                             |                             |
| <b>Share Capital</b>   | <b>Amount</b>               | <b>Amount</b>               |
| <b>Authorised Share Capital</b>  |                             |                             |
| 1,200,000 (previous year 31 <sup>st</sup> March 2019 : 1200,000) equity shares of par value of ₹100 each | 1,200.00                    | 1,200.00                    |
|  | <b>1,200.00</b>             | <b>1,200.00</b>             |
| <b>Issued Share Capital</b>  |                             |                             |
| 900,000 (previous year 31 <sup>st</sup> March 2019 : 900,000) equity shares of par value of ₹100 each    | 900.00                      | 900.00                      |
|  | <b>900.00</b>               | <b>900.00</b>               |
| <b>Subscribed and Paid Up*</b>   |                             |                             |
| 900,000 (previous year 31 <sup>st</sup> March 2019 : 900,000) equity shares of par value of ₹100 each    | 900.00                      | 900.00                      |
|  | <b>900.00</b>               | <b>900.00</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  | 900,000        | 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>900,000</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        | 900,000        |
| Shareholding (%)   | 100%           | 100%           |

## 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

### A Other Financial Liabilities - Non-Current

|                                  |              |             |
|----------------------------------|--------------|-------------|
| Security Deposits and Retentions | 15.59        | 3.19        |
|                                  | <b>15.59</b> | <b>3.19</b> |

### B Other Financial Liabilities - Current

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security Deposits and Retentions | 26.75         | 37.22         |
| Accrued Employee Benefits        | 131.19        | 63.75         |
|                                  | <b>157.94</b> | <b>100.97</b> |



(₹ in Lakhs)

31<sup>st</sup> March 2020 31<sup>st</sup> March 2019**Note : 19****A Other Non-Current Liabilities**

|                 |             |             |
|-----------------|-------------|-------------|
| Deferred Income | 1.67        | 0.05        |
|                 | <b>1.67</b> | <b>0.05</b> |

**B Other Current Liabilities**

|  |               |               |
|--|---------------|---------------|
| Advances Received From Clients                             | 65.48         | 8.35          |
| Deferred Income  | 1.39          | 0.33          |
| Unearned Income Billed To Clients                          | 112.51        | 202.54        |
| Service Tax /GST Payable                                   | 52.76         | 70.20         |
| Withholding For Income Taxes                               | 39.00         | 123.17        |
| Withholding For Employees Including Employers Contribution | 28.59         | 20.85         |
| Other Liabilities  | 34.29         | 50.12         |
|  | <b>334.02</b> | <b>475.56</b> |

**Note : 20****A Long-Term Provisions**

|   |               |               |
|---|---------------|---------------|
| Employees' Post Retirement/Long-Term Benefits | 607.27        | 452.16        |
|   | <b>607.27</b> | <b>452.16</b> |

**B Short-Term Provisions**

|   |              |              |
|---|--------------|--------------|
| Employees' Post Retirement/Long-Term Benefits | 42.06        | 38.84        |
| Provision for corporate social responsibility | 31.00        | -            |
|   | <b>73.06</b> | <b>38.84</b> |

**Note : 21****Trade Payables**

|  |               |               |
|--|---------------|---------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises                      | 83.63         | 20.21         |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 153.03        | 110.81        |
|  | <b>236.66</b> | <b>131.02</b> |

**Note : 22****Current Tax Liabilities (Net)**

|  |              |          |
|--|--------------|----------|
| Provision for taxation (net of advance tax amounting to ₹392.32 Lakhs (previous year 31 <sup>st</sup> March 2019 : Nil ) | 21.44        | -        |
|  | <b>21.44</b> | <b>-</b> |

**Note : 23****Revenue From Operations**

|                      |                 |                 |
|----------------------|-----------------|-----------------|
| Income From Services | 4,919.49        | 5,294.24        |
|                      | <b>4,919.49</b> | <b>5,294.24</b> |

**Increase/(Decrease) In Work-In-Progress**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| Closing Work-In-Progress        | 3.09            | 1.46            |
| Less : Opening Work-In-Progress | 1.46            | 4.30            |
|                                 | <b>1.63</b>     | <b>(2.84)</b>   |
|                                 | <b>4,921.12</b> | <b>5,291.40</b> |

(₹ in Lakhs)

31<sup>st</sup> March 2020 31<sup>st</sup> March 2019**Note-24****Other Income**

## Interest Income

|   |               |               |
|---|---------------|---------------|
| Bank Deposits                             | 398.19        | 390.94        |
| Income-Tax Refunds                        | 32.12         | -             |
| Others - Misc                             | 0.07          | 0.04          |
| Amortization of Deferred Income           | 13.28         | 5.79          |
| Capital Gain On Sale Of Mutual Fund Units | -             | 0.01          |
| Dividend From Current Investments         | 1.48          | 9.85          |
| Foreign Exchange Difference (Net)         | 0.28          | 1.10          |
| Bad Debts Recovery                        | -             | 1.75          |
| Income From Sale of Assets                | -             | 0.44          |
|   | <b>445.42</b> | <b>409.92</b> |

**Note : 25****Manpower Service**

## Manpower Service

|               |               |
|---------------|---------------|
| 662.55        | 869.51        |
| <b>662.55</b> | <b>869.51</b> |

**Note-26****Employee Benefits Expenses**

|  |                 |                 |
|--|-----------------|-----------------|
| Salaries And Allowances  | 2,012.08        | 2,080.37        |
| Contribution towards employees pension and provident fund and administration charges thereon | 118.51          | 119.04          |
| Contribution towards National Pension System (NPS) and administration charges thereon        | 67.74           | 306.94          |
| Staff Welfare  | 6.05            | 7.86            |
| Contribution to Gratuity Fund (Net of contribution received from others)                     | 10.12           | 23.52           |
|  | <b>2,214.50</b> | <b>2,537.73</b> |

**Note : 27****Finance Cost**

## Unwinding of Discount on Security Deposits

|             |             |
|-------------|-------------|
| 0.80        | 0.32        |
| <b>0.80</b> | <b>0.32</b> |

**Note : 28****Depreciation and Amortisation Expenses**

|   |              |              |
|---|--------------|--------------|
| Depreciation On Property, Plant And Equipment | 11.90        | 12.87        |
| Depreciation On Right of use assets           | 3.87         | -            |
| Amortisation Of Intangible Assets             | 0.70         | 0.55         |
|   | <b>16.47</b> | <b>13.42</b> |



(₹ in Lakhs)

31<sup>st</sup> March 2020 31<sup>st</sup> March 2019**Note : 29****Other Expenses****A Facilities Cost**

|  |               |               |
|--|---------------|---------------|
| Rent - Residential Accommodation (Net of Recovery of ₹2.73 lakhs (previous year: ₹4.66 lakhs)) | 30.96         | 40.48         |
| Rental Expense   | 8.77          | 6.95          |
| Rent - Office  | 50.12         | 44.07         |
| Electricity And Water  | 22.29         | 22.13         |
| Repairs To Building  | 2.59          | 3.80          |
| Other Repairs And Maintenance  | 37.83         | 31.93         |
| Hire Charges - Office Equipment  | 1.32          | 3.11          |
| Insurance  | 5.66          | 3.35          |
|  | <b>159.54</b> | <b>153.82</b> |

**B Corporate Cost**

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Bank Charges                          | 0.96         | 0.42         |
| Sitting Fees to Independent Directors | 2.25         | 3.15         |
| Publicity                             | 2.89         | 5.59         |
| Entertainment                         | 11.82        | 15.95        |
| Remuneration to Auditors:             |              |              |
| For Audit                             | 3.90         | 3.00         |
| For Tax Audit                         | 0.95         | 0.60         |
| Certification                         | 0.67         | 0.23         |
| Out of Pocket                         | 3.18         | 4.02         |
| Filing Fee                            | 0.08         | 7.71         |
| Legal and Professional Charges        | 6.20         | 4.49         |
| Licences and Taxes                    | 28.64        | 32.30        |
|                                       | <b>61.54</b> | <b>77.46</b> |

**C Other Cost**

|   |               |               |
|---|---------------|---------------|
| Travel and Conveyance   | 634.24        | 573.20        |
| Printing, Stationery and General Office Supplies                            | 10.87         | 7.16          |
| Newspapers and Periodicals  | 0.15          | 0.16          |
| Postage and Telecommunications  | 13.43         | 16.96         |
| Capital Loss on sale of MF Units  | 13.36         | -             |
| Courier, Transportation and Handling  | 3.67          | 2.73          |
| Allowance for expected credit losses - trade receivables and advances (net) | 120.61        | 120.04        |
| Bad debts Written Off   | 2.53          | -             |
| Corporate Social Responsibility Expenditure (Refer note below)              | 46.85         | 1.84          |
| Miscellaneous Expenses  | 2.83          | 3.55          |
| Training Expenses   | 4.96          | 2.62          |
|   | <b>853.50</b> | <b>728.26</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 2019-20 - ₹31.25 lakhs (previous year: ₹31.87 lakhs)

(b) Amount spent during the financial year ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 on:

|                                       |                             | (₹ in Lakhs) |                        |       |
|---------------------------------------|-----------------------------|--------------|------------------------|-------|
| Particulars                           |                             | In cash      | Yet to be paid in cash | Total |
| Construction/acquisition of any asset | 31 <sup>st</sup> March 2020 | -            | -                      | -     |
|                                       | 31 <sup>st</sup> March 2019 | -            | -                      | -     |
| On purposes other than (I) above      | 31 <sup>st</sup> March 2020 | 15.85        | 31.00                  | 46.85 |
|                                       | 31 <sup>st</sup> March 2019 | 1.84         | -                      | 1.84  |

(₹ in Lakhs)

31<sup>st</sup> March 2020 31<sup>st</sup> March 2019

## Note : 30

### Income Tax

#### Tax Expense Comprises of:

|   |               |               |
|---|---------------|---------------|
| Current Income Tax  | 413.76        | 407.57        |
| Earlier years tax adjustments (net)                                   | (0.06)        | -             |
| Deferred Tax  | (24.28)       | (22.63)       |
| <b>Income Tax Expense Reported In The Statement Of Profit or Loss</b> | <b>389.42</b> | <b>384.94</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 25.168% and the reported tax expense in profit or loss are as follows:

#### Statement of Profit And Loss

|  |                 |                 |
|--|-----------------|-----------------|
| Accounting Profit Before Tax   | 1,397.64        | 1,320.80        |
| <b>Accounting Profit Before Income Tax</b>   | <b>1,397.64</b> | <b>1,320.80</b> |
| At India's Statutory Income Tax Rate of 25.168 % (31 <sup>st</sup> March 2019 : 29.120%) | 351.76          | 384.62          |

#### Adjustments In Respect Of Current Income Tax

|  |               |               |
|--|---------------|---------------|
| Tax expense adjusted in other comprehensive income | -             | -             |
| Tax Impact Of Exempted Income                      | (0.37)        | (2.87)        |
| Tax Impact Of Expenses Which Will Never Be Allowed | 8.02          | 1.10          |
| Earlier Years tax adjustments (net)                | (0.06)        | -             |
| Earlier Years deferred tax adjustments (net)       | 29.66         | -             |
| Others   | 0.41          | 2.09          |
|  | <b>389.42</b> | <b>384.94</b> |

## 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.

|  |               |               |
|--|---------------|---------------|
| Profit Attributable To Equity Shareholders | 1,008.22      | 935.86        |
| Weighted Average Number Of Equity Shares   | 900,000       | 900,000       |
| <b>Nominal Value Per Share (₹)</b>         | <b>100.00</b> | <b>100.00</b> |

#### Earnings Per Equity Share

|         |        |        |
|---------|--------|--------|
| Basic   | 112.02 | 103.98 |
| Diluted | 112.02 | 103.98 |

## 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 <sup>st</sup> March 2020   | Level 1       | Level 2  | Level 3  | Total         |
|-------------------------------|---------------|----------|----------|---------------|
| <b>Financial assets</b>       |               |          |          |               |
| Mutual funds                  | 202.50        | -        | -        | 202.50        |
| <b>Total financial assets</b> | <b>202.50</b> | <b>-</b> | <b>-</b> | <b>202.50</b> |

### Financial assets measured at fair value – recurring fair value measurements

| 31 <sup>st</sup> 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> |

### (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 <sup>st</sup> March 2020 |                 | 31 <sup>st</sup> March 2019 |                 |
|------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
|                                    | FVTPL                       | Amortised       | FVTPL                       | Amortised       |
| <b>Financial assets</b>            |                             |                 |                             |                 |
| Investments - mutual funds         | 202.50                      | -               | 284.38                      | -               |
| Trade receivables                  | -                           | 1,934.56        | -                           | 1,469.86        |
| Loans                              | -                           | 18.18           | -                           | 53.88           |
| Other financial assets             | -                           | 422.61          | -                           | 448.09          |
| Cash and cash equivalents          | -                           | 127.33          | -                           | 67.75           |
| Other bank balances                | -                           | 5,394.19        | -                           | 5,381.23        |
| Security deposits                  | -                           | 343.31          | -                           | 349.14          |
| <b>Total financial assets</b>      | <b>202.50</b>               | <b>8,240.18</b> | <b>284.38</b>               | <b>7,769.95</b> |
| <b>Financial liabilities</b>       |                             |                 |                             |                 |
| Trade payables                     | -                           | 236.66          | -                           | 131.02          |
| Security deposits and retentions   | -                           | 42.34           | -                           | 40.41           |
| Other financial liabilities        | -                           | 131.19          | -                           | 63.75           |
| <b>Total financial liabilities</b> | <b>-</b>                    | <b>410.19</b>   | <b>-</b>                    | <b>235.18</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 off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Lakhs)

| Credit rating           | Particulars  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|-------------------------|--|-----------------------------|-----------------------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans and other financial assets | 7,589.40                    | 7,818.22                    |
| B: Moderate credit risk | Trade receivable   | 216.58                      | 143.36                      |
| C: High credit risk     | Trade receivables  | 248.35                      | 92.75                       |

**ii) Concentration of trade receivables**

The Company's exposure to credit risk for trade receivables is as follows -

(₹ in Lakhs)

| Particulars    | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|----------------|-----------------------------|-----------------------------|
| Hydrocarbon    | 1,541.58                    | 706.21                      |
| Infrastructure | 663.71                      | 841.43                      |
| Railways       | 34.77                       | 257.88                      |
| Others         | 159.43                      | 20.49                       |
| <b>Total</b>   | <b>2,399.49</b>             | <b>1,826.01</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<sup>st</sup> March 2020**
**(₹ in Lakhs)**

| Particulars               | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--|------------------------|---|
| Cash and cash equivalents | 127.33                                     | -                      | 127.33                                      |
| Other bank balances       | 5,394.19                                   | -                      | 5,394.19                                    |
| Loans                     | 18.18                                      | -                      | 18.18                                       |
| Other financial assets    | 968.42                                     | -                      | 968.42                                      |

**31<sup>st</sup> March 2019**
**(₹ in Lakhs)**

| Particulars               | 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                                    |

**(ii) Expected credit loss for trade receivables under simplified approach**
**31<sup>st</sup> March 2020**
**(₹ in Lakhs)**

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 1,239.49    | 402.81        | 123.44         | 88.83          | 92.10          | 46.04          |
| Expected credit loss (provision)    | 45.75       | 19.84         | 10.37          | 1.62           | 69.81          | 16.47          |
| Carrying amount (net of impairment) | 1,193.74    | 382.97        | 113.07         | 87.21          | 22.29          | 29.57          |

| Particulars                         | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 31.51          | 36.53          | 90.39           | 248.35     |
| Expected credit loss (provision)    | 8.48           | 8.36           | 35.88           | 248.35     |
| Carrying amount (net of impairment) | 23.03          | 28.17          | 54.51           | -          |

**31<sup>st</sup> 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          | -          |

**Reconciliation of loss provision – lifetime expected credit losses**
**(₹ in Lakhs)**

| Reconciliation of loss allowance                    | Trade receivables |
|---|-------------------|
| <b>Loss allowance on 31<sup>st</sup> March 2018</b> | <b>236.11</b>     |
| Impairment loss recognised/reversed during the year | 120.04            |
| <b>Loss allowance on 31<sup>st</sup> March 2019</b> | <b>356.15</b>     |
| Impairment loss recognised/reversed during the year | 108.78            |
| <b>Loss allowance on 31<sup>st</sup> March 2020</b> | <b>464.93</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 <sup>st</sup> March 2020      | Less than 1 year | 1 - 2 years  | 2 - 3 years | Total         |
|----------------------------------|------------------|--------------|-------------|---------------|
| <b>Non-derivatives</b>           |                  |              |             |               |
| Trade payable                    | 236.66           | -            | -           | 236.66        |
| Security deposits and retentions | 26.75            | 15.59        | -           | 42.34         |
| Other financial liabilities      | 131.19           | -            | -           | 131.19        |
| <b>Total</b>                     | <b>394.60</b>    | <b>15.59</b> | <b>-</b>    | <b>410.19</b> |

(₹ in Lakhs)

| 31 <sup>st</sup> 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> |

**(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 <sup>st</sup> March 2020 |      |     | 31 <sup>st</sup> March 2019 |      |      |
|-------------------|-----------------------------|------|-----|-----------------------------|------|------|
|                   | USD                         | EURO | GBP | USD                         | EURO | GBP  |
| Trade receivables | 1.31                        | 8.49 | -   | 0.96                        | 0.38 | 1.63 |

**Sensitivity**

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

| Particulars                 | 31 <sup>st</sup> March 2020 |        |     | 31 <sup>st</sup> March 2019 |      |        |
|-----------------------------|-----------------------------|--------|-----|-----------------------------|------|--------|
|                             | USD                         | EURO   | GBP | USD                         | EURO | GBP    |
| <b>Currency sensitivity</b> |                             |        |     |                             |      |        |
| Currency increase by 1%     | 0.01                        | 0.08   | -   | 0.01                        | -    | 0.02   |
| Currency decrease by 1%     | (0.01)                      | (0.08) | -   | (0.01)                      | -    | (0.02) |

(₹ in Lakhs)

| Particulars    | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|----------------|-----------------------------|-----------------------------|
|                | AED                         | AED                         |
| Trade Payables | 6.23                        | -                           |

### Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.  
(₹ in Lakhs)

| Particulars             | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|-------------------------|-----------------------------|-----------------------------|
| Currency sensitivity    | AED                         | AED                         |
| Currency increase by 1% | 0.06                        | -                           |
| Currency decrease by 1% | (0.06)                      | -                           |

### (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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|--------------------------------|-----------------------------|-----------------------------|
| Price sensitivity              |                             |                             |
| Price increase by (3 %)- FVTPL | 6.08                        | 8.53                        |
| Price decrease by (3 %)- FVTPL | (6.08)                      | (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

(₹ in Lakhs)

|                      | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|----------------------|-----------------------------|-----------------------------|
| Equity share capital | 900.00                      | 900.00                      |
| Other equity         | 6960.46                     | 6773.93                     |

### Net debt to equity ratio

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 2020 and 31 March 2019.

**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”: -

| Sl. No. | Name of the Related Party  |   | Nature of Relationship   |
|---------|--|---|--|
| 1.      | Engineers India Limited ('EIL')  |   | Holding company  |
| 2.      | <b>Directors/Key Management Personnel (31<sup>st</sup> March 2020)</b> |   |  |
|         | Shri J.C. Nakra  | Chairman  | Chairman and Managing Director in Engineers India Limited          |
|         | Shri Om Prakash Mishra   | Non-official Independent Director                   | -  |
|         | Ms. Anita Gurjar   | Non-official Independent Director (From 31.10.2019) | -  |
|         | Shri S.K. Handa  | Director (Upto 17.05.2019)                          | Director (Projects) in Engineers India Limited                     |
|         | Shri Sunil Bhatia  | Director (w.e.f. 17.05.2019)                        | Director (Finance) in Engineers India Limited                      |
|         | Shri R. Mahajan  | Director  | Executive Director in Engineers India Limited                      |
|         | Shri Amitabh Budhiraja   | Director  | Executive Director in Engineers India Limited                      |
|         | Shri G Suresh  | Chief Executive Officer                             | Chief General Manager in Engineers India Limited                   |
|         | Shri G.D.Goswami   | Chief Financial Officer (w.e.f. 12.04.2019)         | -  |
|         | Ms. Jaya Totlani   | Company Secretary                                   | -  |
| 3.      | <b>Directors/Key Management Personnel (31<sup>st</sup> March 2019)</b> |   |  |
|         | Shri J. C. Nakra   | Chairman  | Chairman and Managing Director in Engineers India Limited          |
|         | Shri Om Prakash Mishra   | Non-official Independent Director (From 24.07.2018) | -  |
|         | Dr. (Prof.) Mukesh Khare   | Director (Upto 19.11.2018)                          | Non-official Independent Director in Engineers India Limited       |
|         | Shri Umesh Chandra Pandey  | Director (Upto 19.11.2018)                          | Non-official Independent Director in Engineers India Limited       |
|         | Shri S. K. Handa   | Director  | Director (Projects) in Engineers India Limited w.e.f. 11.03.2019.  |
|         | Shri 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)                  | -  |

**(b) Related Party Transactions**

During the year ended 31<sup>st</sup> March 2020, 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 <sup>st</sup> March 2020 | 188.26   | (45.50)              |
|  |                 | 31 <sup>st</sup> March 2019 | 280.45   | (34.93)              |
| Execution of contract for Services                 | Holding Company | 31 <sup>st</sup> March 2020 | 1,419.28 | 631.13*              |
|  |                 | 31 <sup>st</sup> March 2019 | 1901.81  | 391.49*              |
| Dividend (interim and final)                       | Holding Company | 31 <sup>st</sup> March 2020 | 647.00   | -                    |
|  |                 | 31 <sup>st</sup> March 2019 | 650.00   | -                    |

\*includes security deposit of ₹31.85 Lakhs and ₹26.68 Lakhs as 31.03.2020 and 31.03.2019 respectively.

(c) Director's remuneration:

Sitting fees paid to part time Directors for 31 March 2020 is ₹2.25 Lakhs (Previous year 31 March 2019: ₹3.15 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 KMP's

(₹ in Lakhs)

| Particulars                                       | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---|-----------------------------|-----------------------------|
| <b>Transaction during the year</b>                |                             |                             |
| Remuneration                                      | 48.24                       | 8.89                        |
| Rent Paid for residential accommodation           | 2.55                        | NIL                         |
| <b>Balance as at year end</b>                     |                             |                             |
| Outstanding loans, interest and other receivables | NIL                         | NIL                         |

**Defined Benefit obligation for Key Management Personnel:-**

(₹ in Lakhs)

| Particulars                      | Gratuity (Funded)           |                             | Leave encashment (Unfunded) |                             | Long service awards (Unfunded) |                             |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
|                                  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Total Defined Benefit Obligation | 19.84                       | 0.39                        | 13.33                       | 0.67                        | 0.19                           | 0.09                        |

## Note : 36

### Contingent liabilities and commitments

**i). Contingent Liabilities:**

- Income Tax assessments have been completed up to the assessment year 2017-2018. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2019-20 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- The Company has opted for Vivad se Viswas Scheme for the assessment year 2011-12 and online application forms were duly filed with designated authority on 23.03.2020. Vide a joint declaration signed with PCIT, Delhi on 05.03.2020, Refund of ₹42.08 Lakhs has been acknowledged, out of that part refund of ₹19.97 Lakhs has been received on 27.05.2020.
- 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.
- 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.
- The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹63.24 Lakhs (inclusive of interest) (Previous Year ₹63.24 Lakhs (inclusive of interest)) in intimation u/s 143(1) for the assessment year 2016-17.
- 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 ₹7.85 Lakhs (inclusive of interest) (Previous Year ₹Nil) in intimation u/s 143(1) for the assessment year 2018-19.
- The Company has filed an appeal against a demand of service tax of ₹1053.62 Lakhs (inclusive of interest and penalty) ( Previous Year ₹1015.12 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 ₹1.20 Lakhs (Previous Year - ₹Nil 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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---|-----------------------------|-----------------------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 118.51                      | 119.04                      |
| Contributory National Pension System (NPS)                      | 67.74                       | 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, 2020 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 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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Present value of obligations as at the end of year       | 421.68                      | 331.02                      | 582.19                      | 493.62                      | 22.79                          | 18.90                       |
| Fair value of plan assets as at the end of the year      | 377.34                      | 353.61                      | -                           | -                           | -                              | -                           |
| Amount Not Recognised due to asset limit                 | -                           | 1.08                        | -                           | -                           | -                              | -                           |
| Funded status  | 44.34                       | 21.51                       | (582.19)                    | (493.62)                    | (22.79)                        | (18.90)                     |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>44.34</b>                | <b>(21.51)</b>              | <b>582.19</b>               | <b>493.62</b>               | <b>22.79</b>                   | <b>18.90</b>                |

**b) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

|  | Gratuity (Funded)           |                             | Leave encashment (Unfunded) |                             | Long service awards (Unfunded) |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Current service cost                                       | 11.79                       | 15.05                       | 115.94                      | 76.96                       | 2.19                           | 3.23                        |
| Past service cost  | -                           | -                           | -                           | -                           | -                              | -                           |
| Interest on net benefit asset/liability                    | (1.68)                      | 8.47                        | 37.02                       | 29.27                       | 1.45                           | 1.28                        |
| Re-measurements gains/losses                               | -                           | -                           | 44.92                       | 141.02                      | 1.28                           | 0.52                        |
| <b>Expenses recognized in statement of profit and loss</b> | <b>10.11</b>                | <b>23.52</b>                | <b>197.88</b>               | <b>247.25</b>               | <b>4.92</b>                    | <b>5.03</b>                 |

**c) Expenses recognized in Other comprehensive income**
**(₹ in Lakhs)**

|  | Gratuity (Funded)           |                             | Leave encashment (Unfunded) |                             | Long service awards (Unfunded) |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Actuarial (gains)/loss                                   | -                           | -                           | -                           | -                           | -                              | -                           |
| Change in financial assumption                           | 53.34                       | -                           | -                           | -                           | -                              | -                           |
| Change in demographic assumption                         | (0.22)                      | (1.08)                      | -                           | -                           | -                              | -                           |
| Experience adjustments                                   | 2.70                        | 1.30                        | -                           | -                           | -                              | -                           |
| Actual return on plan assets                             | 1.07                        | (10.57)                     | -                           | -                           | -                              | -                           |
| Adjustments to recognise the effect of asset ceiling     | (1.16)                      | 1.08                        | -                           | -                           | -                              | -                           |
| <b>Expenses recognized in other comprehensive income</b> | <b>55.73</b>                | <b>(9.27)</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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Present value of obligations as at beginning of year  | 331.02                      | 296.35                      | 493.62                      | 390.83                      | 18.90                          | 17.97                       |
| Interest cost   | 25.65                       | 22.88                       | 37.02                       | 29.27                       | 1.45                           | 1.28                        |
| Current service cost                                  | 11.79                       | 15.05                       | 115.94                      | 76.96                       | 2.19                           | 3.23                        |
| Past service cost                                     | -                           | -                           | -                           | -                           | -                              | -                           |
| Actuarial (gain)/loss on obligations                  | 55.82                       | 0.22                        | 44.91                       | 141.02                      | 1.28                           | 0.52                        |
| Benefit paid  | (2.60)                      | (3.48)                      | (109.30)                    | (144.46)                    | (1.03)                         | (4.10)                      |
| <b>Present value of obligations as at end of year</b> | <b>421.68</b>               | <b>331.02</b>               | <b>582.19</b>               | <b>493.62</b>               | <b>22.79</b>                   | <b>18.90</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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Fair value of plan assets as on beginning of year                                | 353.61                      | 182.81                      | -                           | -                           | -                              | -                           |
| Interest on plan assets  | 27.40                       | 14.41                       | -                           | -                           | -                              | -                           |
| Re-measurements due to actual return on plan assets less interest on plan assets | (1.07)                      | 10.57                       | -                           | -                           | -                              | -                           |
| Contributions  | -                           | 149.29                      | -                           | -                           | -                              | -                           |
| Benefits paid  | (2.60)                      | (3.48)                      | -                           | -                           | -                              | -                           |
| <b>Fair value of plan assets at the end of year</b>                              | <b>377.34</b>               | <b>353.61</b>               | <b>-</b>                    | <b>-</b>                    | <b>-</b>                       | <b>-</b>                    |

**f) Actuarial Assumptions**

|   | Gratuity (Funded)           |                             | Leave encashment (Unfunded) |                             | Long service awards (Unfunded) |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
|   | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Discount rate                           | 6.80%                       | 7.80%                       | 6.80%                       | 7.80%                       | 6.80%                          | 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     | 0.82%        |
| 41 – 50     | 1.25%        |
| 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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020                | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020                  | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Weighted average of the defined benefit obligation | 13.79 Years                 | 14.17 Years                 | 12.55 Years                                | 9.53 Years                  | 7.70 Years                                   | 7.61 Years                  | 4.95 Years                     | 5.89 Years                  |
| Duration of defined benefit obligation             |                             |                             |  |                             |  |                             |                                |                             |
| Duration (years)                                   |                             |                             |  |                             |  |                             |                                |                             |
| 1  | 25.07                       | 4.48                        | 25.21                                      | 26.14                       | 13.60  | 11.98                       | 3.25                           | 0.73                        |
| 2  | 5.68                        | 24.34                       | 14.78                                      | 38.02                       | 13.04  | 12.25                       | 0.92                           | 2.82                        |
| 3  | 5.65                        | 5.10                        | 15.26                                      | 26.12                       | 13.33  | 11.73                       | 5.47                           | 0.84                        |
| 4  | 5.94                        | 5.08                        | 16.04                                      | 26.47                       | 13.64  | 12.00                       | 2.72                           | 5.03                        |
| 5  | 6.62                        | 5.35                        | 17.06                                      | 26.96                       | 13.97  | 12.27                       | 0.66                           | 2.42                        |
| 6  | 7.01                        | 5.98                        | 17.97                                      | 27.68                       | 14.30  | 12.57                       | 2.42                           | 0.61                        |
| 7  | 7.73                        | 6.33                        | 19.07                                      | 28.31                       | 14.64  | 12.86                       | 0.78                           | 2.16                        |
| 8  | 27.05                       | 7.00                        | 21.54                                      | 29.05                       | 14.99  | 13.16                       | 4.50                           | 0.72                        |
| 9  | 41.34                       | 26.21                       | 50.39                                      | 30.48                       | 14.63  | 13.47                       | 2.28                           | 4.14                        |
| Above 10   | 1090.96                     | 1101.22                     | 987.18                                     | 669.20                      | 139.16                                       | 138.27                      | 10.65                          | 11.64                       |

**h) Major Categories of Plan Assets (as percentage of total plan assets)**

|                         | Gratuity (Funded)           |                             | Leave encashment (Unfunded) |                             | Long service awards (Unfunded) |                             |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
|                         | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020    | 31 <sup>st</sup> March 2019 |
| Fund managed by insurer | 100%                        | 100%                        | -                           | -                           | -                              | -                           |

**i) Sensitivity analysis Gratuity (funded)**

| Particulars  | Discount rate               |                             | Salary escalation rate      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -6.60%                      | -6.78%                      | 1.14%                       | 1.74%                       |
| Impact of decrease in 50 bps on defined benefit obligation | 7.21%                       | 7.42%                       | -1.38%                      | -2.20%                      |

**Leave encashment (Earned Leave) (unfunded)**

| Particulars  | Discount rate               |                             | Salary escalation rate      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -6.02%                      | -4.59%                      | 6.38%                       | 4.87%                       |
| Impact of decrease in 50 bps on defined benefit obligation | 6.55%                       | 4.95%                       | -5.92%                      | -4.57%                      |

**Leave Encashment (Half Pay Leave) (Unfunded)**

| Particulars  | Discount rate               |                             | Salary escalation rate      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -3.74%                      | -3.69%                      | 3.87%                       | 3.86%                       |
| Impact of decrease in 50 bps on defined benefit obligation | 3.97%                       | 3.93%                       | -3.68%                      | -3.67%                      |

**Long Service Awards (Unfunded)**

| Particulars  | Discount rate               |                             | Salary escalation rate      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -2.40%                      | -2.65%                      | -2.59%                      | -2.51%                      |
| Impact of decrease in 50 bps on defined benefit obligation | 2.51%                       | 2.78%                       | 2.26%                       | 2.60%                       |

**Note : 38****Proposed Dividend**

(₹ in Lakhs)

| Proposed dividend on equity shares   | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|--|-----------------------------|-----------------------------|
| Proposed Final dividend for 31 <sup>st</sup> March 2020 ( ₹50.00 per share) (previous year 31 <sup>st</sup> March 2019: ₹38.89 .per share )                        | 450                         | 350                         |
| Dividend distribution tax on Proposed dividend   | -                           | 71.94                       |
| <b>Total</b>   | <b>450.00</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 ₹48.62 Lakhs for 31<sup>st</sup> March 2020 (Previous year 31<sup>st</sup> March 2019: ₹64.22. 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 ₹48.46 Lakhs (previous year 31<sup>st</sup> March 2019: ₹30.06 Lakhs) for the employees for the year ended on 31<sup>st</sup> March 2020 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<sup>st</sup> March 2020 ₹668.06 Lakhs , inclusive of Expired BG of ₹14.04 Lakhs, (previous years 31<sup>st</sup> March 2019 ₹455.28 Lakhs, inclusive of Expired BG of ₹23.43 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:

(₹ in Lakhs)

| Sl. No. | Particulars   | 31 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---------|---|-----------------------------|-----------------------------|
| i       | Amount due and payable at the year end  |                             |                             |
|         | - Principal   | 83.63                       | 20.21                       |
|         | - 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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|-------------------------|-----------------------------|-----------------------------|
| Revenue from Operations | 4921.12                     | 5291.40                     |
| Other Income            | 445.42                      | 409.92                      |
| <b>Total Revenue</b>    | <b>5366.54</b>              | <b>5701.32</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 <sup>st</sup> March 2020 | 31 <sup>st</sup> March 2019 |
|---|-----------------------------|-----------------------------|
| Trade Receivables (Note No. 13) – Net of Allowance for expected credit losses | 1934.56                     | 1469.86                     |
| Contract Assets (Unbilled Revenue) (Note No. 7 B)                             | 419.52                      | 446.63                      |
| Contract Liabilities (Income Received in Advance) (Note No. 19 B)             | 112.51                      | 202.54                      |

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<sup>st</sup>, 2020, ₹446.63 Lakhs of unbilled revenue as of April 1, 2019 (Previous year ₹392.93 Lakhs) has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31<sup>st</sup>, 2020, the company recognized revenue of ₹202.54 Lakhs arising from opening unearned revenue as of April 1, 2019 ((Previous year ₹16.52 Lakhs)

During the year ended March 31<sup>st</sup>, 2020, the company recognised revenue of ₹1.46 Lakhs (Previous year ₹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<sup>st</sup> March 2020 is ₹4305.91. Lakhs (Previous year ₹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**

The lockdown was announced by the Government of India in the last week of the financial year and therefore it does not have significant impact on turnover and operations during 2019-20. Presently, the company does not foresee any significant impact on its fulfilment of obligations to the customers under various contracts/arrangements. The management has made assessment of its liquidity position and recoverability/carrying amount of trade receivables, unbilled revenue, investments and other advances at balance sheet date. The future impact of COVID-19 on the Company's financial statements is not ascertainable in view of highly uncertain economic environment.

**Note : 49**

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

**Vivek Kumar**

Partner  
Membership No. 503826

Date: 19.06.2020

Place: New Delhi

**For and on behalf of Certification Engineers International Limited****(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



## **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<sup>st</sup> March 2020**

The preparation of financial statements of Certification Engineers International Limited for the year ended 31<sup>st</sup> March 2020 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 19 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Certification Engineers International Limited for the year ended 31<sup>st</sup> March 2020 under section 143(6)(a) of the Act.

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



**(D.K. Sekar)**

Director General of Audit ( Energy),  
Delhi

Date: 20.07.2020  
Place: New Delhi



## 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 2020, 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 2020, 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 there under, 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 judgments 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. Subsequently, the Holding company is completing the contract at the risk and cost of contractor in terms of provision 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 financial year 2018-19, 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 against the contractor with the IRP. Hon'ble Supreme Court, on the application of the contractor has stayed the Resolution proceedings. Hence during the year, company has approached Arbitral Tribunal and NCLT for revival of counter claims wherein Holding company has been directed to approach the appropriate forum and accordingly Holding company is in the process of filing the application. Refer Note 52 to the consolidated financial statements.

This has been considered as a key audit matter given the uncertain outcome of legal proceedings/arbitral proceedings and the involvement of management's 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 consolidated 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 ₹ 9308.11 lakhs as of 31 March 2020, total revenues of ₹ 5366.54 lakhs and net cash inflows of ₹ 59.58 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 ₹ 1003.71 lakhs for the year ended 31 March 2020, 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 ₹ 0.37 lakhs for the year ended 31 March 2020, 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 N K Bhargava & Co.**  
Chartered Accountants  
(Firm's Registration No. 000429N)

Sd/-  
**N. K. Bhargava**  
(Partner)

M. No. 080624

UDIN : 20080624AAAACZ3239

Place: New Delhi  
Date: 25 June 2020



## 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 2020, 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 2020, 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 N K Bhargava & Co.**  
Chartered Accountants  
(Firm's Registration No. 000429N)

Sd/-

**N. K. Bhargava**  
(Partner)

M. No. 080624

UDIN : 20080624AAACZ3239



## Consolidated Balance Sheet

AS AT 31 MARCH, 2020

(₹ in Lakhs)

| Particulars  | Note No. | 31 March 2020      | 31 March 2019      |
|--|----------|--------------------|--------------------|
| <b>I Assets</b>  |          |                    |                    |
| <b>Non-current assets</b>  |          |                    |                    |
| (a) Property, plant and equipment  | 4        | 21,600.51          | 21,812.93          |
| (b) Right-of-use assets  | 39       | 1,652.92           | -                  |
| (c) Capital work-in-progress   | 4        | 213.60             | 3,366.97           |
| (d) Investment property  | 5        | 3,900.21           | 2,739.77           |
| (e) Other intangibles assets   | 6 A      | 233.49             | 234.09             |
| (f) Intangible assets under development  | 6 B      | 96.36              | 1,833.94           |
| (g) Investments accounted using equity method  | 7 A      | 40,877.15          | 26,589.06          |
| (h) Financial assets   |          |                    |                    |
| (i) Loans  | 8 A      | 4,737.01           | 3,995.21           |
| (ii) Other financial assets  | 9 A      | 32.41              | 38.55              |
| (i) Deferred tax assets (net)  | 10       | 27,202.56          | 29,910.05          |
| (j) Non-current tax assets (net)   | 11       | 3,731.96           | 2,013.24           |
| (k) Other non-current assets   | 12 A     | 1,098.43           | 1,058.09           |
| <b>Total non-current assets</b>  |          | <b>1,05,376.61</b> | <b>93,591.90</b>   |
| <b>Current assets</b>  |          |                    |                    |
| (a) Inventories  | 13       | 670.70             | 693.82             |
| (b) Financial assets   |          |                    |                    |
| (i) Investments  | 7 B      | 5,202.62           | 4,890.82           |
| (ii) Trade receivables   | 14       | 68,019.78          | 42,687.05          |
| (iii) Cash and cash equivalents  | 15       | 2,572.88           | 21,364.15          |
| (iv) Other bank balances   | 16       | 2,75,177.07        | 2,50,190.00        |
| (v) Loans  | 8 B      | 1,702.93           | 1,681.89           |
| (vi) Other financial assets  | 9 B      | 29,631.04          | 44,690.84          |
| (c) Other current assets   | 12 B     | 21,287.46          | 16,263.09          |
| <b>Total current assets</b>  |          | <b>4,04,264.48</b> | <b>3,82,461.66</b> |
| <b>Total assets</b>  |          | <b>5,09,641.09</b> | <b>4,76,053.56</b> |
| <b>II Equity and liabilities</b>   |          |                    |                    |
| <b>Equity</b>  |          |                    |                    |
| (a) Equity share capital   | 17       | 31,595.58          | 31,595.58          |
| (b) Other equity   | 18       | 2,09,006.31        | 2,02,853.92        |
| <b>Equity attributable to the owners of the parent company</b>   |          | <b>2,40,601.89</b> | <b>2,34,449.50</b> |
| Non-controlling interests  |          | -                  | -                  |
| <b>Total equity</b>  |          | <b>2,40,601.89</b> | <b>2,34,449.50</b> |
| <b>Liabilities</b>   |          |                    |                    |
| <b>Non-current liabilities</b>   |          |                    |                    |
| (a) Financial liabilities  |          |                    |                    |
| (i) Lease Liabilities  | 39       | 244.53             | -                  |
| (ii) Other financial liabilities   | 19 A     | 684.64             | 392.63             |
| (b) Provisions   | 20 A     | 934.14             | 762.93             |
| (c) Other non-current liabilities  | 21 A     | 203.50             | 151.02             |
| <b>Total non-current liabilities</b>   |          | <b>2,066.81</b>    | <b>1,306.58</b>    |
| <b>Current liabilities</b>   |          |                    |                    |
| (a) Financial liabilities  |          |                    |                    |
| (i) Trade payables   | 22       |                    |                    |
| Total outstanding dues of Micro Enterprises and Small Enterprises  |          | 6,963.05           | 4,426.30           |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises                                 |          | 20,527.84          | 20,026.36          |
| (ii) Lease Liabilities   | 39       | 247.91             | -                  |
| (iii) Other financial liabilities  | 19 B     | 36,636.12          | 35,619.33          |
| (b) Other current liabilities  | 21 B     | 1,42,032.76        | 1,32,446.38        |
| (c) Provisions   | 20 B     | 59,255.95          | 47,649.64          |
| (d) Current tax liabilities (net)  | 23       | 1,308.76           | 129.47             |
| <b>Total current liabilities</b>   |          | <b>2,66,972.39</b> | <b>2,40,297.48</b> |
| <b>Total equity and liabilities</b>  |          | <b>5,09,641.09</b> | <b>4,76,053.56</b> |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 70  |                    |                    |

This is the consolidated balance sheet referred to in our report of even date.

For N K Bhargava &amp; Co.

Chartered Accountants

FRN No. 000429N

Sd/-

N. K. Bhargava

Partner

Membership No. 080624

Place : New Delhi

Date : 25 June 2020

Sd/-

Suvendu Kumar Padhi

Company Secretary

PAN : AHYP2198P

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

For and on behalf of Engineers India Limited

**Consolidated Statement of Profit and Loss**

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

| Particulars  | Note No. | 31 March 2020      | 31 March 2019      |
|--|----------|--------------------|--------------------|
| <b>Revenue</b>   |          |                    |                    |
| I Revenue from operations  | 24       | 3,23,653.63        | 2,47,579.84        |
| II Other income  | 25       | 25,553.60          | 22,231.16          |
| <b>III Total Income (I+II)</b>   |          | <b>3,49,207.23</b> | <b>2,69,811.00</b> |
| <b>Expenses</b>  |          |                    |                    |
| Technical assistance/sub-contracts   | 26       | 1,08,181.40        | 44,042.38          |
| Construction materials and equipments  | 27       | 46,805.34          | 61,156.57          |
| Employee benefits expenses   | 28       | 86,556.95          | 78,098.85          |
| Finance costs  | 29       | 174.47             | 123.21             |
| Depreciation and amortisation expense  | 30       | 2,399.91           | 2,249.37           |
| Other expenses   | 31       | 36,787.25          | 26,718.25          |
| <b>IV Total expenses</b>   |          | <b>2,80,905.32</b> | <b>2,12,388.63</b> |
| <b>V Profit/(Loss) before exceptional items and tax (III-IV)</b>   |          | <b>68,301.91</b>   | <b>57,422.37</b>   |
| VI Exceptional items   |          | -                  | -                  |
| <b>VII Profit before tax (V-VI)</b>  |          | <b>68,301.91</b>   | <b>57,422.37</b>   |
| VIII Less: Tax expense   | 32       |                    |                    |
| (1) Current tax  |          |                    |                    |
| - For the year   |          | 22,350.08          | 19,877.76          |
| - For earlier years tax adjustments (net)  |          | (49.41)            | (597.63)           |
| (2) Deferred tax   |          | 2,615.28           | 848.41             |
| <b>IX Profit for the year from continuing operations (VII-VIII)</b>  |          | <b>43,385.96</b>   | <b>37,293.83</b>   |
| X Profit/(Loss) from discontinued operations (After Tax)   |          | -                  | -                  |
| <b>XI Profit after tax (IX+X)</b>  |          | <b>43,385.96</b>   | <b>37,293.83</b>   |
| XII Share of (loss) in joint venture entities  |          | (1,004.08)         | (449.14)           |
| <b>XIII Profit for the year (XI+XII)</b>   |          | <b>42,381.88</b>   | <b>36,844.69</b>   |
| XIV <b>Other comprehensive income</b>  |          |                    |                    |
| Items that will not be reclassified to profit and loss   |          |                    |                    |
| Re-measurement gains (losses) on defined benefit plans   |          | (3,219.37)         | (255.40)           |
| Income tax relating to items that will not be reclassified to profit and loss  |          | 47.92              | 89.78              |
| Items that will be reclassified to profit and loss   |          |                    |                    |
| Exchange differences on translation of foreign operations  |          | 96.49              | 22.19              |
| Income tax relating to items that will be reclassified to profit and loss  |          | (24.50)            | (7.75)             |
| <b>XV Total comprehensive income for the year (XIII+XIV)</b>   |          | <b>39,282.42</b>   | <b>36,693.51</b>   |
| XVI <b>Profit for the year attributable to</b>   |          |                    |                    |
| Owners of the Parent Company   |          | 42,381.88          | 36,844.69          |
| Non-controlling interests  |          | -                  | -                  |
|  |          | <b>42,381.88</b>   | <b>36,844.69</b>   |
| XVII <b>Other comprehensive income attributable to</b>   |          |                    |                    |
| Owners of the Parent Company   |          | (3,099.46)         | (151.18)           |
| Non-controlling interests  |          | -                  | -                  |
|  |          | <b>(3,099.46)</b>  | <b>(151.18)</b>    |
| XVIII <b>Total comprehensive Income for the year attributable to</b>   |          |                    |                    |
| Owners of the Parent Company   |          | 39,282.42          | 36,693.51          |
| Non-controlling interest   |          | -                  | -                  |
|  |          | <b>39,282.42</b>   | <b>36,693.51</b>   |
| XIX <b>Earnings per equity share (Face value ₹ 5 per share)</b>  | 33       |                    |                    |
| (for continuing and discontinued operations)   |          |                    |                    |
| Basic (₹)  |          | 6.71               | 5.83               |
| Diluted (₹)  |          | 6.71               | 5.83               |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 70  |                    |                    |

This is the consolidated statement of profit and loss referred to in our report of even date.

**For N K Bhargava & Co.**

Chartered Accountants

FRN No. 000429N

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

Place : New Delhi

Date : 25 June 2020

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**

# Consolidated Statement of Changes in Equity

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

## A Equity share capital\*

(₹ in Lakhs)

| Particulars                                     | 2019-20          | 2018-19          |
|---|------------------|------------------|
| Balance at the beginning of the year            | 31,595.58        | 31,595.58        |
| Changes in equity share capital during the year | -                | -                |
| <b>Balance at the end of the year</b>           | <b>31,595.58</b> | <b>31,595.58</b> |

## B Other equity\*\*

(₹ in Lakhs)

| Description   | Reserves and surplus |                            |                                  |                   |                      |   | Other comprehensive income                              |   | Attributable to Non Controlling Interest | 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 | Re measurement of defined benefit plans |  |                    |
| <b>Balance as at 1 April 2018</b>                         | 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        |
| Impact of Restatement (Refer Note No. 67)                 | -                    | -                          | -                                | (171.54)          | -                    | -   | -   | -                                       | -  | (171.54)           |
| Profit for the year                                       | -                    | -                          | -                                | 36,844.69         | -                    | -   | -   | -                                       | -  | 36,844.69          |
| Other comprehensive income                                | -                    | -                          | -                                | -                 | -                    | -   | 22.19   | (255.40)                                | -  | (233.21)           |
| 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>11,442.32</b>  | <b>2,166.06</b>      | <b>1,300.26</b>   | <b>52.68</b>  | <b>(2,280.51)</b>                       | <b>-</b>                                 | <b>2,02,853.92</b> |



(₹ in Lakhs)

| Description   | Reserves and surplus |                            |                                  |                   |                      |   | Other comprehensive income                              |   | Attributable to Non Controlling Interest | 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 | Re measurement of defined benefit plans |  |                    |
| Profit for the year                                       | -                    | -                          | -                                | 42,381.88         | -                    | -   | -   | -                                       | -  | 42,381.88          |
| Other comprehensive income                                | -                    | -                          | -                                | -                 | -                    | -   | 96.49   | (3,219.37)                              | -  | (3,122.88)         |
| Income tax related to items of other comprehensive income | -                    | -                          | -                                | -                 | -                    | -   | (24.50)   | 47.92                                   | -  | 23.42              |
| Dividend including tax impact (refer note 37)             | -                    | -                          | -                                | (33,138.41)       | -                    | -   | -   | -                                       | -  | (33,138.41)        |
| Share Issue Expenses                                      | -                    | -                          | -                                | (7.52)            | -                    | -   | -   | -                                       | -  | (7.52)             |
| Change in Ownership interest in Joint Venture             | -                    | -                          | -                                | 15.90             | -                    | -   | -   | -                                       | -  | 15.90              |
| Transfer from retained earnings                           | 6,520.11             | -                          | -                                | (8,642.81)        | 1,109.44             | 1,013.26  | -   | -                                       | -  | -                  |
| Transfer to retained earnings                             | -                    | -                          | -                                | 2,564.91          | (1,175.34)           | (1,389.57)  | -   | -                                       | -  | -                  |
| <b>Balance as at 31 March 2020</b>                        | <b>1,93,715.13</b>   | <b>2,098.09</b>            | <b>880.00</b>                    | <b>14,616.27</b>  | <b>2,100.16</b>      | <b>923.95</b>   | <b>124.67</b>   | <b>(5,451.96)</b>                       | <b>-</b>                                 | <b>2,09,006.31</b> |

\*Refer note 17 for details

\*\*Refer note 18 for details

This is the consolidated statement of changes in equity referred to in our report of even date.

**For N K Bhargava & Co.**

Chartered Accountants

FRN No. 000429N

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

**Place :** New Delhi**Date :** 25 June 2020

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**

# Consolidated Cash Flow Statement

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

|   | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                             |                             |
| Profit before tax   | 68,301.91                   | 57,422.37                   |
| <b>Adjustments for:</b>   |                             |                             |
| Depreciation and amortisation expense                                       | 2,399.91                    | 2,249.37                    |
| Fixed assets written off  | 2.49                        | 1.06                        |
| Deposits written off  | -                           | 10.65                       |
| Bad debts written off   | 161.68                      | 79.59                       |
| Dry well written off  | -                           | 1,542.66                    |
| Allowance for expected credit losses - trade receivables and advances (net) | 4,041.45                    | (348.66)                    |
| Provision for Impairment of Exploration Expenditure                         | 2,839.20                    | -                           |
| Provision Employees' post retirement/long-term benefits                     | (115.30)                    | (6,453.70)                  |
| Provision for corporate social responsibility                               | (90.37)                     | 144.91                      |
| (Reversal of provision)/provision for contractual obligations (net)         | 9,534.85                    | 5,907.25                    |
| (Reversal of provision)/provision for expected losses (net)                 | (771.03)                    | 641.91                      |
| Interest expense  | 174.47                      | 123.21                      |
| (Profit)/loss on sale of fixed assets                                       | 11.22                       | (1.03)                      |
| Interest income   | (21,382.27)                 | (18,078.39)                 |
| Loss/(gain) on modification of employee advances                            | (68.53)                     | 29.19                       |
| Amortization of deferred income   | (150.27)                    | (117.50)                    |
| Capital gain on redemption of investments in mutual funds                   | (247.66)                    | (1.40)                      |
| Dividend income   | (179.40)                    | (341.15)                    |
| <b>Operating profit before changes in Assets &amp; Liabilities</b>          | <b>64,462.35</b>            | <b>42,810.34</b>            |
| <b>Movement in Assets and Liabilities</b>                                   |                             |                             |
| (Increase)/decrease in Trade and Other Receivables                          | (20,937.28)                 | 1,228.49                    |
| (Increase)/decrease in inventories  | 23.12                       | (581.10)                    |
| Increase/(decrease) in Trade and Other Payables                             | 16,596.65                   | 33,660.97                   |
| <b>Cash flow from operations</b>  | <b>60,144.84</b>            | <b>77,118.70</b>            |
| Income tax paid (net)   | (22,583.82)                 | (22,218.91)                 |
| <b>Net cash flow from operating activities (A)</b>                          | <b>37,561.02</b>            | <b>54,899.79</b>            |

**Consolidated Cash Flow Statement (Cont.)**

CIN: L74899DL1965GOI004352

FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

|   | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <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) | (1,780.47)                  | (3,237.78)                  |
| Sale of fixed assets  | 27.14                       | 7.36                        |
| Interest received   | 20,265.93                   | 16,936.39                   |
| Dividend received   | 179.40                      | 341.15                      |
| Receipt of Capital Grant  | 32.66                       | -                           |
| Investment in liquid plans of mutual funds (net)  | (64.14)                     | (2,387.82)                  |
| Fixed deposit placed with banks having original maturity of more than three months  | (2,74,450.35)               | (2,32,188.85)               |
| Fixed deposit with banks matured having original maturity of more than three months   | 2,48,131.80                 | 2,25,648.11                 |
| Investment in joint ventures (net of equity pick up impact)   | (15,283.82)                 | (5,500.00)                  |
| <b>Net cash flows from investing activities (B)</b>   | <b>(22,941.85)</b>          | <b>(381.44)</b>             |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                             |                             |
| Dividend paid (including tax)   | (33,138.41)                 | (36,185.63)                 |
| Payment of Lease Liabilities  | (272.03)                    | -                           |
| <b>Net cash used in financing activities (C)</b>  | <b>(33,410.44)</b>          | <b>(36,185.63)</b>          |
| Increase/(decrease) in cash and cash equivalents (A+B+C)  | (18,791.27)                 | 18,332.72                   |
| Cash and cash equivalents at the beginning of the year (refer note 15)  | 21,364.15                   | 3,031.43                    |
| <b>Cash and cash equivalents at the end of the year (refer note 15)</b>   | <b>2,572.88</b>             | <b>21,364.15</b>            |

This is the consolidated cash flow statement referred to in our report of even date.

**For N K Bhargava & Co.**

Chartered Accountants

FRN No. 000429N

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

Place : New Delhi

Date : 25 June 2020

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**



## Summary of significant accounting policies to the Consolidated financial statements for the year ended 31 March 2020

### 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.

The consolidated financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 25 June 2020.

### 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 2020 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 2020. 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 2020 | 31 March 2019 |
|--------|---|--------------------------|--------------|---------------|---------------|
| 1      | Certification Engineers International Limited | India                    | Subsidiary   | 100%          | 100%          |

All of its group entities have a reporting date of 31 March.

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 2020 | 31 March 2019 |
|--------|--|--------------------------|---------------|---------------|---------------|
| 1      | TEIL Projects Limited (Under Liquidation)  | India                    | Joint Venture | 50%           | 50%           |
| 2      | Ramagundam Fertilizers & Chemicals Limited | India                    | Joint Venture | 26.29%        | 26.86%        |

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:

| Sl. No. | Name of the Entity   | Country of Incorporation | Relationship    | 31 March 2020 | 31 March 2019 |
|---------|--|--------------------------|-----------------|---------------|---------------|
| 1       | Petroleum India International (Association of Person (AOP) (Dissolved on 18 March 2020)) | India                    | Joint Operation | -             | 9.50%         |
| 2       | Oil And Gas Exploration And Production Block No. CB-ONN-2010/11                          | India                    | Joint Operation | 23.53%        | 20%           |
| 3       | Oil And Gas Exploration And Production Block No. CB-ONN-2010/8                           | India                    | Joint Operation | 22.22%        | 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

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 (software) are stated at their cost of acquisition less accumulated amortization.

**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 ₹ 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/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. 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.

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.

**G. LEASES****Group as a lessee**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonable certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset except for perpetual lease. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **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.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. The sublease is classified as a finance lease or operating lease by reference to the right of use asset arising from the head lease.

Rental income is recognized on straight line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

#### **Transition to Ind AS 116**

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method 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 by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease by lease basis. The Group has also used the practical expedient provided by the standard on initial application.

The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. The principal and interest portion of lease liability have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. The weighted average incremental borrowing rate of 8.60% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The Group has leases that were classified as finance leases applying Ind AS 17 for certain lands/properties on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands were classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset as measured applying Ind AS 17. Accordingly, an amount of ₹ 1,403.54 Lakhs has been reclassified from property, plant and equipment to right-of-use assets.

## **H. INVESTMENT PROPERTIES**

### **Recognition**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Owned 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. An Investment property held as right-of use asset are measured initially at its cost in accordance with Ind AS 116.

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.

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

#### **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.

### **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 recognized 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 recognized.

#### **N. GOVERNMENT GRANTS**

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 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 amortisation.

#### **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 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 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 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 Group considers unrestricted 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**

There is no notification of new standards or amendments to the existing standards by Ministry of Corporate Affairs ("MCA") which would have been applicable from April 1, 2020.

**X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY****Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The lockdown was announced by the Government of India in the last week of the financial year and as such during the financial year 2019-20 there was no significant impact of COVID-19 on the operations of the Group. Moving forward, management has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis, though the disruption on account of COVID-19 could have medium term impact.

The management has made assessment of its liquidity position and recoverability/carrying amount of trade receivables, unbilled revenue, investments and other advances at balance sheet date and expects to cover its carrying amount.

The entity shall continue to operate on going concern basis.

*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 recognized 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.

**Leases** - Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

**Notes to the consolidated financial statements for the year ended 31 March 2020**
**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 2018   | 297.91        | 1,489.33        | 20,797.29        | 86.88               | 3,385.61          | 1,835.18   | 3.68        | 5.89          | <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/assets 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>  | -                        |
| Additions   | -             | -               | 3,750.83         | 20.80               | 72.35             | 143.24   | -           | 0.02          | <b>3,987.24</b>   | -                        |
| Reclassification from/to investment property due to change in use     | -             | -               | (1,096.48)       | -                   | -                 | (14.76)  | -           | -             | <b>(1,111.24)</b> | -                        |
| Reclassified on account of adoption of Ind AS 116 (Refer Note No. 39) | -             | (1,489.33)      | -                | -                   | -                 | -  | -           | -             | <b>(1,489.33)</b> | -                        |
| Exchange difference on translation of foreign operation               | -             | -               | 0.98             | -                   | 9.87              | 31.03  | -           | -             | <b>41.88</b>      | -                        |
| Disposals/assets written off/ Adjustment                              | -             | -               | (52.05)          | -                   | (17.60)           | (11.06)  | (0.03)      | (0.03)        | <b>(80.77)</b>    | -                        |
| <b>Balance as at 31 March 2020</b>                                    | <b>297.91</b> | <b>-</b>        | <b>23,717.61</b> | <b>367.24</b>       | <b>3,907.12</b>   | <b>2,157.75</b>  | <b>3.65</b> | <b>6.17</b>   | <b>30,457.45</b>  | -                        |
| <b>Accumulated depreciation</b>                                       |               |                 |                  |                     |                   |  |             |               |                   |                          |
| At 1 April 2018   | -             | 64.35           | 2,647.06         | 3.38                | 2,183.54          | 735.80   | 2.07        | 5.89          | <b>5,642.09</b>   | -                        |
| 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>   | -                        |

(₹ 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   | -             | -               | 918.24           | 29.97               | 499.58            | 228.15   | 0.39        | 0.02          | <b>1,676.35</b>  | -                        |
| Reclassification from/to investment property due to change in use     | -             | -               | (22.90)          | -                   | -                 | (0.40)   | -           | -             | <b>(23.30)</b>   | -                        |
| Reclassified on account of adoption of Ind AS 116 (Refer Note No. 39) | -             | (85.79)         | -                | -                   | -                 | -  | -           | -             | <b>(85.79)</b>   | -                        |
| Exchange difference on translation of foreign operation               | -             | -               | 0.32             | -                   | 9.06              | 19.74  | -           | -             | <b>29.12</b>     | -                        |
| Adjustments for disposals   | -             | -               | (15.10)          | -                   | (13.80)           | (7.25)   | -           | (0.03)        | (36.18)          | -                        |
| <b>Balance as at 31 March 2020</b>                                    | -             | -               | <b>4,333.90</b>  | <b>51.22</b>        | <b>3,248.68</b>   | <b>1,213.84</b>  | <b>3.13</b> | <b>6.17</b>   | <b>8,856.94</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>21,812.93</b> | <b>3,366.97</b>          |
| <b>Net book value as at 31 March 2020</b>                             | <b>297.91</b> | -               | <b>19,383.71</b> | <b>316.02</b>       | <b>658.44</b>     | <b>943.91</b>  | <b>0.52</b> | -             | <b>21,600.51</b> | <b>213.60</b>            |

\*Refer note 39 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 Nil (previous year 31 March 2019: ₹ 30.82 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 2018   | 0.17          | 264.53          | 2,988.16                             | 3,252.86        |
| Additions   | -             | -               | 27.26                                | 27.26           |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | (24.51)                              | (24.51)         |
| Disposals/assets written off  | -             | -               | (66.79)                              | (66.79)         |
| <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> |
| Additions   | -             | -               | 2.09                                 | 2.09            |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | 1,111.24                             | 1,111.24        |
| Reclassification from/to Right of use Assets due to change in use           | -             | 207.00          | -                                    | 207.00          |
| Disposals/assets written off  | -             | -               | (5.92)                               | (5.92)          |
| <b>Balance as at 31 March 2020</b>  | <b>0.17</b>   | <b>471.53</b>   | <b>4,031.53</b>                      | <b>4,503.23</b> |
| <b>Accumulated depreciation</b>   |               |                 |                                      |                 |
| At 1 April 2018   | -             | 2.13            | 368.52                               | 370.65          |
| Charge for the year   | -             | 0.71            | 122.30                               | 123.01          |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | (28.45)                              | (28.45)         |
| Adjustments for disposals   | -             | -               | (16.16)                              | (16.16)         |
| <b>Balance as at 31 March 2019</b>  | <b>-</b>      | <b>2.84</b>     | <b>446.21</b>                        | <b>449.05</b>   |
| Charge for the year   | -             | 1.71            | 132.71                               | 134.42          |
| Reclassification from/to property, plant and equipment due to change in use | -             | -               | 23.30                                | 23.30           |
| Adjustments for disposals   | -             | -               | (3.75)                               | (3.75)          |
| <b>Balance as at 31 March 2020</b>  | <b>-</b>      | <b>4.55</b>     | <b>598.47</b>                        | <b>603.02</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> |
| <b>Net book value as at 31 March 2020</b>                                   | <b>0.17</b>   | <b>466.98</b>   | <b>3,433.06</b>                      | <b>3,900.21</b> |

\*Refer note 39A for details

### (i) Contractual obligations

Refer to note 40B(b) for disclosure of contractual commitments for the acquisition of investment property.

### (ii) Amounts recognised in statement of profit and loss for investment properties

(₹ in Lakhs)

| Particulars   | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| Rental income   | 2,330.37        | 2,101.95        |
| <b>Less:</b>  |                 |                 |
| Direct operating expenses generating rental income            | 670.70          | 469.75          |
| Direct operating expenses that did not generate rental income | 128.19          | 116.28          |
| <b>Profit/(Loss) from leasing of investment properties</b>    | <b>1,531.48</b> | <b>1,515.92</b> |

### (iii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39 for details.



**(iv) Fair value of investment property**

| Description       | Fair value (₹ in lakhs) |               |
|-------------------|-------------------------|---------------|
|                   | 31 March 2020           | 31 March 2019 |
| Residential flats | 6,184.01                | 7,218.90      |
| Land and building | 35,006.11               | 32,316.45     |
| Office premises   | 1,985.12                | 785.13        |

**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 2018   | 1,742.46          | <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> |
| Additions   | 332.65            | <b>332.65</b>   |
| Exchange difference on translation of foreign operation | 13.95             | <b>13.95</b>    |
| Disposals/assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2020</b>                      | <b>2,148.58</b>   | <b>2,148.58</b> |
| <b>Accumulated amortisation</b>                         |                   |                 |
| At 1 April 2018   | 1,153.88          | <b>1,153.88</b> |
| Amortisation 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> |
| Amortisation charge for the year                        | 333.25            | <b>333.25</b>   |
| Exchange difference on translation of foreign operation | 13.95             | <b>13.95</b>    |
| Adjustments for disposals                               | -                 | -               |
| <b>Balance as at 31 March 2020</b>                      | <b>1,915.09</b>   | <b>1,915.09</b> |
| <b>Net book value as at 31 March 2019</b>               | <b>234.09</b>     | <b>234.09</b>   |
| <b>Net book value as at 31 March 2020</b>               | <b>233.49</b>     | <b>233.49</b>   |

**Note : 6B**

| Intangible assets under development |                                   | (₹ in Lakhs)      |
|-------------------------------------|-----------------------------------|-------------------|
| Particulars                         | Exploration and evaluation assets | Total             |
| <b>Gross carrying amount</b>        |                                   |                   |
| At 1 April 2018                     | 2,844.04                          | <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>   |
| Additions                           | 282.90                            | <b>282.90</b>     |
| Transfer/adjustment                 | 818.72                            | <b>818.72</b>     |
| Provision for Impairment            | (2,839.20)                        | <b>(2,839.20)</b> |
| Disposals/assets written off        | -                                 | -                 |
| <b>Balance as at 31 March 2020</b>  | <b>96.36</b>                      | <b>96.36</b>      |



(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| <b>Note : 7</b>  |                  |                  |
| <b>A Investments accounted using equity method</b>   |                  |                  |
| <b>Equity instruments</b>  |                  |                  |
| <b>Investment in joint venture companies (unquoted)</b>  |                  |                  |
| TEIL Projects Limited  | 8.63             | 9.00             |
| 5,500,000 (previous year 31 March 2019: 5,500,000) equity shares of ₹ 10 each fully paid up  |                  |                  |
| Ramagundam Fertilizers and Chemicals Limited*  | 40,868.52        | 26,580.06        |
| 341,528,200 (previous year 31 March 2019: 273,690,002) equity shares of ₹ 10 each fully paid up  |                  |                  |
| <b>Grand total</b>   | <b>40,877.15</b> | <b>26,589.06</b> |
| Aggregate book value of unquoted investments   | 40,877.15        | 26,589.06        |
| * Called Capital Commitments outstanding as of 31 March 2020 is ₹ 2,110.00 Lakhs (previous year 31 March 2019: Nil) paid on 24 April 2020 against which equity shares has been allotted on 27 April 2020.            |                  |                  |
| * Includes share application money for 8,50,00,000 shares of ₹ 10 each fully paid amounting to ₹ 8,500.00 lakhs ( Previous Year 31 March 2019 : Nil) against which equity shares has been allotted on 27 April 2020. |                  |                  |
| <b>B Investments-current</b>   |                  |                  |
| <b>Liquid plan of mutual funds (quoted)</b>  |                  |                  |
| UTI Liquid Cash Plan Nil units (Previous year 31 March 2019: 4,51,857.730 units)   | -                | 4606.44          |
| -Direct Daily dividend re-investment (31 March 2019: NAV - ₹1,019.4457)  |                  |                  |
| UTI Treasury Advantage Fund 21,347.952 units (Previous year :31 March 2019: 28,370.891 units)  | 202.50           | 284.38           |
| -Direct Daily dividend Plan (31 March 2020: NAV - ₹ 948.5586) (31 March 2019: NAV - ₹1,002.354)  |                  |                  |
| UTI Overnight Fund 1,82,880.344 units (Previous year 31 March 2019: Nil units)   | 5000.12          | -                |
| -Direct Growth Plan (31 March 2020: NAV - ₹ 2,734.0948)  |                  |                  |
|  | <b>5,202.62</b>  | <b>4,890.82</b>  |
| Aggregate book value of quoted investments   | 5,202.62         | 4,890.82         |
| Aggregate market value of quoted investments   | 5,202.62         | 4,890.82         |

(₹ in Lakhs)

| Particulars                                       | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| <b>Note : 8</b>                                   |                 |                 |
| <b>A Loans - non-current</b>                      |                 |                 |
| <b>(Considered good unless otherwise stated)</b>  |                 |                 |
| <b>Secured</b>                                    |                 |                 |
| Loans to employees                                | 2,145.39        | 1,770.58        |
| <b>Unsecured</b>                                  |                 |                 |
| Security deposits                                 | 161.97          | 135.92          |
| Loans to employees                                | 2,429.65        | 2,088.71        |
|   | <b>4,737.01</b> | <b>3,995.21</b> |
| <b>B Loans - current</b>                          |                 |                 |
| <b>(Considered good unless otherwise stated)</b>  |                 |                 |
| <b>Secured</b>                                    |                 |                 |
| Loans to employees                                | 296.83          | 268.59          |
| <b>Unsecured</b>                                  |                 |                 |
| Loans to related parties:                         |                 |                 |
| Loans to directors                                | -               | 0.10            |
| Loans to employees                                | 701.62          | 669.55          |
| Security deposits                                 |                 |                 |
| Considered good                                   | 704.48          | 743.65          |
| Considered doubtful                               | 4.23            | 4.23            |
|   | <b>1,707.16</b> | <b>1,686.12</b> |
| <b>Less: Allowance for expected credit losses</b> | <b>(4.23)</b>   | <b>(4.23)</b>   |
|   | <b>1,702.93</b> | <b>1,681.89</b> |

**Note : 9**

|  |                  |                  |
|--|------------------|------------------|
| <b>A Other financial asset - non-current</b>   |                  |                  |
| Bank deposits with maturity more than 12 months  | 32.41            | 38.55            |
|  | <b>32.41</b>     | <b>38.55</b>     |
| (i) The above includes bank deposits ₹ 10.34 lakhs (previous year 31 March 2019: ₹ 38.55 lakhs) held as margin money/security against bank guarantees. |                  |                  |
| (ii) The above also includes interest accrued on bank deposits of ₹ 0.91 lakhs (previous year 31 March 2019: ₹ 0.02 lakhs)                             |                  |                  |
| <b>B Other financial assets - current</b>  |                  |                  |
| <b>(Unsecured, considered good unless otherwise stated)</b>  |                  |                  |
| Retention against contracts  | 0.02             | 7.32             |
| Work-in-progress*  |                  |                  |
| Considered good  | 5.37             | 122.99           |
| Considered doubtful  | 220.92           | 181.36           |
| Unbilled revenue   |                  |                  |
| Considered good  | 26,951.21        | 42,547.23        |
| Considered doubtful  | 309.01           | 144.73           |
| Others   | 2,674.44         | 2,013.30         |
|  | <b>30,160.97</b> | <b>45,016.93</b> |
| <b>Less: Allowance for expected credit losses</b>  | <b>(529.93)</b>  | <b>(326.09)</b>  |
|  | <b>29,631.04</b> | <b>44,690.84</b> |

\*As taken, valued and certified by the management



(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| <b>Note : 10</b>   |                  |                  |
| <b>Deferred tax assets (net)</b>                                 |                  |                  |
| <b>Deferred tax assets arising on:</b>                           |                  |                  |
| Employee benefits:   |                  |                  |
| Provision for leave encashment                                   | 5,809.48         | 6,682.03         |
| Provision for post retirement medical benefits                   | 6,001.56         | 7,292.91         |
| Provision for other benefits on retirement                       | 65.35            | 90.52            |
| Provision for long service awards                                | 33.48            | 39.58            |
| Provision for employee related expenses allowed on payment basis | 428.09           | 499.68           |
| Provision for contractual obligations                            | 12,270.96        | 13,705.51        |
| Provision for estimated losses                                   | 61.68            | 355.06           |
| Provision for doubtful debts and advances                        | 3,683.29         | 3,681.00         |
| Provision for Impairment of Oil Blocks                           | 714.57           | -                |
| Others:  |                  |                  |
| Provision for loss in joint venture                              | 126.12           | 126.03           |
| Amortised cost financial instruments                             | 58.16            | 73.58            |
| Leases   | 3.93             | -                |
| Foreign currency translation reserve                             | -                | 0.78             |
| <b>Deferred tax liabilities arising on:</b>                      |                  |                  |
| Depreciation   | (2,046.46)       | (2,636.63)       |
| Others   |                  |                  |
| Foreign currency translation reserve                             | (7.65)           | -                |
|  | <b>27,202.56</b> | <b>29,910.05</b> |

**Movement in above mentioned deferred tax assets and liabilities**

(₹ in Lakhs)

| Particulars                                 | 1 April 2018     | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2019    | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2020    |
|---|------------------|--|--|------------------|--|--|------------------|
| <b>Assets</b>                               |                  |  |  |                  |  |  |                  |
| Employee benefits                           | 16,972.52        | 272.72                                   | (2,640.52)                                 | 14,604.72        | (83.78)                                  | (2,182.98)                                 | 12,337.96        |
| Provision for contractual obligations       | 11,641.27        | -  | 2,064.24                                   | 13,705.51        | -  | (1,434.55)                                 | 12,270.96        |
| Provision for estimated losses              | 130.75           | -  | 224.31                                     | 355.06           | -  | (293.38)                                   | 61.68            |
| Provision for Impairment of Oil Blocks      | -                | -  | -  | -                | -  | 714.57                                     | 714.57           |
| Provision for doubtful debts and advances   | 3,809.83         | -  | (128.83)                                   | 3,681.00         | -  | 2.29                                       | 3,683.29         |
| Others                                      | 223.00           | (2.50)                                   | (20.11)                                    | 200.39           | (0.78)                                   | (11.40)                                    | 188.21           |
| <b>Deferred tax liabilities arising on:</b> |                  |  |  |                  |  |  |                  |
| Depreciation                                | (2,289.13)       | -  | (347.50)                                   | (2,636.63)       | -  | 590.17                                     | (2,046.46)       |
| Others                                      | -                | -  | -  | -                | (7.65)                                   | -  | (7.65)           |
| <b>Total</b>                                | <b>30,488.24</b> | <b>270.22</b>                            | <b>(848.41)</b>                            | <b>29,910.05</b> | <b>(92.21)</b>                           | <b>(2,615.28)</b>                          | <b>27,202.56</b> |

- The Group has elected to exercise the option permitted under section 115 BAA of the Income - Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Group has remeasured its deferred tax assets/liabilities, basis the rates prescribed in the said section and taken the full effect to Statement of profit and loss in the current financial year. The re-measurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by ₹ 8,282.85 Lakhs which has accounted for in the Consolidated Statement of profit and loss for the year ended 31 March 2020.

-No changes in the deferred taxes is expected due to COVID-19.

(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019   |
|--|-----------------|-----------------|
| <b>Note : 11</b>   |                 |                 |
| <b>Non-current tax assets (net)</b>  |                 |                 |
| Advance income tax (net of provision for taxation amounting to ₹ 43,159.47 lakhs) (previous year 31 March 2019: ₹ 65,564.68 lakhs) | 3,731.96        | 2,001.41        |
| Advance fringe benefit tax   | 11.83           | 11.83           |
| <b>Less: Impairment of non-financial assets</b>  | (11.83)         | -               |
|  | <b>3,731.96</b> | <b>2,013.24</b> |

**Note : 12****A Other non-current assets****(Unsecured, considered good unless otherwise stated)**

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| Capital advances                 | 32.77           | 60.46           |
| Prepaid expense and rent advance | 1,065.66        | 997.63          |
|                                  | <b>1,098.43</b> | <b>1,058.09</b> |

**B Other current assets****(Unsecured, considered good unless otherwise stated)**

|   |                  |                  |
|---|------------------|------------------|
| Advances to vendors/contractors                 |                  |                  |
| Considered good                                 | 10,740.21        | 10,804.64        |
| Considered doubtful                             | 5.04             | 5.04             |
| Prepaid expenses                                | 708.20           | 621.08           |
| Deposit with statutory authorities              | 7,269.90         | 4,547.34         |
| Assets held for sale (refer note 66)            | -                | 30.82            |
| Claims receivable                               |                  |                  |
| Considered good                                 | 0.60             | 0.60             |
| Considered doubtful                             | 1.79             | 1.79             |
| Advances to employees                           |                  |                  |
| Considered good                                 | 2,554.43         | 254.60           |
| Considered doubtful                             | 0.08             | 0.08             |
| Other advances                                  | 14.12            | 4.01             |
|   | <b>21,294.37</b> | <b>16,270.00</b> |
| <b>Less: Impairment of non-financial assets</b> | (6.91)           | (6.91)           |
|   | <b>21,287.46</b> | <b>16,263.09</b> |

**Note : 13****Inventories****(lower of cost or net realizable value)**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Stores, spares and chemicals in hand* | 670.70        | 693.82        |
|                                       | <b>670.70</b> | <b>693.82</b> |

\* Includes projects inventory to the tune of ₹ 568.95 lakhs (previous year 31 March 2019: ₹ 610.38 lakhs)

\*Management do not see any need to write down the inventories in view of COVID-19.

**Note : 14****Trade receivables**

Trade receivable (Unsecured)

|   |                  |                  |
|---|------------------|------------------|
| Considered good                                 | 68,019.78        | 42,687.05        |
| Considered doubtful                             | 14,092.55        | 10,266.77        |
|   | <b>82,112.33</b> | <b>52,953.82</b> |
| <b>Less: Allowance for expected credit loss</b> | (14,092.55)      | (10,266.77)      |
|   | <b>68,019.78</b> | <b>42,687.05</b> |



(₹ in Lakhs)

| Particulars  | 31 March 2020   | 31 March 2019    |
|--|-----------------|------------------|
| <b>Note : 15</b>   |                 |                  |
| <b>Cash and cash equivalents</b>                           |                 |                  |
| Balances with banks in current account*                    | 1,663.07        | 912.54           |
| Remittance in transit                                      | 67.23           | -                |
| Banks deposits having maturity of less than three months** | 830.59          | 20,441.80        |
| Cash and stamps on hand*                                   | 11.99           | 9.81             |
|  | <b>2,572.88</b> | <b>21,364.15</b> |

\* Includes ₹ 94.80 lakhs (previous year 31 March 2019: ₹ 113.36 lakhs) in currencies which are not repatriable.

\*\* Includes interest accrued on bank deposits ₹ 0.07 lakhs (previous year 31 March 2019: ₹ 3.32 lakhs)

**Note : 16****Other bank balances**

|  |                    |                    |
|--|--------------------|--------------------|
| Unpaid dividend account  | 180.56             | 142.41             |
| Amount held on behalf of clients   | 1,053.17           | 3,315.89           |
| Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below) | 2,73,943.34        | 2,46,731.70        |
|  | <b>2,75,177.07</b> | <b>2,50,190.00</b> |

**Notes:**

- (i) Includes bank deposits having more than twelve months original maturity of ₹ 42,055.50 Lakhs (previous year 31 March 2019: ₹ 26,458.80 lakhs)
- (ii) Includes bank deposits ₹ 78.18 Lakhs (previous year 31 March 2019: ₹ 95.61 lakhs) held as margin money/security/lien against bank guarantees.
- (iii) Includes interest accrued on bank deposits ₹ 5,214.16 lakhs (previous year 31 March 2019: ₹ 4,328.08 lakhs)

**Note : 17****Equity share capital****Authorised share capital**

|   |                  |                  |
|---|------------------|------------------|
| 800,000,000 (previous year 31 March 2019: 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 2019: 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 2019: 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 2019: 2,600 equity shares of par value of ₹ 5 each )

|  |                  |                  |
|--|------------------|------------------|
|  | <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

| Number              | Number              |
|---------------------|---------------------|
| 63,19,11,420        | 63,19,11,420        |
| <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**

| Number  | Number       |
|---|--------------|
| President of India  | 32,54,04,724 |
|   | 51.50%       |
| ICICI Prudential Value Fund- Series 20 (Previous year 31 March 2019 : ICICI Prudential Exports and Services Fund)   | 4,18,69,388  |
|   | 6.63%        |
| L&T Mutual Fund Trustee Limited - L&T Emerging Fund (Previous Year 31 March 2019: L And T Mutual Fund Trustee Limited - L and T Conservative Hybrid Fund) | 3,22,52,280  |
|   | 5.10%        |
|   | 52.00%       |
|   | 7.94%        |
|   | 3,64,13,315  |
|   | 5.76%        |



(₹ in Lakhs)

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| <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 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.

**Note : 19****A Other financial liabilities - non-current**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security deposits and retentions | 684.64        | 392.63        |
|                                  | <b>684.64</b> | <b>392.63</b> |

**B Other financial liabilities - Current**

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Security deposits and retentions | 28,538.70        | 24,390.44        |
| Capital creditors                | 925.69           | 1,319.07         |
| Accrued employees benefits       | 5,938.00         | 6,451.52         |
| Unpaid dividend*                 | 180.56           | 142.41           |
| Amount held on behalf of clients | 1,053.17         | 3,315.89         |
|                                  | <b>36,636.12</b> | <b>35,619.33</b> |

\*Excluding amount due for payment to Investor Education And Protection Fund



(₹ in Lakhs)

| Particulars                                   | 31 March 2020    | 31 March 2019    |
|---|------------------|------------------|
| <b>Note : 20</b>                              |                  |                  |
| <b>A Provisions - non-current</b>             |                  |                  |
| Employees' post retirement/long-term benefits | 934.14           | 762.93           |
|   | <b>934.14</b>    | <b>762.93</b>    |
| <b>B Provisions - current</b>                 |                  |                  |
| Employees' post retirement/long-term benefits | 9,962.81         | 7,029.95         |
| Provision for contractual obligations         | 48,902.99        | 39,368.14        |
| Provision for expected losses                 | 245.06           | 1,016.09         |
| Provision for corporate social responsibility | 145.09           | 235.46           |
|   | <b>59,255.95</b> | <b>47,649.64</b> |

**Note : 21**

|  |                    |                    |
|--|--------------------|--------------------|
| <b>A Other non-current liabilities</b>                     |                    |                    |
| Advances received from clients                             | 142.64             | 119.79             |
| Deferred income  | 60.86              | 31.23              |
|  | <b>203.50</b>      | <b>151.02</b>      |
| <b>B Other current liabilities</b>                         |                    |                    |
| Advances received from clients*                            | 10,850.44          | 11,658.91          |
| Income received in advance                                 | 1,18,316.61        | 1,12,034.89        |
| Service tax / GST payable                                  | 6,964.50           | 5,982.10           |
| Withholding for employees including employers contribution | 1,649.28           | 1,531.36           |
| Withholding for income taxes                               | 2,133.78           | 895.53             |
| Deferred income  | 122.32             | 48.95              |
| Accrued provident fund liability**                         | 1,630.10           | -                  |
| Other liabilities  | 365.73             | 294.64             |
|  | <b>1,42,032.76</b> | <b>1,32,446.38</b> |

\* Includes ₹ 7,114.09 lakhs (previous year 31 March 2019 : ₹ 7,114.09 lakhs) received pursuant to the order of Hon'able court against which appeal has been filed by the client.

\*\* Represents default till 31-03-2020 on account of Provident Fund Trust investment.

**Note : 22****Trade payables**

|  |                  |                  |
|--|------------------|------------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note 56)      | 6,963.05         | 4,426.30         |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 20,527.84        | 20,026.36        |
|  | <b>27,490.89</b> | <b>24,452.66</b> |

**Note : 23****Current tax liabilities (net)**

|   |                 |               |
|---|-----------------|---------------|
| Provision for taxation (net of advance tax amounting to ₹ 21,003.29 Lakhs) (previous year 31 March 2019: Nil) | 1,308.76        | 129.47        |
|   | <b>1,308.76</b> | <b>129.47</b> |

(₹ in Lakhs)

| Particulars                                   | 31 March 2020             | 31 March 2019             |
|---|---------------------------|---------------------------|
| <b>Note : 24</b>                              |                           |                           |
| <b>I Revenue from operations*</b>             |                           |                           |
| Consultancy and engineering services          | 1,58,435.61               | 1,37,698.94               |
| Increase/(decrease) in work-in-progress       |                           |                           |
| Closing work-in-progress                      | 226.29                    | 304.35                    |
| Less: Opening work-in-progress                | 304.35                    | 398.19                    |
|   | <u>(78.06)</u>            | <u>(93.84)</u>            |
| <b>Other operating income</b>                 |                           |                           |
| Income under service export from India scheme | 1,522.02                  | 487.86                    |
| <b>Sub-total (A)</b>                          | <u><b>1,59,879.57</b></u> | <u><b>1,38,092.96</b></u> |
| <b>II Turnkey projects</b>                    | <b>1,63,774.06</b>        | <b>1,09,486.88</b>        |
| Increase/(decrease) in work-in-progress       |                           |                           |
| Closing work-in-progress                      | -                         | -                         |
| Less: Opening work-in-progress                | -                         | -                         |
|   | <u>-</u>                  | <u>-</u>                  |
| <b>Sub-total (B)</b>                          | <u><b>1,63,774.06</b></u> | <u><b>1,09,486.88</b></u> |
| <b>Gratd total (A+B)</b>                      | <u><b>3,23,653.63</b></u> | <u><b>2,47,579.84</b></u> |

\* Excludes Goods and Services Tax (GST)

**Note : 25****Other income****Interest income**

|   |                         |                         |
|---|-------------------------|-------------------------|
| Bank deposits   | 19,866.09               | 17,502.66               |
| Loan to employees   | 335.58                  | 328.14                  |
| Income-tax refunds  | 152.48                  | 62.73                   |
| Others  | 1,028.12                | 184.86                  |
| Gain on modification of employee advances   | 68.53                   | -                       |
| Amortization of deferred income   | 150.27                  | 117.50                  |
| Dividend income from current investments  | 179.40                  | 341.15                  |
| Capital gain on redemption of investments in mutual funds   | 247.66                  | 1.40                    |
| Funds received against research and development (netting off the utilisation)   | -                       | -                       |
| (31 March 2020: Received ₹ 63.47 lakhs and utilised ₹ 63.47 lakhs and 31 March 2019: Received ₹ 155.36 lakhs and utilised ₹ 155.36 lakhs) |                         |                         |
| Profit on sale of assets  | 4.43                    | 3.34                    |
| Foreign exchange difference (net)   | 786.82                  | 794.33                  |
| Rental income   | 2,330.47                | 2,101.95                |
| Miscellaneous income  | 403.75                  | 793.10                  |
|   | <u><b>25,553.60</b></u> | <u><b>22,231.16</b></u> |

**Note : 26****Technical assistance/sub contracts**

|                    |                  |
|--------------------|------------------|
| <b>1,08,181.40</b> | <b>44,042.38</b> |
|--------------------|------------------|

**Note : 27****Construction materials and equipments**

|                  |                  |
|------------------|------------------|
| <b>46,805.34</b> | <b>61,156.57</b> |
|------------------|------------------|



(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| <b>Note : 28</b>   |                  |                  |
| <b>Employee benefits expense</b>   |                  |                  |
| Salaries and allowances@   |                  |                  |
| Staff  | 70,267.84        | 63,848.18        |
| Directors  | 329.93           | 301.32           |
| Contribution towards employees pension and provident fund and administration charges thereon*            |                  |                  |
| Staff  | 7,083.26         | 5,040.12         |
| Directors  | 28.18            | 23.67            |
| Contribution towards employees defined contributory superannuation scheme/ National Pension System (NPS) |                  |                  |
| Staff  | 3,763.26         | 5,423.68         |
| Directors  | 21.29            | 27.36            |
| Staff Welfare #  |                  |                  |
| Staff  | 3,769.87         | 2,409.95         |
| Directors  | 22.14            | 17.35            |
| Contribution to gratuity fund (net of contribution received from others)**                               | 1,271.18         | 1,007.22         |
|  | <b>86,556.95</b> | <b>78,098.85</b> |

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.35 lakhs (previous year : ₹ 0.32 lakhs).

b) ₹ 4,521.91 lakhs (previous year : ₹ 4,508.63 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

c) ₹ 709.83 lakhs (previous year : ₹ 681.03 lakhs) 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 ₹ 1,389.57 lakhs (previous year : ₹ 557.34 lakhs) for employees retired prior to 01.1.2007.

\* Includes ₹ 1,630.10 Lakhs (previous year: Nil) of accrued provident fund liability for default till 31-03-2020 on account of Provident Fund Trust investment.

\*\* Includes Term Insurance Premium paid to LIC of India.

## Note : 29

### Finance cost

|  |               |               |
|--|---------------|---------------|
| Interest on shortfall in payment of income tax | -             | 11.17         |
| Unwinding of discount on security deposit      | 130.40        | 112.04        |
| Interest on Lease Liabilities                  | 44.07         | -             |
|  | <b>174.47</b> | <b>123.21</b> |

## Note : 30

### Depreciation and amortization

|   |                 |                 |
|---|-----------------|-----------------|
| Depreciation on property, plant and equipment | 1,676.35        | 1,720.13        |
| Depreciation of investment property           | 134.42          | 123.01          |
| Amortization of other intangible assets       | 333.25          | 406.23          |
| Depreciation on Right of use Assets           | 255.89          | -               |
|   | <b>2,399.91</b> | <b>2,249.37</b> |

(₹ in Lakhs)

| Particulars   | 31 March 2020   | 31 March 2019   |
|---|-----------------|-----------------|
| <b>Note : 31</b>  |                 |                 |
| <b>Other expenses</b>   |                 |                 |
| <b>A Facilities</b>   |                 |                 |
| Rent expense - office   | 596.67          | 603.56          |
| Rent - residential accommodation  |                 |                 |
| Staff (net of recovery of ₹ 61.86 lakhs (previous year: ₹ 64.73 lakhs))     | 312.05          | 333.25          |
| Light, water and power  | 1,328.08        | 1,322.15        |
| Insurance   | 215.20          | 239.11          |
| Miscellaneous repair and maintenance  | 3,378.40        | 3,617.37        |
| Repair and maintenance of own building                                      | 74.89           | 106.91          |
| Repair and maintenance of plant and machinery                               | 474.28          | 437.46          |
| Hire charges of office equipment  | 15.51           | 17.08           |
| <b>Sub total (A)</b>  | <b>6,395.08</b> | <b>6,676.89</b> |
| <b>B Corporate costs</b>  |                 |                 |
| Bank charges  | 198.01          | 152.68          |
| Sitting fees to independent directors                                       | 21.90           | 28.20           |
| Advertisement for tender and recruitment                                    | 30.96           | 63.21           |
| Publicity   | 378.68          | 534.24          |
| Subscription  | 112.18          | 113.26          |
| Entertainment   | 174.89          | 194.02          |
| Remuneration to auditors:   |                 |                 |
| For Audit   | 15.94           | 15.02           |
| For Tax Audit   | 3.20            | 2.85            |
| Others  | 12.70           | 13.15           |
| Filing fee  | 0.43            | 7.94            |
| Legal and professional charges  | 1,069.99        | 1,085.74        |
| Licences and taxes  | 831.74          | 473.03          |
| Loss on sale of assets  | 15.65           | 2.31            |
| Fixed assets written off  | 2.49            | 1.06            |
| <b>Sub total (B)</b>  | <b>2,868.76</b> | <b>2,686.71</b> |
| <b>C Other costs</b>  |                 |                 |
| Consumables/stores/equipment - R&D Centre                                   | 98.53           | 16.41           |
| Travel and conveyance   |                 |                 |
| Directors*  | 84.85           | 60.90           |
| Others  | 8,432.28        | 6,739.48        |
| Printing, stationery and general Office supplies                            | 379.36          | 424.56          |
| Newspapers and periodicals  | 29.08           | 26.21           |
| Postage and telecommunications  | 504.20          | 497.24          |
| Courier, transportation and handling  | 90.65           | 141.00          |
| Commission to foreign agents  | 192.73          | 176.97          |
| Allowance for expected credit losses - trade receivables and advances (net) | 4,041.45        | (348.66)        |
| Bad debts written off   | 161.68          | 79.59           |
| Deposits written off  | -               | 10.65           |
| Dry well written off  | -               | 1,542.66        |



(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| Provision for contractual obligations (net)            | 9,534.85         | 5,907.25         |
| Provision for expected losses (net)                    | (771.03)         | 641.91           |
| Provision for Impairment of Exploration Expenditure    | 2,839.20         | -                |
| Training Expenses                                      |                  |                  |
| Travel   | 54.78            | 14.93            |
| Others   | 73.01            | 47.78            |
| CSR Expenses (Refer note below)                        | 1,175.34         | 1,006.21         |
| Expenditure relating to oil and gas exploration blocks | 145.56           | 251.19           |
| Loss on modification of employee advances              | -                | 29.19            |
| Miscellaneous expenses                                 | 530.40           | 195.22           |
|  | <b>27,596.92</b> | <b>17,460.69</b> |
| <b>Less: Inhouse expenditure relating to</b>           |                  |                  |
| Capital works  | (73.51)          | (106.04)         |
| <b>Sub total (C)</b>                                   | <b>27,523.41</b> | <b>17,354.65</b> |
| <b>Grand total (A+B+C)</b>                             | <b>36,787.25</b> | <b>26,718.25</b> |

\*Includes recovery of ₹ 1.43 lakhs on account of use of car (previous year : ₹ 0.80 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 2019-20 - ₹ 1,109.44 lakhs (previous year: ₹ 1,012.93 lakhs)

(b) Amount spent during the financial year ended 31 March 2020 and 31 March 2019 on:

(₹ in Lakhs)

| Particulars                               |               | In cash | Yet to be paid in cash | Total  |
|---|---------------|---------|------------------------|--------|
| (i) Construction/acquisition of any asset | 31 March 2020 | 402.95  | -                      | 402.95 |
|   | 31 March 2019 | 315.19  | 9.07                   | 324.26 |
| (ii) On purposes other than (i) above     | 31 March 2020 | 727.98  | 44.41                  | 772.39 |
|   | 31 March 2019 | 455.56  | 226.39                 | 681.95 |

**Note : 32****Income tax****Tax expense comprises of:**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Current income tax                  | 22,350.08        | 19,877.76        |
| Earlier years tax adjustments (net) | (49.41)          | (597.63)         |
| Deferred tax                        | 2,615.28         | 848.41           |
|                                     | <b>24,915.95</b> | <b>20,128.54</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 25.168% (Previous year :34.944%) and the reported tax expense in statement of profit and loss are as follows:

**Statement of profit and loss**

|  |           |           |
|--|-----------|-----------|
| Accounting profit before tax   | 68,301.91 | 57,422.37 |
| At India's statutory income tax rate of 25.168% (31 March 2019: 34.944%) | 17,190.22 | 20,065.67 |



(₹ in Lakhs)

| Particulars  | 31 March 2020    | 31 March 2019    |
|--|------------------|------------------|
| <b>Adjustments in respect of tax expense</b>       |                  |                  |
| Tax expense on account of joint control operation  | 51.86            | 0.62             |
| Tax impact of exempted income                      | (166.52)         | (118.64)         |
| Tax impact of expenses which will never be allowed | 304.43           | 440.38           |
| Earlier years tax adjustments (net)                | (49.41)          | (597.63)         |
| Earlier years deferred tax adjustments (net)       | 7,585.03         | 436.80           |
| Effect of Differential Tax rate Subsidiary         | -                | (76.92)          |
| Others   | 0.34             | (21.74)          |
|  | <b>24,915.95</b> | <b>20,128.54</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.

|  |              |              |
|--|--------------|--------------|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 42,381.88    | 36,844.69    |
| Weighted average number of equity shares                       | 63,19,11,420 | 63,19,11,420 |
| <b>Nominal value per share in ₹</b>                            | <b>5.00</b>  | <b>5.00</b>  |
| <b>Earnings per equity share in ₹</b>                          |              |              |
| Basic  | 6.71         | 5.83         |
| Diluted  | 6.71         | 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 2020                 | Level 1         | Level 2  | Level 3  | Total           |
|-------------------------------|-----------------|----------|----------|-----------------|
| <b>Financial assets</b>       |                 |          |          |                 |
| Liquid plan of mutual funds   | 5,202.62        | -        | -        | 5,202.62        |
| <b>Total financial assets</b> | <b>5,202.62</b> | <b>-</b> | <b>-</b> | <b>5,202.62</b> |

#### Financial assets and liabilities measured at fair value – recurring fair value measurements

| 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> |

#### (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 2020   |                    | 31 March 2019   |                    |
|-------------------------------------|-----------------|--------------------|-----------------|--------------------|
|                                     | FVTPL           | Amortised cost     | FVTPL           | Amortised cost     |
| <b>Financial assets</b>             |                 |                    |                 |                    |
| Investments - mutual funds          | 5,202.62        | -                  | 4,890.82        | -                  |
| Trade receivables                   | -               | 68,019.78          | -               | 42,687.05          |
| Loans (excluding security deposits) | -               | 5,573.49           | -               | 4,797.53           |
| Other financial assets              | -               | 29,663.45          | -               | 44,729.39          |
| Cash and cash equivalents           | -               | 2,572.88           | -               | 21,364.15          |
| Other bank balances                 | -               | 2,75,177.07        | -               | 2,50,190.00        |
| Security deposits                   | -               | 866.45             | -               | 879.57             |
| <b>Total financial assets</b>       | <b>5,202.62</b> | <b>3,81,873.12</b> | <b>4,890.82</b> | <b>3,64,647.69</b> |
| <b>Financial liabilities</b>        |                 |                    |                 |                    |
| Trade payables                      | -               | 27,490.89          | -               | 24,452.66          |
| Security deposits and retentions    | -               | 29,223.34          | -               | 24,783.07          |
| Lease Liabilities                   | -               | 492.44             | -               | -                  |
| Other financial liabilities         | -               | 7,171.73           | -               | 9,909.82           |
| Capital creditors                   | -               | 925.69             | -               | 1,319.07           |
| <b>Total financial liabilities</b>  | <b>-</b>        | <b>65,304.09</b>   | <b>-</b>        | <b>60,464.62</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 2020 | 31 March 2019 |
|-------------------------|---|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 3,81,873.12   | 3,64,647.69   |
| B: Moderate credit risk | Trade receivables, loans and other financial assets   | 6,646.14      | 3,447.07      |
| C: High credit risk     | Trade receivables   | 7,980.57      | 7,150.02      |

ii) *Concentration of trade receivables*

The Group's exposure to credit risk for trade receivables is as follows -

(₹ in Lakhs)

| Particulars         | 31 March 2020    | 31 March 2019    |
|---------------------|------------------|------------------|
| Chemical Fertilizer | 1,577.09         | 1,322.70         |
| Hydro Carbon        | 70,992.64        | 43,805.80        |
| Infrastructure      | 5,315.70         | 5,500.47         |
| Mettallurgy         | 1,245.95         | 359.60           |
| Power               | 1,270.94         | 889.12           |
| Others              | 1,710.01         | 1,076.13         |
| <b>Total</b>        | <b>82,112.33</b> | <b>52,953.82</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 2020**

(₹ in Lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|------------------------|---|
| Cash and cash equivalents           | 2,572.88                                   | -                      | 2,572.88                                    |
| Other bank balances                 | 2,75,177.07                                | -                      | 2,75,177.07                                 |
| Loans (excluding security deposits) | 5,573.49                                   | -                      | 5,573.49                                    |
| Security deposits                   | 870.68                                     | 4.23                   | 866.45                                      |
| Other financial assets              | 30,193.38                                  | 529.93                 | 29,663.45                                   |

**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                                   |

**(ii) Expected credit loss for trade receivables under simplified approach**
**As at 31 March 2020**
**(₹ in Lakhs)**

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 39,119.41   | 8,678.38      | 8,077.53       | 2,768.12       | 1,966.46       | 3,383.91       |
| Expected credit loss (provision)    | 806.84      | 588.40        | 1,138.97       | 847.32         | 802.54         | 755.02         |
| Carrying amount (net of impairment) | 38,312.57   | 8,089.98      | 6,938.56       | 1,920.80       | 1,163.92       | 2,628.89       |

| Particulars                         | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 411.23         | 1,096.10       | 3,934.34        | 7,980.57   |
| Expected credit loss (provision)    | 80.55          | 295.71         | 796.63          | 7,980.57   |
| Carrying amount (net of impairment) | 330.68         | 800.39         | 3,137.71        | -          |

**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        | -          |

**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 2018</b>            | 4.23              | 233.73                 | 10,698.25         |
| 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>  |
| Impairment loss recognised/reversed during the year | -                 | 203.84                 | 3,958.94          |
| Amounts written off                                 | -                 | -                      | (133.16)          |
| <b>Loss allowance on 31 March 2020</b>              | <b>4.23</b>       | <b>529.93</b>          | <b>14,092.55</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 2020                    | Less than 1 year | 1 - 2 years   | More than 2 Years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 27,490.89        | -             | -                 | 27,490.89        |
| Security deposits and retentions | 28,593.88        | 698.16        | 85.49             | 29,377.53        |
| Capital creditors                | 925.69           | -             | -                 | 925.69           |
| Other financial liabilities      | 7,171.73         | -             | -                 | 7,171.73         |
| <b>Total</b>                     | <b>64,182.19</b> | <b>698.16</b> | <b>85.49</b>      | <b>64,965.84</b> |

(₹ 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> |

**(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 2020 | 31 March 2019 |
|--|----------|---------------|---------------|
| Trade payables, security deposits and retentions | AED      | 254.84        | 35.78         |
|  | USD      | 10,972.71     | 9,391.84      |
|  | EURO     | 340.59        | 173.32        |
|  | GBP      | 407.97        | 387.09        |
|  | Others   | 140.93        | 188.57        |
| Trade receivables and security deposits          | AED      | 742.76        | 295.17        |
|  | USD      | 15,722.03     | 8,154.25      |
|  | EURO     | 528.17        | 469.17        |
|  | GBP      | 1.39          | 1.36          |
|  | Others   | 172.59        | 138.23        |
| Cash and bank balance                            | AED      | 353.64        | 294.04        |
|  | USD      | 67.26         | 13.75         |
|  | GBP      | 38.37         | 36.94         |
|  | Others   | 104.98        | 119.14        |

### 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 2020                | 31 March 2019 | 31 March 2020                | 31 March 2019 |
| Trade payables, security deposits and retentions | AED      | (2.55)                       | (0.36)        | 2.55                         | 0.36          |
|  | USD      | (109.73)                     | (93.92)       | 109.73                       | 93.92         |
|  | EURO     | (3.40)                       | (1.73)        | 3.40                         | 1.73          |
|  | GBP      | (4.08)                       | (3.87)        | 4.08                         | 3.87          |
|  | Others   | (1.41)                       | (1.89)        | 1.41                         | 1.89          |
| Trade receivables and deposits                   |          |                              |               |                              |               |
|  | AED      | 7.43                         | 2.95          | (7.43)                       | (2.95)        |
|  | USD      | 157.22                       | 81.54         | (157.22)                     | (81.54)       |
|  | EURO     | 5.27                         | 4.69          | (5.27)                       | (4.69)        |
|  | GBP      | 0.01                         | 0.01          | (0.01)                       | (0.01)        |
|  | Others   | 1.73                         | 1.38          | (1.73)                       | (1.38)        |
| Cash and bank balance                            | AED      | 3.54                         | 2.94          | (3.54)                       | (2.94)        |
|  | USD      | 0.67                         | 0.14          | (0.67)                       | (0.14)        |
|  | GBP      | 0.38                         | 0.37          | (0.38)                       | (0.37)        |
|  | Others   | 1.05                         | 1.19          | (1.05)                       | (1.19)        |

### (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 2020 | 31 March 2019 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | 156.08        | 146.72        |
| Price decrease by (3 %)- FVTPL | (156.08)      | (146.72)      |

### (D) Other risk - Impact of COVID-19

Financial assets carried at fair value as at 31 March 2020 is ₹ 5,202.62 Lakhs. These financial assets are classified as Level 1 having fair value of ₹ 5,202.62 Lakhs as at 31 March 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19.

Financial assets carried at amortised cost of ₹ 3,81,873.12 Lakhs, consisting of ₹ 2,77,782.36 Lakhs is in the form of cash and cash equivalents, bank deposits and other bank balances with Banks, where the Company does not expect increased credit risk and consequential default. Further, Trade receivables and other financial assets of ₹ 1,04,090.76 Lakhs as at March 31, 2020, part of the financial assets carried at amortised cost, is valued considering provision for allowance using expected credit loss method. The allowance for expected credit losses for trade receivables and other financial assets of ₹ 14,626.71 Lakhs at at 31 March 2020 is considered adequate as on date.

## 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 shareholders

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 2020 | 31 March 2019 |
| Equity share capital | 31,595.58     | 31,595.58     |
| Other equity         | 2,09,006.31   | 2,02,853.92   |

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 2020 and 31 March 2019.

## Note : 37

### Dividends

|   | (₹ in Lakhs)     |                  |
|---|------------------|------------------|
| Nature  | 31 March 2020    | 31 March 2019    |
| <b>Cash dividend on equity shares declared and paid</b>   |                  |                  |
| 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 final dividend   | 974.18           | 1,948.37         |
| Interim dividend for 31 March 2020 (₹ 3.60 per share) (previous year 31 March 2019: ₹ 3.25 per share) | 22,748.81        | 20,537.12        |
| Dividend distribution tax on Interim dividend   | 4,676.08         | 4,221.47         |
| <b>Total</b>  | <b>33,138.41</b> | <b>36,185.63</b> |

|   | (₹ in Lakhs)    |                 |
|---|-----------------|-----------------|
| Proposed dividend on equity shares  | 31 March 2020   | 31 March 2019   |
| Proposed Final dividend for 31 March 2020 (₹ 1.55 per share) (previous year 31 March 2019: ₹ 0.75 per share)  | 9,794.63        | 4,739.34        |
| Dividend distribution tax on Proposed dividend  | -               | 974.18          |
| <b>Total</b>  | <b>9,794.63</b> | <b>5,713.52</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%  |   |
| Ramagundam Fertilizers and Chemicals Limited("RFCL")  | India                       | 26.29%<br>(Previous year: 31 March 2019: 26.86%) |   |

| 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.      | Ramagundam Fertilizers And Chemicals Limited ("RFCL")                  | Joint venture company                           |
| 4.      | Petroleum India International ("PII")*<br>- Dissolved on 18 March 2020 | Joint operation                                 |
| 5.      | Oil And Gas Exploration And Production Block No. CB-ONN-2010/8 *       | Joint operation - Participating Interest 22.22% |
| 6.      | Oil And Gas Exploration And Production Block No. CB-ONN-2010/11 *      | Joint operation - Participating Interest 23.53% |

| Sl. No. | Name of the Related Party                                     | Nature of Relationship   |
|---------|---|--|
| 7.      | <b>Directors/key management personnel(KMP)(31 March 2020)</b> |  |
|         | Mr. Jagdish Chander Nakra                                     | Chairman & Managing Director and CEO   |
|         | Mr. B. N. Reddy   | Director (Government Nominee) with effect from 27 May 2019                                       |
|         | Mr. Sunil Kumar   | Director (Government Nominee) with effect from 12 December 2019                                  |
|         | Mr. Sandeep Poundrik  | Director (Government Nominee) upto 30 April 2019   |
|         | Mr. Ashish Chatterjee   | Director (Government Nominee) upto 11 December 2019  |
|         | Mr. Chaman Kumar  | Non-Official Independent Director  |
|         | Mr. Rajesh Kumar Gogna  | Non-Official Independent Director  |
|         | Mr. M. Arulmurugan  | Non-Official Independent Director with effect from 17 July 2019                                  |
|         | Mr. Om Prakash Mishra   | Non-official Independent Director ,CEIL  |
|         | Ms. Anita Gurjar  | Non-official Independent Director ,CEIL with effect from 31 October 2019                         |
|         | Mr. Umesh Chandra Pandey                                      | Non-Official Independent Director upto 19 November 2019  |
|         | Mr. Vikas Khushalalo Deshpande                                | Non-Official Independent Director upto 19 November 2019  |
|         | Dr. (Prof.) Mukesh Khare                                      | Non-Official Independent Director upto 19 November 2019  |
|         | Mrs. Arusha Vasudev   | Non-Official Independent Director upto 19 November 2019  |
|         | Ms. Shazia Ilmi Malik   | Non-Official Independent Director upto 30 January 2020   |
|         | Mr. Rakesh Kumar Sabharwal                                    | Director (Commercial)  |
|         | Mr. L. K. Vijh  | Director (Technical)   |
|         | Mr. Sunil Bhatia  | Director (Finance) and CFO   |
|         | Mr. Sanjeev Kumar Handa                                       | Director (Projects)  |
|         | Mr. Ashok Kumar Kalra   | Director (Human Resource) with effect from 1 March 2020  |
|         | Mr. Vipin Chander Bhandari                                    | Director (Human Resource) upto 29 February 2020  |
|         | Mr. R. Mahajan  | Director (CEIL)  |
|         | Mr. Amitabh Budhiraja   | Director (CEIL)  |
|         | Mr. G Suresh  | Chief Executive Officer, CEIL  |
|         | Mr. G D Goswami   | Chief Financial Officer, CEIL with effect from 12 April 2019                                     |
|         | Mr. Sanjay Jindal   | CFO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative)                              |
|         | Mr. S.K. Padhi  | Company Secretary  |
|         | Ms. Jaya Totlani  | Company Secretary, CEIL  |
| 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 Khushalalo 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 |

| Sl. No. | Name of the Related Party | Nature of Relationship   |
|---------|---------------------------|--|
|         | 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             |
|         | 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  |

\* 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 Ended    | 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 2020 | 468.41                  | -    | -        | -               | -             | -            | 468.41    |
|  | 31 March 2019 | 349.19                  | -    | -        | -               | -             | -            | 349.19    |
| Rendering of services and other transactions   | 31 March 2020 | 837.57                  | -    | -        | -               | -             | -            | 837.57    |
|  | 31 March 2019 | 2,751.54                | -    | -        | -               | -             | -            | 2,751.54  |
| Equity contribution  | 31 March 2020 | 15,283.82               | -    | -        | -               | -             | -            | 15,283.82 |
|  | 31 March 2019 | 5,500.00                | -    | -        | -               | -             | -            | 5,500.00  |
| Equity /Capital Divestment   | 31 March 2020 | -                       | -    | -        | 135.14          | -             | -            | 135.14    |
|  | 31 March 2019 | -                       | -    | -        | 47.51           | -             | -            | 47.51     |
| (Reversal of Impairment)/impairment in value of investment                                   | 31 March 2020 | -                       | 0.37 | -        | -               | -             | -            | 0.37      |
|  | 31 March 2019 | -                       | 0.95 | (202.62) | -               | -             | -            | (201.67)  |
| Loss in investment in Joint Venture  | 31 March 2020 | -                       | -    | -        | -               | -             | -            | -         |
|  | 31 March 2019 | -                       | -    | 202.62   | -               | -             | -            | 202.62    |
| Survey cost, capital expenditure, impairment provision, other costs and dry well written off | 31 March 2020 | -                       | -    | -        | -               | 1,744.69      | 1,522.97     | 3,267.66  |
|  | 31 March 2019 | -                       | -    | -        | -               | 1,527.69      | 798.72       | 2,326.41  |
| Share of Income/(Expenses)   | 31 March 2020 | -                       | -    | -        | 33.98           | -             | -            | 33.98     |
|  | 31 March 2019 | -                       | -    | -        | 2.24            | -             | -            | 2.24      |

# Dissolved on 14 August 2018

##### Balances during the year

(₹ in Lakhs)

| Particulars  | Year          | Joint Venture Companies |       | Joint Operation |               |              | Total    |
|--|---------------|-------------------------|-------|-----------------|---------------|--------------|----------|
|  |               | RFCL                    | TEIL  | PII             | Block 2010-11 | Block 2010-8 |          |
| Outstanding receivables/unbilled/ advances paid/prepaid /deposits and other assets | 31 March 2020 | 434.01                  | 16.29 | -               | 0.80          | 2.72         | 453.82   |
|  | 31 March 2019 | 63.98                   | 16.29 | 101.51          | 572.72        | 340.86       | 1,095.36 |
| Outstanding payable/retentions   | 31 March 2020 | -                       | -     | -               | 21.31         | 51.33        | 72.64    |
|  | 31 March 2019 | -                       | -     | 0.35            | 2.21          | -            | 2.56     |
| Intangible assets under development & PPE (net of impairment)                      | 31 March 2020 | -                       | -     | -               | 26.07         | 70.35        | 96.42    |
|  | 31 March 2019 | -                       | -     | -               | 821.87        | 1,019.13     | 1,841.00 |



## Transactions and balances pertaining to KMP's

(₹ in Lakhs)

| Particulars                                       | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration/sitting fees                         | 499.01        | 459.17        |
| Rent paid for residential accommodation           | 2.55          | -             |
| Interest income on loans given                    | -             | 0.05          |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding loans, interest and other receivables | -             | 0.10          |

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 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| Total defined benefit obligation                        | 111.27            | 87.55         | 151.37                    | 89.92         | 56.76                                     | 35.08         |

## Unfunded

(₹ in Lakhs)

| Defined benefit obligation for key management personnel |                               |               |   |               |
|---|-------------------------------|---------------|---|---------------|
|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|   | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Total defined benefit obligation                        | 0.23                          | 0.20          | 2.43                                    | 2.11          |

## Note : 39

## A. Leases

## Group as a lessee

The Group lease asset primarily consist of leases of lands, cars and office/residential premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method 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 by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Following are changes in the carrying value of right of use assets for the year ended 31 March 2020:

(₹ in Lakhs)

| Particulars  | Category of ROU asset |               |               | Total           |
|--|-----------------------|---------------|---------------|-----------------|
|  | Land                  | Building      | Vehicles      |                 |
| <b>Balance as of 1 April 2019</b>                                    | -                     | 176.45        | 319.27        | 495.72          |
| Reclassified on account of adoption of Ind AS 116 (refer Note No. 4) | 1,216.96              | 186.58        | -             | 1,403.54        |
| Additions  | -                     | 200.66        | 15.89         | 216.55          |
| Depreciation   | (16.57)               | (149.88)      | (89.44)       | (255.89)        |
| Reclassification to Investment Property due to change in use         | (207.00)              | -             | -             | (207.00)        |
| <b>Balance as of 31 March 2020</b>                                   | <b>993.39</b>         | <b>413.81</b> | <b>245.72</b> | <b>1,652.92</b> |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:

(₹ in Lakhs)

| Particulars                   | 31 March 2020 |
|-------------------------------|---------------|
| Current lease liabilities     | 247.91        |
| Non-Current lease liabilities | 244.53        |
| <b>Total</b>                  | <b>492.44</b> |

The following is the movement in lease liabilities:

(₹ in Lakhs)

| Particulars                          | Year ended<br>31 March 2020 |
|--------------------------------------|-----------------------------|
| <b>Balance as of 1 April 2019</b>    | 503.85                      |
| Additions                            | 216.55                      |
| Finance cost accrued during the year | 44.07                       |
| Payment of lease liabilities         | (272.03)                    |
| <b>Balance as of 31 March 2020</b>   | <b>492.44</b>               |

The detail regarding the contractual maturities of lease liabilities on undiscounted basis is as follows:

(₹ in Lakhs)

| Particulars           | 31 March 2020 |
|-----------------------|---------------|
| Less than one year    | 278.60        |
| One year to two years | 149.76        |
| More than two years   | 115.59        |
| <b>Total</b>          | <b>543.95</b> |

The Group does not face a significantly liquidity risk with regard to its lease liabilities as the current assets (including cash and bank balances) are sufficient to meet the obligations related to lease liabilities as and when they fall due.

During the year Group recognise as operating expenses of ₹ 713.79 Lakhs towards short term leases for certain office/residential premises.

#### *Group as a lessor*

The Group has given certain office/residential premises on operating lease. During the year an amount of ₹ 2,330.37 Lakhs (including reimbursement of operating expenditure of ₹ 606.40 Lakhs) (previous year : ₹ 2,101.95 Lakhs (including reimbursement of operating expenditure of ₹ 425.02 Lakhs)) has been accounted for as rental income in respect of these operating leases.

The detail regarding the contractual maturities of lease payments to be received on undiscounted basis is as follows:

(₹ in Lakhs)

| Particulars           | 31 March 2020   |
|-----------------------|-----------------|
| Less than one year    | 1,628.12        |
| One year to two years | 1,126.28        |
| More than two years   | 100.06          |
| <b>Total</b>          | <b>2,854.46</b> |

#### **Impact of COVID-19**

The leases that the Group has entered with lessors are long term in nature and no changes are expected in lease terms to the existing lease contracts due to COVID-19.

## **Note : 40**

### **• Contingent liabilities and commitments related to Engineers India Limited**

#### **A. Contingent Liabilities:**

##### **a) 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 ₹ 16,488.95 Lakhs (previous year 31March 2019: ₹ 15,174.51 Lakhs).
- An amount of ₹ 916.12 Lakhs reduced from vendors invoices for 'delayed supply' on account of PRS in terms of provision of contract, for which credit note is yet to be received.

##### **b) Income tax assessments have been completed up to the assessment year 2017-18.**

Parent Company has exercised Vivad se Vishwas Scheme introduced in Budget 2020. After the introduction of Vivad se Vishwas Scheme of the Government, Income Tax department had shared list of pending cases as per their record. The same were reconciled with Parent Company record and scheme was exercised for the pending appeals in March 2020. The Income tax department was in appeal in Income Tax Appellate Tribunal in respect of Assessment Year 2013-14 and 2014-15.

The Parent company thus exercised option to settle case with Income Tax department under Vivad se Vishwas Scheme (VsVS) which has been recognised in the books of account as detail below:

(₹ in Lakhs)

| No. | Assessment Year | Amount in dispute | Amount Payable under VsVS @ 50% | Amount already paid | Balance amount to be paid/ (refunded) |
|-----|-----------------|-------------------|---------------------------------|---------------------|---------------------------------------|
| 1   | 2013-14         | 89.56             | 44.78                           | 89.56               | (44.78)                               |
| 2   | 2014-15         | 74.66             | 37.33                           | -                   | 37.33                                 |
|     | <b>TOTAL</b>    | <b>164.22</b>     | <b>82.11</b>                    | <b>89.56</b>        | <b>(7.45)</b>                         |

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 ₹ 237.89 Lakhs (including interest) (previous year 31 March 2019: ₹ 219.88 Lakhs (including interest)) for the period April 2014 to June 2017.

Parent Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the Penalty Notice of Assistant Commissioner (CT) dated 14 May 2019 levying penalty of ₹ 150.14 Lakhs (previous year 31 March 2019: 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 ₹ 3,826.84 Lakhs (including interest) (previous year 31 March 2019: ₹ 3,589.12 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 ₹ 30,552.56 Lakhs (including interest) (previous year 31 March 2019: ₹ 28,572.56 Lakhs (including interest))for the financial year 2010-11.

Parent 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 ₹ 636.29 Lakhs (including interest) (previous year 31 March 2019: ₹ 584.89 Lakhs (including interest)) 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 ₹ 786.97 Lakhs (including interest) (previous year 31 March 2019: ₹ 718.74 Lakhs (including interest)) 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 ₹ 109.97 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2019: ₹ 428.73 Lakhs (inclusive of taxes wherever applicable)).
- Owned Investment property – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 14.64 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2019: Nil).
- The Parent 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 2020 is ₹ 4,190.58 Lakhs (previous year 31 March 2019: ₹ 3,942.94 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 2017-2018. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2019-20 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- CEIL has opted for Vivad se Vishwas Scheme for the assessment year 2011-12 and online application forms were duly filed with designated authority on 23 March 2020. Vide a joint declaration signed with PCIT, Delhi on 5 March 2020, refund of ₹ 42.08 Lakhs has been acknowledged, out of that part refund of ₹ 19.97 Lakhs has been received on 27 May 2020.
- 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 31 March 2019: ₹ 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) and other processing mistakes amounting to ₹ 48.60 Lakhs (Previous Year 31 March 2019: ₹ 48.60 Lakhs) in intimation u/s 143(1) for the assessment year 2014-15.
- CEIL has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 63.24 Lakhs (inclusive of interest) (Previous Year 31 March 2019: ₹ 63.24 Lakhs (inclusive of interest)) in intimation u/s 143(1) for the assessment year 2016-17.



- 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 ₹ 7.85 Lakhs (inclusive of interest) (Previous Year 31 March 2019: Nil) in intimation u/s 143(1) for the assessment year 2018-19.
- g) CEIL has filed an appeal against a demand of service tax of ₹ 1,053.62 Lakhs (inclusive of interest and penalty) ( Previous Year 31 March 2019: ₹ 1015.12 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.

#### B. Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹ 1.20 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2019: Nil).

#### Note : 41

- a) Guarantees issued by the banks and outstanding as on 31 March, 2020: ₹ 100,271.41 Lakhs, inclusive of Expired BG of ₹ 14.04 Lakhs of CEIL (previous year 31 March 2019: ₹ 97,536.94 Lakhs, inclusive of Expired BG of ₹ 23.43 Lakhs of CEIL), against which a provision of ₹ 37,901.63 Lakhs (previous year 31 March 2019: ₹ 30,135.35 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- b) Letter of credit outstanding as on 31 March, 2020: ₹ 1,977.29 Lakhs (previous year 31 March 2019: ₹ 477.90 Lakhs).
- c) Corporate Guarantees issued by the Group on its behalf for contractual performance and outstanding as on 31 March, 2020 : ₹ 16,486.81 Lakhs (previous year 31 March 2019: ₹ 19,917.97 Lakhs).

#### Note : 42

##### Land and buildings

- i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2019: ₹ 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 2020 |       | 31 March 2019 |       |
|-----|---|---------------|-------|---------------|-------|
|     |   | Cost          | WDV   | Cost          | WDV   |
| (a) | Four Flats at Naranpura, Ahmedabad                | 10.31         | 3.05  | 10.31         | 3.30  |
| (b) | Land at Memnagar, Ahmedabad                       | -             | -     | 69.21         | 53.10 |
| (c) | Two Flats at Viman Nagar, Pune                    | 8.45          | 2.64  | 8.45          | 2.84  |
| (d) | Eighty Four Flats at Gokuldham Goregaon, Mumbai * | 238.19        | 26.66 | 238.19        | 32.38 |
| (e) | Six Flats in Andheri East, Mumbai                 | 9.93          | 0.16  | 9.93          | 0.16  |
| (f) | One Floor at CBD Belapur, Navi Mumbai             | 101.68        | 34.90 | 101.68        | 37.34 |

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 s-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.      | Land Freehold                   | Nil   | Perpetual   | 4.      | Plant and Machinery                                       |              |                     |
| 2.      | Land Leasehold                  | 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.      | Building                        |   |   |         | Laboratory Equipment                                      | 9.6          | 10                  |
|         | Office Building                 | 2.4   | 40  |         | Storage Tank  | 6.0          | 16                  |
|         | R&D Centre, Gurgaon             | 4.0   | 24  | 5.      | Furniture and Fixtures, Office and Construction Equipment |              |                     |
|         | 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.      | Computer Software/ Hardware                               |              |                     |
|         | 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 Conference Equipments                    | 19.20        | 5                   |
|         | Fire Fighting System            | 9.5   | 10  |         | Software *  | 33.33        | 3                   |
|         | Chilling Plant                  | 9.6   | 10  | 7.      | Vehicles  | 13.75        | 7                   |
|         | Rain Harvesting System          | 19.20   | 5   | 8.      | Library Books   | 100          | 1                   |
|         | 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.

No change in useful life of assets is felt necessary due to COVID-19.

ii) The Capital work in progress comprises cost of Property Plant and Equipment and Investment Property 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 2020 | 31 March 2019   |
|---|---------------|-----------------|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date | 213.60        | 3,366.97        |
| <b>Total</b>  | <b>213.60</b> | <b>3,366.97</b> |

**Note : 44**

The details of revenue are as below:

(₹ in Lakhs)

| Particulars             | 31 March 2020      | 31 March 2019      |
|-------------------------|--------------------|--------------------|
| Revenue from Operations | 3,23,653.63        | 2,47,579.84        |
| Other Income            | 25,553.60          | 22,231.16          |
| <b>Total Revenue</b>    | <b>3,49,207.23</b> | <b>2,69,811.00</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 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 2020      | 31 March 2019      |
|--|--------------------|--------------------|
| <b>Revenue by nature of services</b>   |                    |                    |
| Consultancy and engineering projects   | 1,56,531.02        | 1,34,946.97        |
| Turnkey projects                       | 1,63,774.06        | 1,09,486.88        |
| <b>Total</b>                           | <b>3,20,305.08</b> | <b>2,44,433.85</b> |
| <b>Revenues by geographical region</b> |                    |                    |
| India                                  | 2,84,152.64        | 2,26,449.10        |
| Nigeria                                | 30,279.93          | 11,362.72          |
| United Arab Emirates (UAE)             | 2,715.08           | 1,068.35           |
| Oman                                   | 1,168.01           | 1,028.43           |
| Mongolia                               | 1,164.55           | 707.69             |
| Algeria                                | 19.78              | 2,320.37           |
| Others                                 | 805.09             | 1,497.19           |
| <b>Total</b>                           | <b>3,20,305.08</b> | <b>2,44,433.85</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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Trade Receivables (Note No. 14) – Net of Allowance for expected credit losses                    | 66,614.60     | 41,414.56     |
| Contract Assets ( Unbilled Revenue) (Note No. 9 B) – Net of Allowance for expected credit losses | 2,6647.08     | 42,302.97     |
| Contract Liabilities ( Income Received in Advance) (Note No. 21 B)                               | 1,18,204.10   | 1,11,832.35   |

The Group 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 31 March 2020 and 31 March 2019, ₹ 31,982.33 Lakhs and ₹ 20,215.90 Lakhs of Contract assets (unbilled revenue) as of 1 April 2019 and 1 April 2018 respectively has been reclassified to Trade receivables upon billing to customers.

During the year ended 31 March 2020 and 31 March 2019, the company recognized revenue of ₹ 79,204.54 Lakhs and ₹ 55,308.00 Lakhs arising from opening Contract liabilities (Income Received in Advance) as of 1 April 2019 and 1 April 2018 respectively.

During the year ended March 31, 2020, the company recognized revenue of ₹ 9,662.03 Lakhs (previous year : ₹ 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 recognized at the end of the reporting period and an explanation as to when the Group 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 2020 is ₹ 9,55,543.00 Lakhs. Out of this, the Parent Company expects to recognize revenue of around 29% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2019 is ₹ 11,18,864.00 Lakhs.

The revenue recognised with the contracted price of Parent Company is as follows:

| (₹ in Lakhs)   |                    |                    |
|--|--------------------|--------------------|
| Particulars  | 31 March 2020      | 31 March 2019      |
| <b>Contracted price</b>                              | 3,29,569.69        | 2,50,382.20        |
| Reduction towards variable consideration components* | 9,264.61           | 5,948.35           |
| <b>Revenue recognised</b>                            | <b>3,20,305.08</b> | <b>2,44,433.85</b> |

\* 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 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

### Impact of COVID-19

The Group evaluated the impact of COVID-19 on recognition of revenue. Since the Group follows percentage completion method for accounting of revenue, management expects delay in completion of certain jobs in the prevailing situation, the impact of which has already been considered in recognition of revenue. Moving forward, management has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis, though the disruption on account of COVID-19 could have medium term impact.

## 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 2019: ₹ 1,500 lakhs) and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2019: ₹ 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 2019 ₹ 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 2019, the Company's share of negative 'other equity' of ₹ 541.00 Lakhs has been accounted for as impairment in value of investment.

During the current financial year 2019-20, based on liquidator statement, TEIL had a net loss of ₹ 0.74 lakhs. The Company's share of loss of ₹ 0.37 lakhs has been recorded as impairment in value of investments.

#### b) Ramagundam Fertilizers and Chemicals Limited ('RFCL')

The Parent 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.

RFCL has Authorized share capital of ₹ 200,000 Lakhs (previous year: 31 March 2019: ₹ 150,000 Lakhs) consisting 20,000 Lakhs (previous year: 31 March 2019: 15,000 Lakhs) equity shares of face value of ₹ 10 each.

The Shareholding of the RFCL, on commencement of commercial production of the project shall be in the following proportion:

Engineers India Limited (EIL): 26%  
 National Fertilizers Limited (NFL): 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 IK/S: 3.90%  
 IFU: 3.90%

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the RFCL in regard to facility area (Lease hold land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project.

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 ₹ 14,449.00 Lakhs at par value as a consideration towards granting concession rights in the land and value of usable assets to the Company.

During the year, RFCL Board has approved the revised project cost to ₹ 6,12,055.00 Lakhs to be funded through equity of ₹ 1,72,163.00 Lakhs. As per terms of shareholders agreement, additional equity of ₹ 4,489.00 Lakhs to be issued to FCIL. Thus, total equity issuance to FCIL based on this revised project cost will be ₹ 18,938.00 Lakhs.

The paid up capital by Joint Venture Partners as on 31 March 2020 is as under:

(in Lakhs)

| Shareholder                   | 31 March 2020                                 |                       | 31 March 2019                                 |                       |
|-------------------------------|---|-----------------------|---|-----------------------|
|                               | 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                           | 3,415.28                                      | ₹ 34,152.82           | 2,736.90                                      | ₹27,369.00            |
| NFL                           | 3,415.28                                      | ₹ 34,152.82           | 2,736.90                                      | ₹27,369.00            |
| FCIL                          | 1,444.93                                      | ₹ 14,449.27           | 1,157.96                                      | ₹11,579.64            |
| State Government of Telangana | 1,300.47                                      | ₹ 13,004.73           | 821.16  | ₹8,211.58             |
| GAIL (India) Limited          | 1,878.41                                      | ₹ 18,784.05           | 1,505.30                                      | ₹15,052.95            |
| Others                        | 1,536.88                                      | ₹ 15,368.77           | 1,231.60                                      | ₹12,316.05            |
| <b>Total</b>                  | <b>12,991.25</b>                              | <b>₹ 1,29,912.46</b>  | <b>10,189.82</b>                              | <b>₹1,01,898.22</b>   |

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

| Particulars   | 31 March 2020      | 31 March 2019<br>(Restated)* |
|---|--------------------|------------------------------|
| Cash and cash equivalents   | 14,529.44          | 14,628.01                    |
| Other Current assets  | 7,700.43           | 10,826.48                    |
| <b>Total Current assets (A)</b>   | <b>22,229.87</b>   | <b>25,454.49</b>             |
| <b>Non-current assets (B)</b>   | <b>4,78,061.84</b> | <b>3,87,597.57</b>           |
| Current financial liabilities(excluding trade payables and provisions)      | 5,946.75           | 4,209.31                     |
| Trade payables and provisions   | 17,372.66          | 20,430.49                    |
| Other Current liabilities   | 435.07             | 327.17                       |
| <b>Total Current liabilities (C)</b>  | <b>23,754.48</b>   | <b>24,966.97</b>             |
| Non current financial liabilities (excluding trade payables and provisions) | 3,40,002.72        | 2,86,700.20                  |
| Other Non current liabilities   | 4,909.04           | 2,427.10                     |
| <b>Total Non-current liabilities (D)</b>                                    | <b>3,44,911.76</b> | <b>2,89,127.30</b>           |
| <b>Net assets (A+B-C-D)</b>   | <b>131,625.47</b>  | <b>98,957.79</b>             |
| <b>Net assets recognised in consolidated financial statements</b>           | <b>40,868.52</b>   | <b>26,580.06</b>             |

**Summarised Statement of profit and loss**
**(₹ in Lakhs)**

| Particulars                             | 31 March 2020     | 31 March 2019<br>(Restated)* |
|---|-------------------|------------------------------|
| Interest income                         | 406.10            | 230.47                       |
| Other income                            | 467.42            | 277.44                       |
| <b>Total revenue (A)</b>                | <b>873.52</b>     | <b>507.91</b>                |
| Depreciation and Amortization           | 3.74              | -                            |
| Interest Expenses                       | 627.90            | -                            |
| Other expense                           | 4,059.72          | 2,176.54                     |
| <b>Total expenses (B)</b>               | <b>4,691.36</b>   | <b>2,176.54</b>              |
| Profit before tax (C = A-B)             | (3,817.84)        | (1,668.63)                   |
| Tax expense (D)                         | -                 | -                            |
| <b>Loss for the year (E = C-D)</b>      | <b>(3,817.84)</b> | <b>(1,668.63)</b>            |
| Other comprehensive income (F)          | (0.11)            | -                            |
| <b>Total comprehensive income (E-F)</b> | <b>(3817.95)</b>  | <b>(1,668.63)</b>            |

\* RFCL has restated its previously reported financial statements as at April 1 2018 and for the year ended 31 March 2019 to ensure compliance of Expert Advisory Committee (EAC) opinion of ICAI, which opined that the project insurance expenses cannot be considered as directly attributable costs to Property Plant & Equipment and should be charged to the Statement of profit and loss.

Accordingly, project insurance expenses amounting to ₹ 638.64 Lakhs ( Parent Company share ₹ 171.54 Lakhs) incurred till 31 March 2018 has been adjusted in the balance of retained earnings as on 1 April 2018 with corresponding adjustment in capital work in progress, in the financial statements of RFCL for year ended 31 March 2020.

Similarly, insurance expenses amounting to ₹ 412.47 Lakhs (Parent Company share ₹ 110.79 Lakhs) for the financial year 2018-19 is charged to the Statement of profit and loss for the year ended 31 March 2019 with corresponding adjustment in the capital work in progress, in the financial statements of RFCL for year ended 31 March 2020.

**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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995* | 6,992.93      | 4,944.75      |
| Employees Defined Contributory Superannuation Scheme             | 3,716.81      | 5,144.10      |

\*Includes ₹ 1,630.10 Lakhs (previous year: Nil) of accrued provident fund liability for default till 31-03-2020 on account of Provident Fund Trust investment.

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 2020 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 2020 and 31 March 2019.

**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                    | If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability. |
| Interest risk (discount rate risk) | Reduction in discount rate in subsequent valuations can increase the plan's liability.  |
| Mortality risk                     | Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.  |
| Salary risk                        | Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.                    |
| Medical expense inflation risk     | Increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption will also increase the liability.            |
| Cash allowance variation risk      | Actual award cost increases will increase the Plan's liability. Increase in award cost increase rate assumption in future valuations will also increase the 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 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019   | 31 March 2020                             | 31 March 2019   |
| Present value of obligations as at the end of year       | 21,600.78         | 20,527.63     | 22,500.50                 | 18,710.62       | 23,845.84                                 | 20,870.11       |
| Fair value of plan assets as at the end of the year      | 19,854.41         | 20,124.00     | 18,085.47                 | 14,201.86       | 20,836.88                                 | 19,518.21       |
| Funded status  | (1,746.37)        | (403.63)      | (4,415.03)                | (4,508.76)      | (3008.96)                                 | (1,351.90)      |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>1,746.37</b>   | <b>403.63</b> | <b>4,415.03</b>           | <b>4,508.76</b> | <b>3008.96</b>                            | <b>1,351.90</b> |

**b) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |               |
|--|-------------------|-----------------|---------------------------|-----------------|---|---------------|
|  | 31 March 2020     | 31 March 2019   | 31 March 2020             | 31 March 2019   | 31 March 2020                             | 31 March 2019 |
| Current service cost                                       | 1,194.13          | 1,356.31        | 3,695.88                  | 3,944.79        | 418.58                                    | 404.64        |
| Past service cost  | -                 | -               | -                         | -               | -   | -             |
| Interest cost on defined benefit obligation                | 1,560.10          | 1,593.77        | 1,422.01                  | 1,209.69        | 1,586.13                                  | 1,512.46      |
| Interest income on plan assets                             | (1529.42)         | (915.33)        | (1079.34)                 | (1,069.12)      | (1,483.39)                                | (1,361.40)    |
| Re-measurements  | -                 | -               | 483.36                    | 423.27          | -   | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>1,224.81</b>   | <b>2,034.75</b> | <b>4,521.91</b>           | <b>4,508.63</b> | <b>521.32</b>                             | <b>555.70</b> |

**c) Expenses recognized in Other comprehensive income**

(₹ in Lakhs)

|  | Gratuity (funded) |                 | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|--|-------------------|-----------------|---------------------------|---------------|---|---------------|
|  | 31 March 2020     | 31 March 2019   | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| Return on plan assets                                    | 80.02             | (285.77)        | -                         | -             | (5.88)                                    | (100.90)      |
| Actuarial (gains)/loss                                   | 443.28            | (237.77)        | -                         | -             | 2643.01                                   | 896.93        |
| <b>Expenses recognized in other comprehensive income</b> | <b>523.30</b>     | <b>(523.54)</b> | <b>-</b>                  | <b>-</b>      | <b>2637.13</b>                            | <b>796.03</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 2020     | 31 March 2019    | 31 March 2020             | 31 March 2019    | 31 March 2020                             | 31 March 2019    |
| Present value of obligations as at beginning of year  | 20,527.63         | 20,698.36        | 18,710.62                 | 15,710.21        | 20,870.11                                 | 19,642.27        |
| Interest cost   | 1,560.10          | 1,593.77         | 1,422.01                  | 1,209.69         | 1,586.13                                  | 1,512.46         |
| Current service cost                                  | 1,194.13          | 1,356.31         | 3,695.88                  | 3,944.79         | 418.58                                    | 404.64           |
| Actuarial (gains)/losses arising from                 |                   |                  |                           |                  |   |                  |
| Changes in demographic assumptions                    | 6.48              | -                | 5.65                      | -                | 4.77                                      | -                |
| Changes in financial assumptions                      | 1,287.36          | 159.85           | 785.31                    | 92.60            | 1,995.97                                  | 266.13           |
| Experience adjustments                                | (850.55)          | (397.61)         | (164.12)                  | 334.65           | 642.27                                    | 630.80           |
| Past service cost                                     | -                 | -                | -                         | -                | -   | -                |
| Benefits paid   | (2,124.37)        | (2,883.05)       | (1847.82)                 | (2,581.32)       | (1522.40)                                 | (1,586.19)       |
| Benefits paid directly by employer                    | -                 | -                | (107.03)                  | -                | (149.59)                                  | -                |
| <b>Present value of obligations as at end of year</b> | <b>21,600.78</b>  | <b>20,527.63</b> | <b>22,500.50</b>          | <b>18,710.62</b> | <b>23,845.84</b>                          | <b>20,870.11</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 2020     | 31 March 2019    | 31 March 2020             | 31 March 2019    | 31 March 2020                             | 31 March 2019    |
| Fair value of plan assets as on beginning of year   | 20,124.00         | 11,887.44        | 14,201.86                 | 13,884.63        | 19,518.21                                 | 17,680.45        |
| Interest income   | 1,529.42          | 915.33           | 1,079.34                  | 1,069.12         | 1,483.38                                  | 1,361.40         |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense | (80.01)           | 285.77           | 143.48                    | 3.98             | 5.88                                      | 100.90           |
| Contributions from the employer   | 405.37            | 9,918.51         | 4,508.61                  | 1,825.45         | 1,351.81                                  | 1,961.65         |
| Benefits paid   | (2,124.37)        | (2,883.05)       | (1847.82)                 | (2,581.32)       | (1522.40)                                 | (1,586.19)       |
| <b>Fair value of plan assets at the end of year</b>   | <b>19,854.41</b>  | <b>20,124.00</b> | <b>18,085.47</b>          | <b>14,201.86</b> | <b>20,836.88</b>                          | <b>19,518.21</b> |

**f) Actuarial Assumptions**

|   | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|---|-------------------|---------------|---------------------------|---------------|---|---------------|
|   | 31 March 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| Discount rate                           | 6.80%             | 7.60%         | 6.80%                     | 7.60%         | 6.80%                                     | 7.60%         |
| 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 (2012 - 14) (Previous year: 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 2020     | 31 March 2019    | 31 March 2020             | 31 March 2019    | 31 March 2020                             | 31 March 2019    |
| Weighted average of the defined benefit obligation | 13.42 years       | 14 years         | 13.42 years               | 14 years         | 13.42 years                               | 14 years         |
| Duration of defined benefit obligation             |                   |                  |                           |                  |   |                  |
| Duration (years)                                   |                   |                  |                           |                  |   |                  |
| 1  | 2,509.01          | 2,752.18         | 2,416.79                  | 2,605.03         | 1,718.35                                  | 1,152.47         |
| 2  | 1,505.51          | 2,158.06         | 1,741.14                  | 2,082.69         | 1,828.02                                  | 1,083.32         |
| 3  | 1,514.02          | 1,459.76         | 1,605.30                  | 1,430.89         | 1,924.75                                  | 1,028.88         |
| 4  | 1,423.51          | 1,440.23         | 1,553.84                  | 1,323.05         | 2,058.28                                  | 962.13           |
| 5  | 1,269.16          | 1,316.47         | 1,397.84                  | 1,136.97         | 2,200.02                                  | 900.15           |
| Above 5  | 13,379.57         | 11,400.93        | 13,785.59                 | 10,131.99        | 14,116.42                                 | 15,743.16        |
| <b>Total</b>                                       | <b>21,600.78</b>  | <b>20,527.63</b> | <b>22,500.50</b>          | <b>18,710.62</b> | <b>23,845.84</b>                          | <b>20,870.11</b> |
| Duration of defined benefit payments               |                   |                  |                           |                  |   |                  |
| Duration (years)                                   |                   |                  |                           |                  |   |                  |
| 1  | 2,619.49          | 2,854.84         | 2,508.52                  | 2,702.21         | 1,718.35                                  | 1,195.46         |
| 2  | 1,713.26          | 2,408.70         | 1,944.48                  | 2,324.57         | 1,924.83                                  | 1,209.14         |
| 3  | 1,814.06          | 1,753.13         | 1,928.95                  | 1,718.45         | 2,097.61                                  | 1,235.65         |
| 4  | 1,833.54          | 1,861.13         | 2,008.94                  | 1,709.70         | 2,321.64                                  | 1,243.30         |
| 5  | 1,757.34          | 1,830.48         | 1,944.53                  | 1,580.90         | 2,568.37                                  | 1,251.61         |
| Above 5  | 38,182.54         | 35,412.75        | 27,631.42                 | 20,301.68        | 88,489.90                                 | 89,215.56        |
| <b>Total</b>                                       | <b>47,920.23</b>  | <b>46,121.03</b> | <b>37,966.84</b>          | <b>30,337.51</b> | <b>99,120.70</b>                          | <b>95,350.72</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 2020     | 31 March 2019 | 31 March 2020             | 31 March 2019 | 31 March 2020                             | 31 March 2019 |
| 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate        | +/-1%                | +/-1%         | 1,920.13                               | 1,743.40      | 1,774.27                               | 1,494.68      |
| Expected rate of future salary increase     | +/-1%                | +/-1%         | 312.33                                 | 303.97        | 333.40                                 | 350.77        |

(₹ 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                | +/-1%                | +/-1%         | 1,112.10                               | 983.15        | 1,092.45                               | 883.76        |
| Expected rate of future salary increase             | +/-1%                | +/-1%         | 1,162.40                               | 960.53        | 1,083.64                               | 880.65        |

(₹ 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                                | +/-1%                | +/-1%         | 3,416.80                               | 3,034.18      | 2,706.37                               | 2,412.40      |
| Expected rate of future salary increase                             | +/-1%                | +/-1%         | 2,924.50                               | 2,603.31      | 2,334.35                               | 2,086.81      |

**\*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 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Present value of obligations as at the end of year | 110.22                        | 97.52         | 259.68                                  | 259.04        |
| Net (asset)/liability recognized in balance sheet  | 110.22                        | 97.52         | 259.68                                  | 259.04        |

##### b) Expenses recognized in statement of profit and loss (₹ in Lakhs)

|  | Long service award (unfunded) |                 | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|-----------------|---|---------------|
|  | 31 March 2020                 | 31 March 2019   | 31 March 2020                           | 31 March 2019 |
| Current service cost                                       | 8.67                          | 8.16            | 14.07                                   | 13.15         |
| Past Service Cost  | -                             | (495.76)        | -                                       | -             |
| Interest cost  | 7.41                          | 46.33           | 19.69                                   | 20.70         |
| Re-measurements  | 3.14                          | (51.59)         | -                                       | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>19.22</b>                  | <b>(492.86)</b> | <b>33.76</b>                            | <b>33.85</b>  |

##### c) Expenses recognized in other comprehensive income (₹ in Lakhs)

|  | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|--|-------------------------------|---------------|---|---------------|
|  | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Return on plan assets                                    | -                             | -             | -                                       | -             |
| Actuarial (gains)/losses                                 | -                             | -             | 3.18                                    | (7.82)        |
| <b>Expenses recognized in other comprehensive income</b> | <b>-</b>                      | <b>-</b>      | <b>3.18</b>                             | <b>(7.82)</b> |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

(₹ in Lakhs)

|   | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---|-------------------------------|---------------|---|---------------|
|   | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Present value of obligations as at beginning of year        | 97.52                         | 601.67        | 259.04                                  | 268.85        |
| Interest cost   | 7.41                          | 46.33         | 19.69                                   | 20.70         |
| Current service cost  | 8.67                          | 8.16          | 14.07                                   | 13.15         |
| Actuarial (gains)/losses arising from                       |                               |               |   |               |
| Changes in demographic assumptions                          | (0.06)                        | -             | (0.06)                                  | -             |
| Changes in financial assumptions                            | 4.65                          | 0.56          | 14.68                                   | 1.96          |
| Experience adjustments                                      | (1.45)                        | (52.15)       | (11.43)                                 | (9.78)        |
| Past service cost, including losses/(gains) on Curtailments | -                             | (495.76)      | -                                       | -             |
| Benefits paid   | (6.52)                        | (11.29)       | (36.31)                                 | (35.84)       |
| <b>Present value of obligations as at end of year</b>       | <b>110.22</b>                 | <b>97.52</b>  | <b>259.68</b>                           | <b>259.04</b> |

**e) Actuarial Assumptions**

|                                 | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---------------------------------|-------------------------------|---------------|---|---------------|
|                                 | 31 March 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Discount rate                   | 6.80%                         | 7.60%         | 6.80%                                   | 7.60%         |
| Increase in compensation levels | -                             | -             | 5.00%                                   | 5.00%         |

Mortality rates inclusive of provision for disability -100% of IALM (2012 - 14) (Previous year: 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 2020                 | 31 March 2019 | 31 March 2020                           | 31 March 2019 |
| Weighted average of the defined benefit obligation | 13.42 years                   | 14 years      | 13.42 years                             | 14 years      |
| Duration of defined benefit obligation             |                               |               |   |               |
| Duration (years)                                   |                               |               |   |               |
| 1  | 9.75                          | 7.46          | 33.27                                   | 38.34         |
| 2  | 11.26                         | 7.31          | 17.15                                   | 30.14         |
| 3  | 17.03                         | 8.44          | 15.86                                   | 17.15         |
| 4  | 17.69                         | 14.27         | 19.80                                   | 18.54         |
| 5  | 17.03                         | 13.26         | 18.03                                   | 17.36         |
| Above 5  | 37.46                         | 46.78         | 155.57                                  | 137.51        |
| <b>Total</b>                                       | <b>110.22</b>                 | <b>97.52</b>  | <b>259.68</b>                           | <b>259.04</b> |
| Duration of defined benefit payments               |                               |               |   |               |
| Duration (years)                                   |                               |               |   |               |
| 1  | 9.91                          | 7.58          | 34.52                                   | 39.77         |
| 2  | 12.39                         | 8.04          | 19.14                                   | 33.65         |
| 3  | 20.23                         | 10.03         | 19.04                                   | 20.59         |
| 4  | 22.66                         | 18.28         | 25.59                                   | 23.96         |
| 5  | 23.56                         | 18.35         | 25.06                                   | 24.14         |
| Above 5  | 93.62                         | 104.41        | 492.30                                  | 435.16        |
| <b>Total</b>                                       | <b>182.37</b>                 | <b>166.69</b> | <b>615.65</b>                           | <b>577.27</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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                  | +/-1%                | +/-1%         | 7.04                                   | 5.98          | 6.74                                   | 5.39          |

**(₹ 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 2020        | 31 March 2019 | 31 March 2020                          | 31 March 2019 | 31 March 2020                          | 31 March 2019 |
| Increase/(Decrease) in discount rate                            | +/-1%                | +/-1%         | 21.87                                  | 21.40         | 18.96                                  | 18.31         |
| Expected rate of future salary increase                         | +/-1%                | +/-1%         | 21.92                                  | 21.75         | 19.01                                  | 18.89         |

**\*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 recognized as an expense in defined contribution plan is as under:

**(₹ in Lakhs)**

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 118.51        | 119.04        |
| Contributory National Pension System (NPS)                      | 67.74         | 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 2020 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/unfunded obligations

## a) The amounts recognized in the balance sheet

(₹ in Lakhs)

|  | Gratuity (funded) |                | Leave encashment (unfunded) |               | Long service awards (unfunded) |               |
|--|-------------------|----------------|-----------------------------|---------------|--------------------------------|---------------|
|  | 31 March 2020     | 31 March 2019  | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Present value of obligations as at the end of year       | 421.68            | 331.02         | 582.19                      | 493.62        | 22.79                          | 18.90         |
| Fair value of plan assets as at the end of the year      | 377.34            | 353.61         | -                           | -             | -                              | -             |
| Amount Not Recognised due to asset limit                 | -                 | 1.08           | -                           | -             | -                              | -             |
| Funded status  | 44.34             | 21.51          | (582.19)                    | (493.62)      | (22.79)                        | (18.90)       |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>44.34</b>      | <b>(21.51)</b> | <b>582.19</b>               | <b>493.62</b> | <b>22.79</b>                   | <b>18.90</b>  |

## b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

|  | Gratuity (funded) |               | Leave encashment (unfunded) |               | Long service awards (unfunded) |               |
|--|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|  | 31 March 2020     | 31 March 2019 | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Current service cost                                       | 11.79             | 15.05         | 115.94                      | 76.96         | 2.19                           | 3.23          |
| Past service cost  | -                 | -             | -                           | -             | -                              | -             |
| Interest on net benefit asset/liability                    | (1.68)            | 8.47          | 37.02                       | 29.27         | 1.45                           | 1.28          |
| Re-measurements gains/losses                               | -                 | -             | 44.92                       | 141.02        | 1.28                           | 0.52          |
| <b>Expenses recognized in statement of profit and loss</b> | <b>10.11</b>      | <b>23.52</b>  | <b>197.88</b>               | <b>247.25</b> | <b>4.92</b>                    | <b>5.03</b>   |

## c) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

|  | Gratuity (funded) |               | Leave encashment (unfunded) |               | Long service awards (unfunded) |               |
|--|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|  | 31 March 2020     | 31 March 2019 | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Actuarial (gains)/loss                                   |                   |               |                             |               |                                |               |
| Change in financial assumption                           | 55.34             | -             | -                           | -             | -                              | -             |
| Change in demographic assumption                         | (0.22)            | (1.08)        | -                           | -             | -                              | -             |
| Experience adjustments                                   | 2.70              | 1.30          | -                           | -             | -                              | -             |
| Actual return on plan assets                             | 1.07              | (10.57)       | -                           | -             | -                              | -             |
| Adjustments to recognise the effect of asset ceiling     | (1.16)            | 1.08          | -                           | -             | -                              | -             |
| <b>Expenses recognized in other comprehensive income</b> | <b>55.73</b>      | <b>(9.27)</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 2020     | 31 March 2019 | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Present value of obligations as at beginning of year  | 331.02            | 296.35        | 493.62                      | 390.83        | 18.90                          | 17.97         |
| Interest cost   | 25.65             | 22.88         | 37.02                       | 29.27         | 1.45                           | 1.28          |
| Current service cost                                  | 11.79             | 15.05         | 115.94                      | 76.96         | 2.19                           | 3.23          |
| Past service cost                                     | -                 | -             | -                           | -             | -                              | -             |
| Actuarial (gain)/loss on obligations                  | 55.82             | 0.22          | 44.91                       | 141.02        | 1.28                           | 0.52          |
| Benefit paid  | (2.60)            | (3.48)        | (109.30)                    | (144.46)      | (1.03)                         | (4.10)        |
| <b>Present value of obligations as at end of year</b> | <b>421.68</b>     | <b>331.02</b> | <b>582.19</b>               | <b>493.62</b> | <b>22.79</b>                   | <b>18.90</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 2020     | 31 March 2019 | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Fair value of plan assets as on beginning of year                                | 353.61            | 182.81        | -                           | -             | -                              | -             |
| Interest on plan assets  | 27.40             | 14.41         | -                           | -             | -                              | -             |
| Re-measurements due to actual return on plan assets less interest on plan assets | (1.07)            | 10.57         | -                           | -             | -                              | -             |
| Contributions  | -                 | 149.29        | -                           | -             | -                              | -             |
| Benefits paid  | (2.60)            | (3.48)        | -                           | -             | -                              | -             |
| <b>Fair value of plan assets at the end of year</b>                              | <b>377.34</b>     | <b>353.61</b> | -                           | -             | -                              | -             |

**f) Actuarial Assumptions**

(₹ in Lakhs)

|   | Gratuity (funded) |               | Leave encashment (unfunded) |               | Long service awards (unfunded) |               |
|---|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|   | 31 March 2020     | 31 March 2019 | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Discount rate                           | 6.80%             | 7.80%         | 6.80%                       | 7.80%         | 6.80%                          | 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     | 0.82%        |
| 41 – 50     | 1.25%        |
| 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 2020     | 31 March 2019 | 31 March 2020                             | 31 March 2019 | 31 March 2020                               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Weighted average of the defined benefit obligation | 13.79 Years       | 14.17 Years   | 12.55 Years                               | 9.53Years     | 7.70 Years                                  | 7.61 years    | 4.95 Years                     | 5.89 Years    |
| Duration of defined benefit obligation             |                   |               |   |               |   |               |                                |               |
| Duration (years)                                   |                   |               |   |               |   |               |                                |               |
| 1  | 25.07             | 4.48          | 25.21                                     | 26.14         | 13.60                                       | 11.98         | 3.25                           | 0.73          |
| 2  | 5.68              | 24.34         | 14.78                                     | 38.02         | 13.04                                       | 12.25         | 0.92                           | 2.82          |
| 3  | 5.65              | 5.10          | 15.26                                     | 26.12         | 13.33                                       | 11.73         | 5.47                           | 0.84          |
| 4  | 5.94              | 5.08          | 16.04                                     | 26.47         | 13.64                                       | 12.00         | 2.72                           | 5.03          |
| 5  | 6.62              | 5.35          | 17.06                                     | 26.96         | 13.97                                       | 12.27         | 0.66                           | 2.42          |
| 6  | 7.01              | 5.98          | 17.97                                     | 27.68         | 14.30                                       | 12.57         | 2.42                           | 0.61          |
| 7  | 7.73              | 6.33          | 19.07                                     | 28.31         | 14.64                                       | 12.86         | 0.78                           | 2.16          |
| 8  | 27.05             | 7.00          | 21.54                                     | 29.05         | 14.99                                       | 13.16         | 4.50                           | 0.72          |
| 9  | 41.34             | 26.21         | 50.39                                     | 30.48         | 14.63                                       | 13.47         | 2.28                           | 4.14          |
| Above 10   | 1,090.96          | 1,101.22      | 987.18                                    | 669.20        | 139.16                                      | 138.27        | 10.65                          | 11.64         |



**h) Major Categories of Plan Assets (as percentage of total plan assets)**

|                         | Gratuity (funded) |               | Leave encashment (unfunded) |               | Long service awards (unfunded) |               |
|-------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                         | 31 March 2020     | 31 March 2019 | 31 March 2020               | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Fund managed by insurer | 100%              | 100%          | -                           | -             | -                              | -             |

**i) Sensitivity analysis****Gratuity (funded)**

(₹ in Lakhs)

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2020 | 31 March 2019 | 31 March 2020          | 31 March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -6.60%        | -6.78%        | 1.14%                  | 1.74%         |
| Impact of decrease in 50 bps on defined benefit obligation | 7.21%         | 7.42%         | -1.38%                 | -2.20%        |

**Leave encashment (Earned Leave) (unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2020 | 31 March 2019 | 31 March 2020          | 31 March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -6.02%        | -4.59%        | 6.38%                  | 4.87%         |
| Impact of decrease in 50 bps on defined benefit obligation | 6.55%         | 4.95%         | -5.92%                 | -4.57%        |

**Leave encashment (Half Pay Leave) (Unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2020 | 31 March 2019 | 31 March 2020          | 31 March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -3.74%        | -3.69%        | 3.87%                  | 3.86%         |
| Impact of decrease in 50 bps on defined benefit obligation | 3.97%         | 3.93%         | -3.68%                 | -3.67%        |

**Long service awards (unfunded)**

| Particulars  | Discount rate |               | Salary escalation rate |               |
|--|---------------|---------------|------------------------|---------------|
|  | 31 March 2020 | 31 March 2019 | 31 March 2020          | 31 March 2019 |
| Impact of increase in 50 bps on defined benefit obligation | -2.40%        | -2.65%        | -2.59%                 | -2.51%        |
| Impact of decrease in 50 bps on defined benefit obligation | 2.51%         | 2.78%         | 2.26%                  | 2.60%         |

**Note : 48**

The wage revision in respect of Board level and below Board level executives of parent company applicable w.e.f. 01.01.2017 has been implemented in financial year 2017-18. For unionized staff of parent company, wage revision has been implemented in current financial year 2019-20 and liability of arrear has been provided for in the books of accounts, against which payment has been done in April, 2020.

**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 | 23.53%                  |
| CB-ONN-2010/08 | 22.22%                  |

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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Revenue expenditure                    | 145.56        | 251.19        |
| Drywell written off                    | -             | 1,542.66      |
| Provision for impairment of Oil Blocks | 2,839.20      | -             |
| Capital expenditure                    | 282.90        | 532.56        |

\* The original participating interest in production sharing contract of Group in both blocks is 20% each. 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. The Group along with other partners has acquired the share of defaulted partner in proportion to their original participating interest and the share of company is 22.22% and 23.53% in the blocks CB-ONN-2010/08 and CB-ONN-2010/11 respectively.

During the year Group has received its share of ₹ 46.39 Lakhs against settlement of default component in Block No. CB-ONN-2010/08.

## 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 2020      | 31 March 2019      |
|---|--------------------|--------------------|
| <b>Segment revenue</b>                        |                    |                    |
| Consultancy and engineering projects          | 1,59,879.57        | 1,38,092.96        |
| Turnkey projects                              | 1,63,774.06        | 1,09,486.88        |
| <b>Total</b>                                  | <b>3,23,653.63</b> | <b>2,47,579.84</b> |
| <b>Segment profit</b>                         |                    |                    |
| Consultancy and engineering projects          | 51,063.99          | 40,063.03          |
| Turnkey projects                              | 6,544.96           | 6,278.82           |
| <b>Total (a)</b>                              | <b>57,608.95</b>   | <b>46,341.85</b>   |
| Interest                                      | 174.47             | 123.21             |
| Other un-allocable expenditure *              | 14,686.17          | 11,027.43          |
| <b>Total (b)</b>                              | <b>14,860.64</b>   | <b>11,150.64</b>   |
| <b>Other income (c)</b>                       | <b>25,553.60</b>   | <b>22,231.16</b>   |
| <b>Profit before tax (a-b+c)</b>              | <b>68,301.91</b>   | <b>57,422.37</b>   |
| Income Tax Expense                            | 24,915.95          | 20,128.54          |
| <b>Profit after Tax</b>                       | <b>43,385.96</b>   | <b>37,293.83</b>   |
| Less: Share of Loss in joint venture entities | (1,004.08)         | (449.14)           |
| <b>Profit for the Year</b>                    | <b>42,381.88</b>   | <b>36,844.69</b>   |
| <b>Capital employed**</b>                     | <b>2,40,601.89</b> | <b>2,34,449.50</b> |

\* Includes expenditure on Oil and Gas exploration blocks including dry well written off and impairment amounting to ₹ 2,984.83 Lakhs (previous year : ₹ 1,793.85 Lakhs).

\* Includes ₹ 1,630.10 Lakhs (previous year: Nil) of accrued provident fund liability for default till 31-03-2020 on account of Provident Fund Trust investment.

\*\*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 2020                        | 31 March 2019      | 31 March 2020      | 31 March 2019      |
| India                      | 1,20,378.58                          | 1,16,962.22        | 1,63,774.06        | 1,09,486.88        |
| Nigeria                    | 30,279.93                            | 11,362.72          | -                  | -                  |
| United Arab Emirates (UAE) | 2,715.08                             | 1,068.35           | -                  | -                  |
| Oman                       | 1,168.01                             | 1,028.43           | -                  | -                  |
| Mongolia                   | 1,164.55                             | 707.69             |                    |                    |
| Algeria                    | 19.78                                | 2,320.37           | -                  | -                  |
| Others                     | 805.09                               | 1,497.19           | -                  | -                  |
| <b>Total</b>               | <b>1,56,531.02</b>                   | <b>1,34,946.97</b> | <b>1,63,774.06</b> | <b>1,09,486.88</b> |

**Segment revenue with major customers of Parent Company**

During the year 31 March 2020, ₹ 62,729.68 Lakhs (previous year 31 March 2019: ₹ 52,719.57 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two (previous year 31 March 2019: three) customers.

During the year 31 March 2020, ₹ 1,62,359.36 Lakhs (previous year 31 March 2019: ₹ 1,01,233.16 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from four (previous year 31 March 2019: two) customers.

**Note : 51**

The turnover and operating profit for the year ended 31 March 2020 includes ₹ 9,662.03 Lakhs and ₹ 8,478.50 Lakhs respectively on account of impact of variation order received in Consultancy and Engineering Projects segment.

**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 from financial year 2015-16.

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. Contractor has 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, 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. Hon'ble Supreme Court, on the application of contractor, has stayed the Resolution proceedings. Hence during the year, Group has approached Arbitral Tribunal and NCLT for revival of its counter claims wherein Group has been directed to approach the appropriate forum and accordingly Group is in the process of filing the application. 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**

During the current financial year, members of Petroleum India International (PII), an Association of Person (AOP), have executed Termination Agreement dated 18 March 2020 bringing an end to the MOU entered into between Members as on 1 March 1986. Accordingly AOP has been dissolved on 18 March 2020.

During the year, Group has received ₹ 135.14 Lakhs as its share out of total amount of ₹ 1,417.08 Lakhs (Previous Year 31 March 2019: ₹ 47.51 Lakhs as its share out of total amount of ₹ 500.01 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)

| Sl. No. | Particulars                          | Class of provision      |                  |                 |                 |
|---------|--------------------------------------|-------------------------|------------------|-----------------|-----------------|
|         |                                      | Contractual obligations |                  | Expected losses |                 |
|         |                                      | 31 March 2020           | 31 March 2019    | 31 March 2020   | 31 March 2019   |
| 1       | Opening balance                      | 39,368.14               | 33,460.89        | 1,016.09        | 374.18          |
| 2       | Additional provision during the year | 15,135.88               | 10,345.03        | 11.78           | 769.27          |
| 3       | Provision used during the year       | -                       | 9.95             | 62.26           | 127.36          |
| 4       | Provision reversed during the year   | 5,601.03                | 4,427.83         | 720.55          | -               |
| 5       | <b>Closing balance</b>               | <b>48,902.99</b>        | <b>39,368.14</b> | <b>245.06</b>   | <b>1,016.09</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 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 and accordingly no further impact is required due to COVID-19.

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)

| Sl. No. | Particulars   | 31 March 2020 | 31 March 2019 |
|---------|---|---------------|---------------|
| i       | Amount due and payable at the year end  |               |               |
|         | - Principal   | 6,963.05      | 4,426.30      |
|         | - 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 Basis pay plus Dearness allowance. The parent company has recognised the proportionate increase in gratuity ceiling corresponding to Dearness allowance as on 31 March 2020 based on actuarial valuation. To the extent of the impact of such an increase of ₹ 709.83 Lakhs (previous year 31 March 2019: ₹ 681.03 Lakhs), the corresponding Defined Contribution Superannuation Scheme to the employees has been reduced to met the Superannuation benefits within 30% of Basis 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 ₹ 2,430.96 Lakhs (previous year 31 March 2019: ₹ 1,852.84 Lakhs).

**Note : 60**
**Capital Grant in respect of Research projects:**

The Group has received capital grant from agency in respect of procurement/setting up of Capital assets for research project undertaken. The unamortized capital grant amount as on 31 March 2020 is of ₹ 30.45 Lakhs (previous year 31 March 2019: Nil). During the year, the Company has recognised ₹ 4.75 Lakhs (previous year: Nil) in the statement of profit and loss as amortisation of capital grants.

**Note : 61**

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) "Impairment of Assets" including due to COVID-19.

**Note : 62**

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 : 63**

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 : 64**

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 : 65**

Government of India, has sold 31,59,269 equity shares of the parent company to the AMC to the BHARAT 22 ETF. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 52.00 % to 51.50%.

**Note : 66**

During the previous financial year, the Group proposed to sale its old obsolete computers ('Assets') which was classified as Assets held for sale. These assets has been sold during the current financial year.

**Note : 67**

The Joint venture Company, Ramagundam Fertilizers and Chemicals Limited ('RFCL') has restated its previously reported financial statements as at 1 April 2018 and for the year ended 31 March 2019 to ensure compliance of Expert Advisory Committee (EAC) opinion of ICAI, which opined that the project insurance expenses cannot be considered as directly attributable costs to Property Plant & Equipment and should be charged to the Statement of profit and loss.

Accordingly, project insurance expenses amounting to ₹ 638.64 Lakhs ( Parent Company share ₹ 171.54 Lakhs) incurred till 31 March 2018 has been adjusted in the balance of retained earnings as on 1 April 2018 with corresponding adjustment in capital work in progress, in the financial statements of RFCL for year ended 31 March 2020.

Similarly, insurance expenses amounting to ₹ 412.47 Lakhs (Parent Company share ₹ 110.79 Lakhs) for the financial year 2018-19 is charged to the Statement of profit and loss for the year ended 31 March 2019 with corresponding adjustment in the capital work in progress, in the financial statements of RFCL for the year ended 31 March 2020.

In Consolidated financial statement of company for the year ended 31 March 2020, the carrying amount of investment in Ramagundam Fertilizers and Chemicals Limited for the year ended 31 March 2019 has been decreased by ₹ 282.33 Lakhs with corresponding impact of reclassification of ₹ 171.54 Lakhs by reducing "Other Equity" under head Retained Earnings in Consolidated Statement of change in Equity as on 1 April 2018 and recognised Group share of loss in joint venture entities amounting to ₹ 110.79 Lakhs for year ended 31 March 2019.

**Note : 68**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to the figures of the current year.

**Note : 69**

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                                     | 79.99  | 1,92,449.91         | 102.89                              | 43,608.76           | 98.65                               | (3,057.73)          | 103.23                              | 40,551.03           |
|   |  |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Subsidiaries:</b>  |  |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Indian:</b>  |  |                     |                                     |                     |                                     |                     |                                     |                     |
| Certification Engineers International Limited               | 3.02   | 7,274.83            | (0.53)                              | (222.80)            | 1.35                                | (41.70)             | (0.67)                              | (264.50)            |
|   |  |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Joint Ventures (Investment as per the equity method)</b> |  |                     |                                     |                     |                                     |                     |                                     |                     |



| 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>Indian:</b>                               |  |                     |                                     |                     |                                     |                     |                                     |                     |
| Ramagundam Fertilizers and Chemicals Limited | 16.99  | 40,868.52           | (2.36)                              | (1,003.71)          | -                                   | (0.03)              | (2.56)                              | (1003.74)           |
| TEIL Projects Limited                        | -  | 8.63                | -                                   | (0.37)              | -                                   | -                   | -                                   | (0.37)              |

**Note : 70****SALIENT FEATURES OF FINANCIAL STATMENTS 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                     | 31 <sup>st</sup> March, 2020                         |
| 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  | ₹ 6,960.46 Lakhs                                     |
| 7                      | Total assets  | ₹ 9,308.11 Lakhs                                     |
| 8                      | Total Liabilities   | ₹ 1,447.65 Lakhs                                     |
| 9                      | Investments   | ₹ 202.50 Lakhs                                       |
| 10                     | Turnover  | ₹ 4,921.12 Lakhs                                     |
| 11                     | Profit before taxation  | ₹ 1,397.64 Lakhs                                     |
| 12                     | Provision for taxation  | ₹ 389.42 Lakhs                                       |
| 13                     | Profit after taxation   | ₹ 1,008.22 Lakhs                                     |
| 14                     | Proposed Dividend   | ₹ 450.00 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 2020           | Audited 31 March 2020                                |
| 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 | 341,528,200 Equity shares of ₹ 10 each fully paid up |
|   | Amount of Investment in Associates/Joint Venture                       | ₹ 550.00 Lakhs                                     | ₹ 42,652.82 Lakhs*                                   |
|   | Extent of Holding %  | 50.00%   | 26.29%   |
| 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  |

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

|     | <b>Name of Associates/Joint Ventures</b>  | <b>TEIL Projects Limited</b> | <b>Ramagundam Fertilizers and Chemicals Limited</b> |
|-----|---|------------------------------|---|
| 5   | Net worth attributable to shareholding as per latest audited Balance Sheet/Liquidator Statement | ₹ 8.63 Lakhs                 | ₹ 40,868.52 Lakhs                                   |
| 6   | Profit/(Loss) for the year:   |                              |   |
| i.  | Considered in Consolidation   | ₹ (0.37) Lakhs               | ₹ (1,003.71) Lakhs                                  |
| ii. | Not Considered in Consolidation   | ₹ (0.37) Lakhs               | ₹ (2,814.13) Lakhs                                  |

\* Includes share application money for 8,50,00,000 shares of ₹ 10 each fully paid amounting to ₹ 8,500.00 Lakhs against which equity shares has been allotted on 27 April 2020.

**Name of Joint Ventures which are yet to commence operations:- Nil**

**Name of Joint Ventures which have been liquidated or sold during the year:- Nil**

**For N K Bhargava & Co.**

Chartered Accountants  
FRN No. 000429N

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

**Place :** New Delhi

**Date :** 25 June 2020

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**





## Comments of the Comptroller and Auditor General of India Under Section 143 (6)(b) of the Companies Act, 2013 on the Consolidated Financial Statements of Engineers India Limited for the year ended 31 March, 2020

The preparation of consolidated financial statement of Engineers India Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 June, 2020.

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 2020 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of Engineers India Limited, but did not conduct supplementary audit of the financial statements of Certification Engineers International Limited (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 & 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 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

(D.K. Sekar)  
Director General of Audit (Energy)  
New Delhi

Place: New Delhi  
Date: 11.08.2020

# Corporate Information

## COMPANY SECRETARY

**Suvendu Kumar Padhi**

## STATUTORY AUDITORS

**N. K. Bhargava & Co.**

Chartered Accountants

C – 31, 1<sup>st</sup> Floor, Acharya Niketan, Phase – I

Mayur Vihar, Delhi – 110091

Tel. No : +91 (0) 11 22752376

fax : +91 (0) 11 45784938

## 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 Alankit Assignments Limited**

205-208, Anarkali Complex,

Jhandewalan Extension

New Delhi-110055

Tel No.: 011-42541234

Fax No.: 011-42541201

Email : jksingla@alankit.com

Website:www.alankit.com

## REGISTERED & HEAD OFFICE

**Engineers India Limited**

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.ceil.co.in

## 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

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E-mail: eil.bo@eil.co.in

## REGIONAL OFFICES

A. G. Towers (5<sup>th</sup> Floor), 125/1, Park Street, Kolkata - 700 017  
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4<sup>th</sup> and 5<sup>th</sup> Floor, Meghdhanush Complex, Race Course Road  
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