

पंजीकृत कार्यालय : इंजीनियर्स इंडिया भवन, 1, भीकाएजी कामा प्लेस, नई दिल्ली-110 066 भारत  
 Regd. Office : Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi-110 066 INDIA  
 ईमेल/e-mail: [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in), दूरभाष /Phone: 011-26762855/2580

कंपनी सचिवालय/ COMPANY SECRETARIAT

No. Secy/906/9/10

03.09.2021

|                                                                                                                                                |                                                                                                                                                                                            |
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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><br><b>Scrip Code-532178</b> | <b>The National Stock Exchange of India Limited</b><br><b>Exchange Plaza, 5th Floor</b><br><b>Bandra Kurla Complex</b><br><b>Bandra (East), Mumbai-400051</b><br><b>Symbol-ENGINEERSIN</b> |
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**Sub: Notice of 56<sup>th</sup> AGM and Annual Report for the Financial Year 2020-21**

Dear Sir/Madam,

This is in continuation to our letter dated 23.08.2021. Kindly note that 56<sup>th</sup> Annual General Meeting (AGM) of the members of Engineers India Limited will be held on Wednesday, the 29<sup>th</sup> September, 2021 at 3:00 p.m. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). We are enclosing herewith the Notice of 56<sup>th</sup> Annual General Meeting & Annual Report for the year 2020-21 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,

Yours faithfully,  
For Engineers India Limited

  
 Narendra Kumar  
 Compliance Officer

Encl: as above



Regd. Office: Engineers India Bhawan, 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 56<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Wednesday, the 29<sup>th</sup> September, 2021 at 3.00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2021, 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 31.03.2021, 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."
- To declare final dividend for the financial year ended 31.03.2021 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 ₹ 0.60 per share (on face value of ₹ 5/- each) on equity share capital of the Company amounting to ₹ 3372.25 lakhs for the financial year ended 31.03.2021 as recommended by the Board in addition to the payment of interim dividend of ₹ 1.40/- per share as already declared by the Board and paid accordingly."
- To appoint a Director in place of Shri Sanjeev Kumar Handa (DIN: 07223761), 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 Sanjeev Kumar Handa (DIN: 07223761), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Projects) of the Company."
- To appoint a Director in place of Shri Bollavaram Nagabhushana Reddy (DIN: 08389048), 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 Bollavaram Nagabhushana Reddy (DIN: 08389048), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Government Nominee) of the Company."
- To authorize Board of Directors of the Company to fix remuneration of Auditors for the Financial Year 2021-22 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 2021-22."

### SPECIAL BUSINESS

- To appoint Smt. Vartika Shukla (DIN: 08777885) as Chairman & Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:  
**"RESOLVED THAT** in accordance with the Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (including any Statutory modification or re-enactment thereof), Smt. Vartika Shukla (DIN: 08777885), who was nominated as Chairman & Managing



Director by President of India vide MoP&NG letter No. CA-31018/1/2019-PNG (29096) dated 31.08.2021 and appointed as an Additional Director w.e.f. 01.09.2021 (date of assumption of charge) by the Board of Directors to hold the post of Chairman & Managing Director of the Company up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from herself in writing proposing her candidature for the office of Director, be and is hereby appointed as Chairman & Managing Director of the Company, not liable to retire by rotation, to hold office from the date of her assumption of charge of the post (i.e. 01.09.2021) till the date of her superannuation(i.e 28.02.2026) 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.”

By order of the Board of Directors

Place: New Delhi  
Date : September 02, 2021

**(S. K. Padhi)**  
Company Secretary

Registered Office: Engineers India Bhawan  
1, Bhikaji Cama Place, New Delhi –110066  
CIN:L74899DL1965GOI004352  
Tel : 011-26100258  
Email : [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in)  
Website:[www.engineersindia.com](http://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 No. 6 of the Notice, is annexed hereto. Other relevant details, pursuant to applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting in respect of all Business items, as set out above is given hereunder.
2. In view of the continuing COVID-19 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, Circular No. 20/2020 dated May 05, 2020 read with Circular No. 02/2021 dated January 13, 2021 (**MCA Circulars**) and SEBI vide Circular no. SEBI/HO/CFD/CMD1 /CIR/P/ 2020/79 dated May 12, 2020 read with SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 (**SEBI Circulars**). The forthcoming AGM will thus 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, 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
4. **Pursuant to MCA Circulars, 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, 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 Reports of the Company is being sent through e-mail only to those shareholders whose email ID are registered with the Company/Depository Participants.
6. Members can also access the Annual report at website of the Company/NSE/BSE (<https://engineersindia.com/>, <https://www.nseindia.com/>, <https://www.bseindia.com/> respectively). AGM Notice is also available on the website of NSDL (agency for providing e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Kindly note that no request for the physical copy of Annual Report shall be entertained by the Company on account of COVID-19 pandemic.
7. The facility for joining the 56<sup>th</sup> AGM by Members through VC/OAVM shall be kept open 30 minutes before the time scheduled to start the Meeting and shall remain open till the expiry of 30 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 56<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, 2021 as under:
  - i. to all Beneficial Owners in respect of shares held in dematerialised 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 Tuesday, 7<sup>th</sup> September, 2021;
  - 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 the close of business hours on Tuesday, 7<sup>th</sup> September, 2021.
10. Members may note that as per Income Tax Act as amended by Finance Act, 2020, dividend paid or distributed after 1<sup>st</sup> April 2020 shall be taxable in the hands of shareholders w.e.f. April, 1<sup>st</sup> 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to refer to the Income Tax Act for prescribed rates applicable to them.  
 The Shareholders are requested to update their PAN with Alankit Assignments Limited, the 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 before the record date, tax will be deducted at 20% or applicable rate whichever is higher.**  
 Please note that the following information & details, if already registered with RTA/depository will be relied upon by the Company for the purpose of TDS on dividends:
  - I. Valid Permanent Account Number \*
  - II. Residential status as per the Income Tax Act i.e. Resident or Non-Resident
  - III. Category of Shareholder viz. Mutual fund, Insurance Company, Government, FII/FPI, Alternate Investment fund (AIF), Foreign Company or Others like Individual, HUF, Firm, Company etc.
  - IV. Email address





\*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. **Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.**

If shareholder is classified as "specified person" as per the provision of section 206AB, tax will be deducted at the rate higher of the following:

- i. Twice the rate specified in the relevant provision of the Income-tax Act; or
- ii. Twice the rate or rates in force; or
- iii. The rate of 5%.

These provisions are effective from July 01, 2021. The Company will be relying on the information verified by the utility available on the Income Tax website.

**For Resident shareholders** TDS is required to be deducted @ 10% as per Section 194 of Income Tax Act, provided valid PAN is registered by Shareholder. Further, no TDS shall be deducted in case dividend paid to resident individual does not exceed ₹ 5000/- during the FY.

Valid declaration in Form 15H/15G as applicable (in duplicate in the prescribed form) may be submitted by resident shareholders in case tax for the Current Financial 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 the RTA.

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 RTA of the Company at [virenders@alankit.com](mailto:virenders@alankit.com) by 13<sup>th</sup> September, 2021 (till 11:59 P.M. (IST)).

**For Non-resident shareholders** [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be.

Further, Non-resident shareholders including FII/FPI have the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial

Following documents need to be submitted in order to avail treaty benefits:

1. Self- attested copy of PAN, if available
2. Tax Residency Certificate (TRC) valid for FY 2021-22 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 2021-22.

For complete list of documents required to be submitted by each category of shareholders latest by 13<sup>th</sup> September, 2021 (till 11:59 P.M. (IST)) for claiming exemptions, lower tax rate, DTAA benefit, etc. kindly refer our website <https://engineersindia.com/investors/corporate-governance/>.

- 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 Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by 13<sup>th</sup> September, 2021 (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. 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.

#### 12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide Circular No SEBI/HO/MIRSD/RTAMB/



- CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut off date for re-lodgement of transfer deeds and the Shares that are re-lodged for transfer shall be issued only in demat mode. 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 dematerialised 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 4254 1234, Fax No.91-11-4254 1201, Email: virenders@alankit.com, Website <https://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 certificate 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 our website at <https://engineersindia.com/investors/corporate-governance/>. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No.IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
  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/reappointment 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 relevant MCA Circulars. Since the AGM will be held through VC/OAVM, the route map is not annexed to the the Notice.
  21. 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 National Securities Depository Limited (NSDL), 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.
- 22. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**
- i) The remote e-voting period begins on Sunday, 26<sup>th</sup> September, 2021 at 9:30 A.M.(IST) and ends on Tuesday, 28<sup>th</sup> September, 2021 at 5:00 P.M.(IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 22<sup>nd</sup> September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> September, 2021.
- How do I vote electronically using NSDL e-Voting system?**
- The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*
- A) Step 1: Access to NSDL e-Voting system**
- Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile numbers and email IDs in their demat accounts in order to access e-Voting facility.
- Login method for Individual shareholders holding securities in demat mode is given below:



| Type of Shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;"> <div>  <p>App Store</p> </div> <div>  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div> |

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| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type                                                         | Helpdesk details                                                                                                                                                                                                   |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |



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| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.  
A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
3. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically. (Serial no. 22(i)(C)).
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical. | Your User ID is:                                                                                                                                          |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.      | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.      | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** ** ***** then your user ID is 12***** *****                                      |
| c) For Members holding shares in Physical Form.                 | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was

communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email IDs are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**C) Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.





5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

#### D) General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to santosh@kritiadvisory.com with a copy marked to evoting@nsdl.co.in.
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at evoting@nsdl.co.in
- ii. **Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:**
1. In case shares are held in physical mode, please provide 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 .
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), 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. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode (Serial no. 22(i)(A)).
  3. Alternatively shareholder/member may send a request to evoting@nsdl.co.in for procuring user ID and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through

their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### iii. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF 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 Members/ Shareholders, who will be 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### iv. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members 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 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at



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 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 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 speaker will only be allowed to express their views/ ask questions, subject to the availability of time during the meeting.

#### 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 becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Wednesday, 22<sup>nd</sup> September, 2021 can also request for the soft copy of Annual report/ Notice by sending a request at virenders@alankit.com. For obtaining Email ID and password, members are requested to follow the instructions given under note no. 22 (ii)
- iii. The Chairman & Managing Director shall, at the 56<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow venue e-voting with the assistance of Scrutinizer, for all those members who have attended 56<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 two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman & Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company at

<https://engineersindia.com> and on the website of NSDL (agency for providing e-voting platform) at [www.evoting.nsdl.com](http://www.evoting.nsdl.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 time period.

- vi. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 56<sup>th</sup> Annual General Meeting i.e. Wednesday, 29<sup>th</sup> September, 2021.

#### 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 No. 6 of the accompanying Notice:

#### Item No.6

Smt. Vartika Shukla was appointed as an Additional Director and Chairman and Managing Director w.e.f. 01.09.2021 (date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/1/2019-PNG (29096) dated 31.08.2021, till the date of her superannuation (i.e. 28.02.2026) or until further order of the Government, whichever is earlier. Pursuant to the provisions under Section 161 of the Companies Act, 2013, she holds office up to the 56<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 not 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 56<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 Chairman & Managing Director of the Company. The Board recommends the resolution for your approval.

By order of the Board of Directors

Place: New Delhi  
Date : September 02,2021

(S. K. Padhi)  
Company Secretary

Registered Office:  
Engineers India Bhawan  
1, Bhikaji Cama Place,  
New Delhi – 110066  
CIN:L74899DL1965GOI004352  
Tel : 011-26100258  
Email : company.secretary@eil.co.in  
Website : www.engineersindia.com



**ANNEXURE TO THE NOTICE****BRIEF DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT  
AT THE 56<sup>th</sup> ANNUAL GENERAL MEETING****Item No. 3**

|                                                                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                             | : | Shri Sanjeev Kumar Handa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Date of Birth/Age</b>                                                                | : | 24.09.1962/58 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Date of appointment</b>                                                              | : | 11.03.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Qualification</b>                                                                    | : | B. Tech (Hons.), ICWA (I)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Shareholding in EIL</b>                                                              | : | 2134 equity shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Experience in specific Functional Areas</b>                                          | : | He joined EIL as Management Trainee in year 1983. He has over 38 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, 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. |
| <b>Number of Board Meeting attended (FY 2020-21)</b>                                    | : | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers & Chemicals Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member – Audit Committee -EIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



## Item No. 4

|                                                                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                             | : | Shri Bollavaram Nagabhushana Reddy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Date of Birth/Age</b>                                                                | : | 01.06.1966/55 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Date of appointment</b>                                                              | : | 27.05.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Qualification</b>                                                                    | : | Master's Degree in Thermal Engineering from IIT, Bombay, and Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology and Science (BITS), Pilani.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Shareholding in EIL</b>                                                              | : | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Experience in specific Functional Areas</b>                                          | : | He Joined the Indian Foreign Service (IFS) in 1993, and is presently posted as Joint Secretary (Admin& IC), Ministry of Petroleum & Natural Gas, New Delhi. He 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. |
| <b>Number of Board Meeting attended (FY 2020-21)</b>                                    | : | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Directorship held in other Public Companies</b>                                      | : | Indian Strategic Petroleum Reserves Limited, ONGC Videsh Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Chairman – Audit Committee - ONGC Videsh Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



## Item No. 6

|                                                                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                             | : | Smt. Vartika Shukla                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Date of Birth/Age</b>                                                                | : | 14.02.1966/55 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Date of appointment</b>                                                              | : | 01.09.2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Qualification</b>                                                                    | : | - B. Tech. (Chemical Engg.), IIT Kanpur<br>- Certification-Executive General Management Programme, IIM Lucknow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Shareholding in EIL</b>                                                              | : | 1400 shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Experience in specific Functional Areas</b>                                          | : | Smt. Shukla started her career as a Management Trainee in EIL's Process Division in 1988. She possesses over 33 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. Smt. Vartika Shukla is also on the board of Ramagundam Fertilisers & Chemicals Limited (RFCL) as nominee of EIL |
| <b>Number of Board Meeting attended (FY 2020-21)</b>                                    | : | Details as per Note no 1 below                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers & Chemicals Limited<br>Certification Engineers International Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <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 : 1 Smt. Vartika Shukla has attended 6 Board Meeting during the FY 2020-21 in the Capacity of Director (Technical).

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



ENGINEERS  
INDIA LIMITED



***Technology and Project Solutions  
for a Sustainable Future***

**56<sup>th</sup>  
ANNUAL  
REPORT  
2020-2021**





## 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 and half 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 35 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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# Chairperson's Statement



**Smt. Vartika Shukla**  
Chairperson & Managing Director

Dear Shareholders,

It gives me immense pleasure to present to you the performance of your Company during the 56<sup>th</sup> year of its service to the Nation.

Last one year have been a challenging year in the history of mankind. One of the worst disasters (Pandemic COVID-19) struck the globe killing millions of people and perhaps, changing the way we live and work forever. The pandemic has truly been a stern test for countries and industries globally. Just when the world thought it had controlled the coronavirus, there came a devastating second wave, once again plunging nations into chaos. As a result, the world still continues to battle the COVID-19 crisis, which has thrown up immense challenges across operational, business and health fronts. Indian economy was also severely impacted due to the pandemic and consequent lockdowns.

However, with the Government of India's massive stimulus package, coupled with various reform measures and the rapidly progressing vaccination drive, we are confident that the economy will turn the corner very soon, which will have a cascading effect on the critical hydrocarbon sector and allied industries.

To overcome the impact of Pandemic, we in EIL have learned & implemented new ways of working remotely and interactions have got digitised in the form of webinars, video conferences etc. This caused minimum impact on the day to day functioning of EIL except the construction function since all project sites were closed. Further, EIL, with its committed workforce and unwavering dedication, has maintained its position as India's leading engineering consultancy company even during these tough times.

EIL is steadfast in its resolve to be a key contributor towards the development of hydrocarbon and infrastructure sector in India and remains committed to helping the nation achieve its goals of self-sufficiency and all-round progress while simultaneously nurturing the manufacturing industry and spreading the same spirit of contribution to national growth.

Despite the challenging business environment and strong competition, EIL has posted a good financial and operational performance in FY 2020-21.

On the financial front, your Company has registered an Annual Turnover from operations of ₹ 3,104 Crores. Profit Before Tax (PBT) and Profit After Tax (PAT) during the year stood at ₹ 350 Crores and ₹ 259 Crores, respectively. Despite the pandemic, your company has been able to sustain its topline during the financial year.

During the year, your Company secured new business worth ₹ 1,569 Crores. This includes business worth ₹ 1,455 Crores from domestic consultancy and overseas business worth ₹ 101 Crores.

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

In the upstream segment, EIL secured assignments for EPCM Services for Western Gateway Project Early Production facilities (Variation Order).

In the midstream segment, EIL secured orders for providing PMC / EPCM Services for Nagpur-Jharsuguda & NTPC Korba Spur Section of Mumbai-Nagpur-Jharsuguda Pipeline (MNJPL), PMC Services for Krishnagiri-Coimbatore section of KKB MPL-II Project and PMC Services for Dhamra-Haldia Pipeline Project.



In the downstream hydrocarbon sector, assignments secured include Overall Project Management and EPCM Services (Phase 2) for 15 MMTPA to 25 MMTPA Capacity Expansion of Panipat Refinery (P-25 Project) of IOCL, EPCM services for 500 KTPA PDH-PP project of GAIL at Usar, Consultancy Services and Overall Project Management for Coker-B Revamp of Barauni Refinery Capacity Expansion (to 9.0 MMTPA) Project of Indian Oil Corporation Limited, Supply of License, Basic Engineering Design Package (BEDP), Catalyst and Other Related Services for Sulphur Recovery Unit (SRU) for Numaligarh Refinery Expansion Project (NREP) and various other assignments.

In the Infrastructure segment, EIL secured assignment for providing Project Management Consultancy (PMC) Services for the Development of Effluent Treatment and Infrastructure Facility at Jhagadia Pumping Station, Technical assistance for supervision of Mumbai-Ahmedabad High Speed Rail Project (C4, C6 & P4 Packages) to NCSRCL, PMC for Construction of New Domestic Terminal Building and Variation Order for associated works at Leh Airport, J&K.

In the metallurgy segment, EIL bagged orders for Owner's Engineer Services for 6.0 MMTPA Mechanized Production and Evacuation Facilities at Kurmitar Iron Ore Mines from OMC and Preparation of DPR & Selection of Technology for Bauxite Conveying System from Pottangi Mines to Alumina Refinery Damanjodi of NALCO.

In the International segment, EIL has been strongly enhancing its footprint by securing various engineering and consultancy assignments in various regions, mainly in Central Asia, Middle East and Africa. During the year, overseas assignments secured by EIL include PMC Services for FEED for Site Schemes (CED Projects) AL NASR Super Complex and Field Plant Modification Request (PMRs) and Engineering work (under ESA), Zirku Island Facilities Studies / Engineering Packages (PMRs & FCs) (Package-3) from ADNOC Offshore along with a couple of variation orders.

Other major contributors in Overseas business included Additional Consultancy Services work under ongoing contract for Dangote Refinery Project in Nigeria and Project Management Consultancy Services contract for "Installation of ERL Unit-2" for Bangladesh Petroleum Corporation. EIL is consistently pursuing opportunities in other international territories to enhance its geostrategic outreach.

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

During the year, EIL has been involved in the procurement of INR 18810 Crore worth of goods, services and works for various projects entrusted to EIL as well as meeting in-house requirement.

Out of the several projects completed by EIL during the year, 30" x 348 km Dobhi - Durgapur Natural Gas pipeline section of GAIL, LPG Import Facility Project of BPCL, Propylene Derivative Petrochemical Project (PDPP) of BPCL and FCC-GDS unit in BS-VI Auto Fuels Project (OBE) CPCL Refinery, Chennai were dedicated to the Nation by Hon'ble Prime Minister of India.

In the refinery segment, during this year, your Company successfully completed several projects in India including BS-VI up-gradation of IOCL Refineries at Panipat, Haldia and Bongaigaon, BS-VI Fuel Quality Project of HMEL, Bhatinda Refinery, BS-VI Project at BPCL, Kochi Refinery,

Kerosene-Hydro-Desulphurization (KHDS) Unit at Bharat Oman Refinery Limited, Bina, among numerous other projects.

During the year, major overseas projects completed include 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, Upper Zakum/ Artificial Island facilities - Studies/Engineering Packages (package-1) - under Engineering Service Agreement (ESA), UAE, and FEED for Hail Oil Field Water Injection Project (WIP), ADOC, Japan.

The major projects completed in the Infrastructure segment include Rejuvenation of 9 cities of Odisha under AMRUT Scheme (Atal Mission for Rejuvenation and Urban Transformation), Establishment of main campus of Central University of Punjab at Bhatinda, Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad. For these projects, EIL has provided its PMC services to the clients. Technical Assistance for Environmental Clearance of Mopa Airport, Goa, and Assessment of completion cost of assets occupied by AAI at Kempegowda International Airport at Bengaluru (BIAL) were also completed during the year.

In the Petrochemicals segment, your Company completed several important projects which includes Propylene Derivative Petrochemical Project (PDPP) of BPCL, Kochi Refinery, NHT modification of OMPL, Mangalore for MRPL, Additional jobs to increase the operational flexibility of C<sub>2</sub>C<sub>3</sub> Recovery Plant, GAIL, Vijapur and Replacement of Regenerator Column of Gas Sweetening Unit at GAIL, Pata, Uttar Pradesh. EIL provided its EPCM /PMC services for these projects.

Considerable progress has been made on various petrochemical projects, including LEPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited, Namrup, Assam, EPCM services for 60 KTPA Polypropylene plant at Pata Petrochemical Complex of GAIL, Guru Gobind Singh Refinery (GGSR) Polymer Addition Project of HMEL at Bhatinda, Punjab and PMC services for HDPE & PP Units (excluding Powder section), as well as Lender's Independent Engineer (LIE) for SBI for 1.20 MMTPA Petrochemical project of HMEL at Bhatinda, Punjab

Your Company has established a stellar track record in design, engineering and execution of cross-country pipelines for transportation of crude oil, refined petroleum products, natural gas and LPG. During the year, EIL successfully completed DFR for Naharkatiya - Barauni Crude Oil Pipeline Phase-3 of OIL, and DFR for upgradation of Numaligarh - Siliguri Product Pipeline of OIL.

Your Company is executing numerous Pipeline projects which are in various stages of execution. Some of the major projects under execution are EPCM Services for Crude Oil Import Terminal (COIT) at Paradip, Paradip - Numaligarh Crude Oil Pipeline (PNCPL) and PMC services for NRL- Siliguri marketing terminal (SMT), PMC services for 12" / 8" x 450 km Kochi-Salem LPG Pipeline for KSPPL, EPCM services for 10" x 131 km HSD India-Bangladesh Friendship Pipeline Project from Siliguri India to Parbatipur, Bangladesh among various others.

Your Company is also leveraging its capabilities to tap significant business opportunities presented by the fertilizer sector.

As part of strategic investment in the fertilizer sector, EIL has picked up 26% equity stake 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. Commercial operation of the plant was achieved on 22.03.2021.

Besides, assignment for undertaking Techno-Commercial Viability and Preparation of DPR for Technical & Food Grade Phosphoric Acid Project at Sikka Unit, Jamnagar, Gujarat was secured during the year.

Your Company 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 has been completed this year.

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.

As part of related diversification strategy of EIL, the Board of Directors of your Company accorded the approval for acquisition of Bharat Petroleum Corporation Limited (BPCL) shareholding in Numaligarh Refinery Limited (NRL) by a consortium of Oil India Limited (OIL) and Engineers India Limited (EIL), wherein OIL is the consortium leader. Based on this, your Company in consortium with Oil India Limited has completed the acquisition of NRL. Post acquisition, your Company's equity shareholding in NRL stands at 4.37%.

Numaligarh Refinery Limited is the owner of the largest refinery in North-East which has strong regional presence in North-East India, good proximity to export markets, high Gross Refining Margins (GRM) and the largest wax unit in country. NRL is also expanding its refinery capacity from current 3 MMTPA to 9 MMTPA. Acquisition of part equity stake in NRL along with the lead investor may prove to be a good opportunity for EIL to enter into the Refinery segment as a co-owner, enhance its presence in hydrocarbon sector in North-East, having a regular and sustained income stream in future and also for future collaborative opportunities with NRL for further value addition in Refinery and in Research and Development.

EIL takes pride in being a technology-driven organization and being one of the few engineering consultancy companies that have a dedicated Research and Development Division boasting of developing more than 35 commercialized process technologies. During this fiscal, the Company filed 11 new patents and 6 patents filed earlier were granted this year. With this, the technology portfolio of EIL comprises 35 live patents and 32 patent applications under consideration.

The COVID-19 situation has underscored the importance of robust IT systems in ensuring business continuity. Your Company continued to make advances in integrating high-tech IT enabled services in its business operations to deliver uninterrupted services with emphasis on speed, quality and efficiency.

Keeping employee safety as the top objective, EIL successfully transitioned to a "work from home" mode while providing 24\*7 support to employees and at the same time ensuring data privacy and cyber security.

Digitalization of workflow and technology adoption were accelerated both for our internal business departments as well as external clients in the current environment of 'New Normal'.

Key focus areas in the IT sphere included establishing de-perimeterization with suitable centralized IT infrastructure allowing

flexible access within office premises and outside, remote and automated IT Infrastructure Management without regular human intervention and zero tolerance features / protocols to ensure data protection.

Sustainability is at the core of EIL's business philosophy. Your Company strives for compliance to environmental regulations, norms and sustainable development goals as 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 into our processes and performance.

EIL accords highest priority to Health, Safety & Environment (HSE) across its operations. Your Company is certified for ISO 45001:2018, which is the latest International standard on Occupational Health and Safety. EIL is also maintaining its ISO 14001:2015 (Environmental Management system) certification. These HSE Certificates are valid up to 14.12.2023.

Apart from this, your Company has aligned the requirements of Standard Operating Procedures (SOPs), issued on COVID-19 pandemic, in its HSE system for the safety of its stakeholders. On the operational front, Emergency Preparedness and Response Plans (EPRP) are in place across all office locations of EIL to secure safety of its employees and assets.

We at EIL consider Human Resources as our most valuable asset. In today's fast-paced world of uncertainty and change, it is human resources which enable an organization to achieve its goals and serve all its stakeholders. Your Company is committed towards providing the best environment for its employees in order to foster a culture of positivity and performance.

As on March 31 2021, EIL has 2,814 employees, including 2480 professionally qualified employees. Approximately 3.28% of our employees are located outside India, functioning in international work environments.

EIL's CSR policy aims at creating a sustainable environment through making a positive impact on the wider community and the environment. Budgetary allocation for the projects has been done in line with government guidelines.

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.

During the year, EIL supported the construction of additional classrooms in government schools of Darrang, Assam & Karaikal Puducherry & charitable school at Tilhar, Shahjahanpur district, Uttar Pradesh.

In the healthcare field, EIL conducted general health camps for poor and needy community living in and around EIL's areas of operation in various states and 6 camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & Persons with Disabilities (PWDs).

To address the issue of malnourishment amongst children, EIL is supporting 140 Model Anganwadi Centres by providing basic infrastructure at Dhurbri, Assam.



EIL also contributed to the PM CARES Fund to help in the fight against the COVID-19 pandemic.

To address the needs for the rapidly evolving industrial scenario and economic challenges posed by COVID-19, EIL undertook the initiative for Skill Development Training Programme (SDTP) for 902 candidates from backward classes on pan-India basis and contributed towards operational funding of Skill Development Institute (SDI), Bhubaneswar, Kochi, Vishakhapatnam, Ahmedabad, Raebareli & Guwahati.

EIL has been continuously synergising its vision with the policies of the Govt. of India and creating an ecosystem to promote import substitution and self-reliance, under the aegis of Ministry of Petroleum & Natural Gas. The indigenous contribution in the capital goods industry catering to the refinery sector was about 10-15% in late seventies/ early eighties. With the Government's and EIL's consistent efforts, today this contribution has risen to an impressive 85-90%. Similarly, in the petrochemical and gas processing sector, the indigenous contribution has grown from almost negligible to close to 60%.

As part of Make In India and Aatmanirbhar 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 its Vendors Enlistment System for ease of registration of vendors. Under the guidance of MoP&NG, EIL has developed a reliable, scalable information system to be used by Oil & Gas companies to highlight all Capital goods & MRO items procured by OPSUs and provide opportunities for new entrepreneurs and existing manufacturers to invest/expand their manufacturing base in India under the Make In India policy.

During FY 2020-21, your Company won multiple awards and honours at national level, which are a testimony to the hard work and dedication of 'Team EIL'.

The major awards include 12<sup>th</sup> CIDC Vishwakarama Awards 2021 for Best Construction Projects for establishment of Main Campus of Central University of Punjab in Bathinda, 12<sup>th</sup> CIDC Vishwakarama Awards 2021 for Best Practices in Construction Health, Safety & Environment for the MS Block BPCL Kochi Refinery project, and FICCI Chemical and Petrochemical Awards 2021 special award in the category of 'Sustainability Award for Best Green Process'.

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.

I am indeed 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.

**Vartika Shukla**  
(Chairperson & Managing Director)



## Board of Directors

Chairperson & Managing Director

**Smt. Vartika Shukla**

(w.e.f. 01.09.2021)

**Jagdish Chander Nakra**

(till 31.01.2021)

**Rakesh Kumar Sabharwal**

(Addl. Charge from 01.02.2021  
to 31.08.2021)

Director  
(Commercial)

**Rakesh Kumar  
Sabharwal**

Director  
(Projects)

**Sanjeev Kumar  
Handa**

Director  
(HR)

**Ashok Kumar  
Kalra**

Director  
(Technical)

**Vartika Shukla**  
(from 01.08.2020  
to 31.08.2021)

**L.K. Vijh**  
(till 31.07.2020)

Director  
(Finance)

**Vartika Shukla**  
(Addl. Charge w.e.f  
01.07.2021)

**Sunil Bhatia**  
(till 30.06.2021)

## Non-Executive Directors

**B.N. Reddy**

Director (Govt. Nominee)

**Sunil Kumar**

Director (Govt. Nominee)

**M. Arulmurugan**

Non-official Independent Director

**Rajesh Kumar Gogna**

Non-official Independent Director  
(till 07.09.2020)

**Chaman Kumar**

Non-official Independent Director  
(till 07.09.2020)

**Company Secretary**

**Suvendu Kumar Padhi**

## Brief Profiles of the Directors



**Smt. Vartika Shukla**

Chairperson & Managing Director  
and Addl. Charge Director (Finance)

Smt. Vartika Shukla is the Chairperson & Managing Director 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 33 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. Smt. Vartika Shukla is also on the board of Ramagundam Fertilisers & Chemicals Limited (RFCL) as nominee of EIL.



**Shri R.K. Sabharwal**

Director (Commercial)

Shri R.K. Sabharwal is the Director (Commercial) of our Company. He has more than 38 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 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 38 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, 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.



**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 fields 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, Employee Welfare, Administration, Training, Industrial Relations, Talent Retention 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.



**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 is presently posted as Joint Secretary (Admin & IC), Ministry of Petroleum & Natural Gas, New Delhi. He 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.



**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 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/YEARS                               | 2011-12     | 2012-13     | 2013-14     | 2014-15     | 2015-16**   | 2016-17     | 2017-18     | 2018-19     | 2019-20     | 2020-21     |
|-------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>A OPERATING STATISTICS</b>                   |             |             |             |             |             |             |             |             |             |             |
| Turnover*                                       | 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 | 3,10,468.78 |
| Other Income                                    | 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   | 19,487.87   |
| Expenditure                                     | 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 | 2,79,403.40 |
| Prior Period Adjustments (Net)                  | 191.57      | 427.75      | 277.07      | 818.15      | -           | -           | -           | -           | -           | -           |
| Profit Before Tax & Exceptional Items           | 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   | 50,553.25   |
| Exceptional Items                               | -           | -           | -           | -           | -           | -           | -           | -           | -           | (15,496.48) |
| Profit Before Tax                               | 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   | 35,056.77   |
| Tax                                             | 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   | 1,5338.10   |
| Deferred Tax (Assets)/ Liability                | (3,862.33)  | (2,210.82)  | 550.06      | (90.19)     | 2,433.86    | (3,957.89)  | (3,179.42)  | 871.04      | 2,639.56    | (6,231.06)  |
| Profit after Tax                                | 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   | 25,949.73   |
| Other Comprehensive Income                      | -           | -           | -           | -           | (225.53)    | (2,323.06)  | 459.61      | (157.75)    | (3,057.73)  | (84.19)     |
| Total Comprehensive Income for the year         | -           | -           | -           | -           | 27,393.86   | 30,180.63   | 38,246.85   | 36,849.27   | 39,966.64   | 25,865.54   |
| Dividend including Dividend Tax                 | 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   | 17,663.22   |
| <b>B FINANCIAL POSITION</b>                     |             |             |             |             |             |             |             |             |             |             |
| CAPITAL EMPLOYED                                | 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 | 1,70,100.86 |
| NON CURRENT ASSETS                              | 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 | 1,86,244.84 |
| CURRENT ASSETS                                  | 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 | 2,51,578.35 |
| <b>EQUITY &amp; LIABILITIES</b>                 |             |             |             |             |             |             |             |             |             |             |
| i) Share Capital                                | 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   | 28,102.13   |
| ii) Other Equity                                | 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 | 1,41,998.73 |
| NON CURRENT LIABILITIES                         | 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    | 831.38      |
| CURRENT LIABILITIES                             | 187,486.46  | 158,232.28  | 126,673.05  | 132,835.97  | 130,973.14  | 152,159.12  | 214,005.03  | 240,013.13  | 266,892.94  | 266,890.95  |
| <b>C RATIOS</b>                                 |             |             |             |             |             |             |             |             |             |             |
| PBT / Turnover                                  | 24.73%      | 35.55%      | 38.28%      | 27.29%      | 27.78%      | 34.53%      | 31.78%      | 23.22%      | 21.09%      | 11.29%      |
| PAT/ Turnover                                   | 17.20%      | 25.08%      | 26.31%      | 17.98%      | 18.28%      | 22.44%      | 21.14%      | 15.14%      | 13.43%      | 8.36%       |
| PBT / Capital Employed                          | 49.61%      | 39.82%      | 28.35%      | 18.21%      | 15.23%      | 18.02%      | 25.05%      | 24.94%      | 28.80%      | 20.61%      |
| PAT / Net Worth                                 | 34.51%      | 28.09%      | 19.49%      | 11.99%      | 10.02%      | 11.71%      | 16.66%      | 16.26%      | 18.34%      | 15.26%      |
| Turnover / Net Worth (number of times)          | 2.01        | 1.12        | 0.74        | 0.67        | 0.55        | 0.52        | 0.79        | 1.07        | 1.37        | 1.83        |
| Trade Receivables / Turnover (Month's Turnover) | 1.00        | 1.59        | 2.26        | 2.98        | 2.88        | 3.17        | 3.66        | 2.03        | 2.50        | 2.00        |

### 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 Bhawan, 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 56<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Wednesday, the 29<sup>th</sup> September, 2021 at 3.00 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2021, 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 31.03.2021, 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."
- To declare final dividend for the financial year ended 31.03.2021 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 ₹ 0.60 per share (on face value of ₹ 5/- each) on equity share capital of the Company amounting to ₹ 3372.25 lakhs for the financial year ended 31.03.2021 as recommended by the Board in addition to the payment of interim dividend of ₹ 1.40/- per share as already declared by the Board and paid accordingly."
- To appoint a Director in place of Shri Sanjeev Kumar Handa (DIN: 07223761), 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 Sanjeev Kumar Handa (DIN: 07223761), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Projects) of the Company."
- To appoint a Director in place of Shri Bollavaram Nagabhushana Reddy (DIN: 08389048), 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 Bollavaram Nagabhushana Reddy (DIN: 08389048), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Government Nominee) of the Company."
- To authorize Board of Directors of the Company to fix remuneration of Auditors for the Financial Year 2021-22 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 2021-22."

### SPECIAL BUSINESS

- To appoint Smt. Vartika Shukla (DIN: 08777885) as Chairman & Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:  
**"RESOLVED THAT** in accordance with the Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (including any Statutory modification or re-enactment thereof), Smt. Vartika Shukla (DIN: 08777885), who was nominated as Chairman & Managing





Director by President of India vide MoP&NG letter No. CA-31018/1/2019-PNG (29096) dated 31.08.2021 and appointed as an Additional Director w.e.f. 01.09.2021 (date of assumption of charge) by the Board of Directors to hold the post of Chairman & Managing Director of the Company up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from herself in writing proposing her candidature for the office of Director, be and is hereby appointed as Chairman & Managing Director of the Company, not liable to retire by rotation, to hold office from the date of her assumption of charge of the post (i.e. 01.09.2021) till the date of her superannuation (i.e. 28.02.2026) 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."

By order of the Board of Directors

Place: New Delhi  
Date : September 02, 2021

**(S. K. Padhi)**  
Company Secretary

Registered Office: Engineers India Bhawan  
1, Bhikaji Cama Place, New Delhi –110066  
CIN:L74899DL1965GOI004352  
Tel : 011-26100258  
Email : [company.secretary@eil.co.in](mailto:company.secretary@eil.co.in)  
Website:[www.engineersindia.com](http://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 No. 6 of the Notice, is annexed hereto. Other relevant details, pursuant to applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting in respect of all Business items, as set out above is given hereunder.
2. In view of the continuing COVID-19 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, Circular No. 20/2020 dated May 05, 2020 read with Circular No. 02/2021 dated January 13, 2021 (**MCA Circulars**) and SEBI vide Circular no. SEBI/HO/CFD/CMD1 /CIR/P/ 2020/79 dated May 12, 2020 read with SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 (**SEBI Circulars**). The forthcoming AGM will thus 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, 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
4. **Pursuant to MCA Circulars, 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, 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 Reports of the Company is being sent through e-mail only to those shareholders whose email ID are registered with the Company/Depository Participants.
6. Members can also access the Annual report at website of the Company/NSE/BSE (<https://engineersindia.com/>, <https://www.nseindia.com/>, <https://www.bseindia.com/> respectively). AGM Notice is also available on the website of NSDL (agency for providing e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Kindly note that no request for the physical copy of Annual Report shall be entertained by the Company on account of COVID-19 pandemic.
7. The facility for joining the 56<sup>th</sup> AGM by Members through VC/OAVM shall be kept open 30 minutes before the time scheduled to start the Meeting and shall remain open till the expiry of 30 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 56<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, 2021 as under:
  - i. to all Beneficial Owners in respect of shares held in dematerialised 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 Tuesday, 7<sup>th</sup> September, 2021;
  - 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 the close of business hours on Tuesday, 7<sup>th</sup> September, 2021.
10. Members may note that as per Income Tax Act as amended by Finance Act, 2020, dividend paid or distributed after 1<sup>st</sup> April 2020 shall be taxable in the hands of shareholders w.e.f. April, 1<sup>st</sup> 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to refer to the Income Tax Act for prescribed rates applicable to them.  
 The Shareholders are requested to update their PAN with Alankit Assignments Limited, the 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 before the record date, tax will be deducted at 20% or applicable rate whichever is higher.**  
 Please note that the following information & details, if already registered with RTA/depository will be relied upon by the Company for the purpose of TDS on dividends:
  - I. Valid Permanent Account Number \*
  - II. Residential status as per the Income Tax Act i.e. Resident or Non-Resident
  - III. Category of Shareholder viz. Mutual fund, Insurance Company, Government, FII/FPI, Alternate Investment fund (AIF), Foreign Company or Others like Individual, HUF, Firm, Company etc.
  - IV. Email address

\*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. **Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.**

If shareholder is classified as "specified person" as per the provision of section 206AB, tax will be deducted at the rate higher of the following:

- i. Twice the rate specified in the relevant provision of the Income-tax Act; or
- ii. Twice the rate or rates in force; or
- iii. The rate of 5%.

These provisions are effective from July 01, 2021. The Company will be relying on the information verified by the utility available on the Income Tax website.

**For Resident shareholders** TDS is required to be deducted @ 10% as per Section 194 of Income Tax Act, provided valid PAN is registered by Shareholder. Further, no TDS shall be deducted in case dividend paid to resident individual does not exceed ₹ 5000/- during the FY.

Valid declaration in Form 15H/15G as applicable (in duplicate in the prescribed form) may be submitted by resident shareholders in case tax for the Current Financial 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 the RTA.

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 RTA of the Company at [virenders@alankit.com](mailto:virenders@alankit.com) by 13<sup>th</sup> September, 2021 (till 11:59 P.M. (IST)).

**For Non-resident shareholders** [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be.

Further, Non-resident shareholders including FII/FPI have the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial

Following documents need to be submitted in order to avail treaty benefits:

1. Self-attested copy of PAN, if available
2. Tax Residency Certificate (TRC) valid for FY 2021-22 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 2021-22.

For complete list of documents required to be submitted by each category of shareholders latest by 13<sup>th</sup> September, 2021 (till 11:59 P.M. (IST)) for claiming exemptions, lower tax rate, DTAA benefit, etc. kindly refer our website <https://engineersindia.com/investors/corporate-governance/>.

- 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 Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents by 13<sup>th</sup> September, 2021 (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. 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.

12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide Circular No SEBI/HO/MIRSD/RTAMB/



CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut off date for re-lodgement of transfer deeds and the Shares that are re-lodged for transfer shall be issued only in demat mode. 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 dematerialised 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 4254 1234, Fax No.91-11-4254 1201, Email: virenders@alankit.com, Website <https://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 certificate 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 our website at <https://engineersindia.com/investors/corporate-governance/>. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No.IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

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/reappointment 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 relevant MCA Circulars. Since the AGM will be held through VC/OAVM, the route map is not annexed to the the Notice.
21. 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 National Securities Depository Limited (NSDL), 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.

## **22. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

- i) The remote e-voting period begins on Sunday, 26<sup>th</sup> September, 2021 at 9:30 A.M.(IST) and ends on Tuesday, 28<sup>th</sup> September, 2021 at 5:00 P.M.(IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 22<sup>nd</sup> September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> September, 2021.

### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

#### **A) Step 1: Access to NSDL e-Voting system**

Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile numbers and email IDs in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of Shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz . <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>"Login"</b> which is available under <b>'Shareholder/Member'</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p>NSDL Mobile App is available on</p> <p>   </p> <p>   </p> |

|                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type                                                         | Helpdesk details                                                                                                                                                                                                   |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |





|                                                                    |                                                                                                                                                                            |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.  
A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
3. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically. (Serial no. 22(i)(C)).
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical. | Your User ID is:                                                                                                                                          |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.      | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.      | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.                                                    |
| c) For Members holding shares in Physical Form.                 | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was

communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email IDs are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**C) Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

#### D) General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to santosh@kritiadvosory.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### ii. Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide 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. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), 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). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode (Serial no. 22(i)(A)).
3. Alternatively shareholder/member may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user ID and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through

their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### iii. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF 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 Members/ Shareholders, who will be 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### iv. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members 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 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at



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 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 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 speaker will only be allowed to express their views/ ask questions, subject to the availability of time during the meeting.

#### 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 becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Wednesday, 22<sup>nd</sup> September, 2021 can also request for the soft copy of Annual report/ Notice by sending a request at virenders@alankit.com. For obtaining Email ID and password, members are requested to follow the instructions given under note no. 22 (ii)
- iii. The Chairman & Managing Director shall, at the 56<sup>th</sup> AGM, at the end of discussion on the resolutions on which voting is to be held, allow venue e-voting with the assistance of Scrutinizer, for all those members who have attended 56<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 two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman & Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company at

<https://engineersindia.com> and on the website of NSDL (agency for providing e-voting platform) at [www.evoting.nsdl.com](http://www.evoting.nsdl.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 time period.

- vi. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 56<sup>th</sup> Annual General Meeting i.e. Wednesday, 29<sup>th</sup> September, 2021.

#### 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 No. 6 of the accompanying Notice:

#### Item No.6

Smt. Vartika Shukla was appointed as an Additional Director and Chairman and Managing Director w.e.f. 01.09.2021 (date of assumption of charge) in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. CA-31018/1/2019-PNG (29096) dated 31.08.2021, till the date of her superannuation (i.e. 28.02.2026) or until further order of the Government, whichever is earlier. Pursuant to the provisions under Section 161 of the Companies Act, 2013, she holds office up to the 56<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 not 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 56<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 Chairman & Managing Director of the Company. The Board recommends the resolution for your approval.

By order of the Board of Directors

Place: New Delhi  
Date : September 02,2021

(S. K. Padhi)  
Company Secretary

Registered Office:  
Engineers India Bhawan  
1, Bhikaji Cama Place,  
New Delhi – 110066  
CIN:L74899DL1965GOI004352  
Tel : 011-26100258  
Email : company.secretary@eil.co.in  
Website : www.engineersindia.com

**ANNEXURE TO THE NOTICE****BRIEF DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT  
AT THE 56<sup>th</sup> ANNUAL GENERAL MEETING****Item No. 3**

|                                                                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                             | : | Shri Sanjeev Kumar Handa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Date of Birth/Age</b>                                                                | : | 24.09.1962/58 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Date of appointment</b>                                                              | : | 11.03.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Qualification</b>                                                                    | : | B. Tech (Hons.), ICWA (I)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Shareholding in EIL</b>                                                              | : | 2134 equity shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Experience in specific Functional Areas</b>                                          | : | He joined EIL as Management Trainee in year 1983. He has over 38 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, 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. |
| <b>Number of Board Meeting attended (FY 2020-21)</b>                                    | : | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers & Chemicals Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Member – Audit Committee -EIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



## Item No. 4

|                                                                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                             | : | Shri Bollavaram Nagabhushana Reddy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Date of Birth/Age</b>                                                                | : | 01.06.1966/55 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Date of appointment</b>                                                              | : | 27.05.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Qualification</b>                                                                    | : | Master's Degree in Thermal Engineering from IIT, Bombay, and Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology and Science (BITS), Pilani.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Shareholding in EIL</b>                                                              | : | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Experience in specific Functional Areas</b>                                          | : | He Joined the Indian Foreign Service (IFS) in 1993, and is presently posted as Joint Secretary (Admin& IC), Ministry of Petroleum & Natural Gas, New Delhi. He 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. |
| <b>Number of Board Meeting attended (FY 2020-21)</b>                                    | : | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Directorship held in other Public Companies</b>                                      | : | Indian Strategic Petroleum Reserves Limited, ONGC Videsh Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Chairmanship/ Membership Committees across all public companies* (Including EIL)</b> | : | Chairman – Audit Committee - ONGC Videsh Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Relationship between Directors / Key Managerial Personnel inter-se</b>               | : | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |





## Item No. 6

|                                                                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                             | : | Smt. Vartika Shukla                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Date of Birth/Age</b>                                                                | : | 14.02.1966/55 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Date of appointment</b>                                                              | : | 01.09.2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Qualification</b>                                                                    | : | - B. Tech. (Chemical Engg.), IIT Kanpur<br>- Certification-Executive General Management Programme, IIM Lucknow                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Shareholding in EIL</b>                                                              | : | 1400 shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Experience in specific Functional Areas</b>                                          | : | Smt. Shukla started her career as a Management Trainee in EIL's Process Division in 1988. She possesses over 33 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. Smt. Vartika Shukla is also on the board of Ramagundam Fertilisers & Chemicals Limited (RFCL) as nominee of EIL |
| <b>Number of Board Meeting attended (FY 2020-21)</b>                                    | : | Details as per Note no 1 below                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Directorship held in other Public Companies</b>                                      | : | Ramagundam Fertilizers & Chemicals Limited<br>Certification Engineers International Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <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 : 1 Smt. Vartika Shukla has attended 6 Board Meeting during the FY 2020-21 in the Capacity of Director (Technical).

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

## Directors' Report

Dear Shareholders,

The Directors present the 56<sup>th</sup> Annual Report of Engineers India Limited (the Company or Your Company or EIL) 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 for the Financial Year ended March 31, 2021.

### 2020-21 in Retrospect

Your Company sustained its good performance during FY2020-21 despite pandemic challenges. 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 2020-21 | Actual 2019-20 |
|-----------|----------------------------------------------|----------------|----------------|
| <b>A.</b> | <b>INCOME</b>                                |                |                |
| i)        | Consultancy & Engineering Contracts          | 138332         | 156531         |
| ii)       | Turnkey Contracts                            | 172137         | 163774         |
| iii)      | Other Income                                 | 19488          | 25804          |
|           | <b>TOTAL INCOME</b>                          | <b>329957</b>  | <b>346109</b>  |
| <b>B.</b> | <b>EXPENDITURE</b>                           |                |                |
| i)        | Cost of rendering services                   | 277061         | 276175         |
| ii)       | Depreciation & Amortization                  | 2343           | 2383           |
| iii)      | Exceptional Items                            | 15496          | -              |
|           | <b>Total</b>                                 | <b>294900</b>  | <b>278558</b>  |
| <b>C.</b> | <b>PROFIT BEFORE TAX (A-B)</b>               | <b>35057</b>   | <b>67551</b>   |
| D.        | Provision for Current tax                    | 15336          | 21936          |
| E.        | Provision for Deferred Tax                   | (6231)         | 2640           |
| F.        | Earlier Year Tax Adjustments, Short/(Excess) | 2              | (49)           |
| <b>G.</b> | <b>PROFIT FOR THE YEAR (C-D-E-F)</b>         | <b>25950</b>   | <b>43024</b>   |
| <b>H.</b> | <b>OTHER COMPREHENSIVE INCOME</b>            | <b>(84)</b>    | <b>(3057)</b>  |
| <b>I.</b> | <b>TOTAL COMPREHENSIVE INCOME</b>            | <b>25866</b>   | <b>39967</b>   |

### Segment wise Performance

(Figures in ₹ Lakhs)

| Particulars                        | Year ended 31.03.2021 | Year ended 31.03.2020 |
|------------------------------------|-----------------------|-----------------------|
| <b>Segment Revenue</b>             |                       |                       |
| Consultancy & Engineering Projects | 138332                | 156531                |
| Turnkey Projects                   | 172137                | 163774                |
| <b>Total</b>                       | <b>310469</b>         | <b>320305</b>         |

| Particulars                           | Year ended 31.03.2021 | Year ended 31.03.2020 |
|---------------------------------------|-----------------------|-----------------------|
| <b>Segment Profit From Operations</b> |                       |                       |
| Consultancy & Engineering Projects    | 37994                 | 49892                 |
| Turnkey Projects                      | 5581                  | 6545                  |
| <b>Total (A)</b>                      | <b>43575</b>          | <b>56437</b>          |
| Interest                              | 366                   | 174                   |
| Other un-allocable expenditure*       | 27640                 | 14516                 |
| <b>Total (B)</b>                      | <b>28006</b>          | <b>14690</b>          |
| <b>Other Income (C)</b>               | <b>19488</b>          | <b>25804</b>          |
| <b>Profit Before Tax (A-B+C)</b>      | <b>35057</b>          | <b>67551</b>          |
| <b>Income Tax Expense</b>             | <b>9107</b>           | <b>24527</b>          |
| <b>Profit for the year</b>            | <b>25950</b>          | <b>43024</b>          |
| <b>Capital Employed**</b>             | <b>170101</b>         | <b>234546</b>         |

\* Financial year 2020-21 includes expenditure on Oil and Gas exploration blocks, including dry well written off and impairment amounting to ₹175 Lakhs (previous year : ₹2,985 Lakhs)

\* Includes ₹ 17,222 lakhs (previous year: ₹ 1,630 Lakhs) of accrued provident fund liability/provision for impairment 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.

### Dividend

The Board of Directors of the Company has recommended a final dividend of ₹ 0.60 /- per share (of face value of ₹ 5/- per share) for the financial year 2020-21, in addition to ₹ 1.40/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2020-21 works out to ₹ 2/- per share amounting to ₹ 11,240.84 Lakhs. The final dividend 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 record date on 07.09.2021.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website on <https://engineersindia.com/investors/corporate-governance/>

### Buyback of Equity Shares

The Company bought back 6,98,69,047 equity shares at a price of ₹ 84 per equity share for an aggregate consideration of ₹ 58690 lakhs. The offer size of the buy-back was 24.998% and 24.462% of the aggregate paid-up equity share capital and free reserves as per audited standalone financial statements and audited consolidated financial



statements of the Company as on March 31, 2020, respectively. The buy-back represented 11.06% of the paid-up equity share capital of the Company. The buy-back process was completed and the shares were extinguished on February 19, 2021.

Consequently, the paid up share Capital of the Company stands reduced from ₹ 31595.58 lakhs to ₹ 28102.13 lakhs (56,20,42,373 equity shares of ₹ 5 each).

The President of India acting through the Ministry of Petroleum & Natural Gas has tendered and accepted 3,69,46,140 equity shares under the Buyback of shares by the Company. Consequently, the Government of India (Promoter) share holding as on 31.03.2021 stands reduced to 51.32%.

The shareholder's payout with respect to dividend and buy-back including tax on buy-back (excluding transaction costs, other incidental and related expenses) aggregated to ₹ 69930.84 lakhs, resulting in a payout of 269 % of the standalone profits of the Company.

#### Transfer to Reserves

Your Company is proposing to transfer to general reserves in FY 2021-22, after adjustment of payment of proposed final dividend, subject to the approval of the shareholders in AGM for FY 2020-21, from retained earnings balance of ₹ 17507.08 lakhs as on 31<sup>st</sup> March 2021.

#### Acquisition of Minority Stake in Numaligarh Refinery Limited (NRL)

Numaligarh Refinery Limited (NRL) is the owner of the largest refinery in North-East which has Strong Regional Presence in North- East India, Good Proximity to Export markets, High Gross Refining Margins (GRM) and Largest Wax Unit in the Country etc. NRL is also expanding its refinery capacity from current 3 MMTA to 9 MMTA. From the diligence process it emerges that as part of related diversification strategy of EIL, acquisition of part equity stake in NRL along with lead investor may prove to be a good opportunity for EIL to enter into Refinery segment as a co-owner, enhance its presence in hydrocarbon sector in North-East, having a regular and sustained income stream in future and also for future collaborative opportunities with NRL for further Value Addition in Refinery.

In this background, the Board of Directors of your Company accorded the approval for acquisition of Bharat Petroleum Corporation Limited (BPCL) shareholding in NRL by the consortium of Oil India Limited (OIL) and Engineers India Limited (EIL), wherein OIL is the consortium leader.

Your Company has completed the acquisition of and acquired 3,21,46,957 equity shares at a value of ₹70000 lakhs in the share capital of NRL from BPCL pursuant to the Share Purchase Agreement (SPA) signed on March 25, 2021 in consortium with OIL. Post acquisition, your Company's equity shareholding in NRL stands at 4.37%.

#### Investor Relations

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

Your Management is responsive for ensuring that the performance of the Company, Business Outlook and Strategies for its growth and expansion 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.

EIL 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.

#### Management Discussion and Analysis Report

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

#### 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.

#### Consultancy Assignments (Domestic)

##### 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:

- Pre-Feasibility Study for upcoming Naphtha and HFHSD handling facility for storage and transportation of Uran Naphtha to Hazira of ONGC.
- DFR for Single Point Mooring (SPM) at Padur, Karnataka for Indian Strategic Petroleum Reserves Limited (ISPRL).
- FEED for 2 nos. LNG storage tanks for Petronet LNG, Dahej, Gujarat. FEED is in advance stage of completion.

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.
- PMC for HSEPL's LNG import, storage and re-gasification terminal with capacity of 5 MMTA with potential expansion to 10 MMTA capacity at village Chhara, Gujarat.
- Consultancy services for design, engineering and technical studies, supervision and assistance for crude handling facilities project in Gulf of Kutch off Vadinar IOCL, Gujarat.
- Completion of Breakwater at Dabhol, Maharashtra.
- 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.



- Technical Feasibility Study for successful Operation of LP Compressor at ARP Project, Assam of ONGC.

### 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 Management) 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 few years.

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

- DFR for Naharkatiya - Barauni Crude Oil Pipeline Phase-3 of OIL.
- DFR for upgradation of Numaligarh - Siliguri Product Pipeline of OIL.

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

- DFR, QRA/RRA for Revamp of LPG Import Facility at Uran, Gujarat for BPCL.
- EPCM Services for Crude Oil Import Terminal (COIT) at Paradip, Paradip - Numaligarh Crude Oil Pipeline (PNCPL) and NRL- Siliguri marketing terminal (SMT). PNCPL portion of the project involves laying of Crude oil pipeline of cumulative length around 1637 km across Odisha, Bihar, Jharkhand, West Bengal and Assam.
- PMC services for 18" x 45 km Re-routing of Mumbai-Manmad Pipeline in Maharashtra 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 Ltd.
- 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, Madhya Pradesh.
- PMC Services for balance jobs of Dabhol LNG Terminal, Maharashtra of M/s. Konkan LNG Pvt. Ltd.

- EPCM services for Western Gateway Project Early Production facilities of WCPL.
- PMC services for Installation of Gas Turbine Compressor (GTC) at GAIL, Gandhar, Gujarat.
- PMC services for new selected C<sub>2</sub>-C<sub>3</sub> product injection scheme in HVJ pipeline 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.
- EPCM Services for Alternate Water Supply Scheme (AWSS) of BPCL Kochi Refinery (Pipeline 32"x26 km).

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

- PMC services for Part-B (Nagpur-Jharsuguda mainline & NTPC Korba Spurline) of MNJPL Project (Mumbai-Nagpur-Jharsuguda Natural gas Pipeline) of GAIL.
- PMC services for Krishnagiri Coimbatore section of KKBML-II Project of GAIL in Tamil Nadu.
- PMC services for Installation of Gas Turbine Compressor (GTC) at GAIL, Gandhar, Gujarat.
- PMC services for Dhamra Haldia Pipeline Project of GAIL in Odisha and West Bengal.
- Seismic Analysis of Kandla-Gorakhpur LPG Pipeline of IOCL, BPCL, HPCL JV.
- EPCM Services for Krishnapatnam Hyderabad Multi Product Pipeline, BPCL.

### 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. Your Company has also executed major projects like, Diesel Hydro-desulphurization projects, Fuel Specification Up gradation Projects and revamp/modernization projects for most of the Oil & Gas majors.

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

- BS-VI up-gradation of IOCL's Panipat Refinery, Haryana, Gujarat Refinery, Haldia Refinery, West Bengal and Bongaigaon Refinery, Assam.
- EPCM Services for BS-VI Fuel Quality Project of HMEL, Bhatinda Refinery, Punjab consisting of a New DHDT (1.9 MMTPA), HGU & Offsite.
- PMC and EPCM services for BS-VI Project at BPCL, Kochi Refinery, Kerala.
- Consultancy Services for establishing Asset Integrity Management System for Petrochemical Static Assets, HMEL, Bhatinda, Punjab.
- Adequacy check and Basic Engineering for DHDT Naphtha splitter revamp at HMEL Bhatinda, Punjab.
- PMC services for New STG at HMEL, Bhatinda, Punjab.
- DFR, Licensor Selection and BEDP for all process units for Cauvery Basin Refinery (CBR) project of Chennai Petroleum Corporation Limited (CPCL) at Nagapattinam, Tamil Nadu.

- 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.
- Pre Project Activities of Rajasthan Refinery Project of HRRL, Barmer.
- Detailed Feasibility Report for Marketing Terminal at Barmer, Rajasthan of HPCL.
- EPCM services for LPG Import facility of BPCL at Haldia, West Bengal.
- MR-II Tankages project of HPCL at Mumbai Refinery, Maharashtra.
- EPCM services for Kerosene Hydro-Desulphurization unit at BORL Bina Refinery, Madhya Pradesh.
- 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, Maharashtra for BPCL.
- EPCM Services for Elevated Hot LPG Flare System at Bina Dispatch Terminal (BDT) Bina, Madhya Pradesh of BPCL.

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

- 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. Pre shutdown scope of work completed. Balance work being completed during shutdown, which has commenced from 1<sup>st</sup> April, 2021.
- Vizag Refinery Modernization Project of HPCL, Visakhapatnam. Primary process units are in advance stage of completion, associated offsite work is getting ready to commence pre-commissioning activities.
- Indjet® Unit (ATF Hydro Treating Process) of IOCL Barauni, Bihar under R&D initiative of EIL & IOCL.
- PMC services for Rajasthan Refinery Project of HRRL, Barmer, Rajasthan.
- EPCM services for BS-VI project & associated facilities at MRPL Refinery, Mangalore, Karnataka to upgrade their products to BS-VI standards.
- Lender's Independent Engineer for State Bank of India (SBI) for Project Review & Assessment for financing of HRRL's 9.0 MMTPA Refinery cum Petrochemical complex.
- Feasibility Report of West Coast Refinery of RRPCL for site at Roha, Maharashtra near West Coast based on ICC configuration.

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

- EPCM services for Coker-B Revamp of Barauni Refinery Capacity Expansion (to 9.0 MMTPA) Project of IOCL in Bihar.
- Selection of BOO contractor for HGU of NREP Project of NRL, Numaligarh.
- 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.
- Engineering Sub contractor to BHEL for 525 TPD standby SRU Train at IOCL Paradip Refinery, Odisha.
- Know-How, BEDP and DE of Coke Drum & Heater for Revamp of Coker - B Unit at Barauni Refinery (Phase - II), Bihar.

- Supply of License, Basic Engineering Design Package (BEDP), Catalyst and Other Related Services for Sulphur Recovery Unit (SRU) with TGTU for Numaligarh Refinery Expansion Project (NREP), Assam.
- EIA and RRA for Petchem Addition and Capacity Expansion (PACE) Project of MRPL, Karnataka.
- PMC Services for ETP revamp at BPCL Mumbai Refinery, Maharashtra.
- Feasibility Study for Capacity Expansion of IOCL's Paradip Refinery, Odisha from 15 MMTPA to 25 MMTPA.

### Petrochemicals

Your Company has been involved in the establishment of several 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:

- Propylene Derivative Petrochemical Plant (PDPP) of BPCL, Kochi Refinery, Kerala comprising of Acrylic Acid Unit, Oxo-Alcohol and Acrylates Units.
- EPCM services for NHT modification of OMPL, Mangalore, Karnataka for MRPL.
- Consultancy Services for DFR, EIA/ RRA and Licensor Selection for Propane Dehydrogenation (PDH)/ Polypropylene (PP) Unit at GAIL, Usar in Maharashtra.
- Additional jobs to increase the operational flexibility of C<sub>2</sub>-C<sub>3</sub> Recovery Plant, GAIL, Vijaipur, Madhya Pradesh.
- EPCM Consultancy Services for replacement of Regenerator Column of Gas Sweetening Unit at GAIL, Pata, Uttar Pradesh.

Significant progress has been made on the following petrochemical projects, some of which are under final stage of completion:

- LEPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited, Namrup, Assam.
- EPCM services for 60 KTPA Polypropylene plant at Pata Petrochemical Complex, Uttar Pradesh of GAIL.
- Guru Gobind Singh Refinery (GGSR) Polymer Addition Project of HMEL at Bhatinda, 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).
- Lender's Independent Engineer (LIE) for 1.20 MMTPA Petrochemical project at HMEL at Bhatinda, SBI, Punjab.

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

- EPCM services for 500 KTPA Propane Dehydrogenation (PDH)/ Polypropylene (PP) Unit at GAIL, Usar in Maharashtra.
- Consultancy Services for Techno-Commercial Feasibility Study of





Naphtha Cracker Expansion Phase-II and New Ethylene / Propylene Derivative Project at Panipat, Haryana for IOCL.

- Licensor Selection, Preparation of Detailed Feasibility Report and Review of Licensor's BEDP for Poly-Propylene Unit (PPU) of Numaligarh Refinery Expansion Project (NREP), Assam.

### 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. During the year, the Company has completed DFR & PMC for Pre-project Activities (PPA) for New SPM facility at Padur, Karnataka by ISPRL. Further, the Company achieved significant progress in PMC services for storage of 80,000 MT of LPG in underground rock caverns at Mangalore, Karnataka by HPCL.

### 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:

- Consultancy services for assessment of land requirement for common corridor project at Gopalpur, for Industrial Promotion & Investment Corporation of Odisha.

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

- DFR for Kodingamali Bauxite Mines of Odisha Mining Corporation Ltd., Odisha.
- Consultancy services for Retrofitting of HRD (High Rate Decanter) and DCW (Deep Cone Washer) in Stream-1, Stream-2 & Stream-3 of NALCO at Damanjodi, Odisha.
- Consultancy services for 2nd Raw Water Intake Pump House and Pipeline at Damanjodi, Odisha of NALCO.
- Consultancy services for procurement and installation of Reclaimer and Associated Facilities in NALCO's Alumina Refinery at Damanjodi, Odisha.
- Consultancy services and construction management for addition of 11th Rectifier Group (Swing Group) between Potlines 3 & 4 of Aluminium Smelter at NALCO, Angul, Odisha.
- Consultancy services for preparation of Feasibility Report of Jhamarkotra Rock Phosphate Mines, Udaipur for Rajasthan State Mines & Minerals Ltd.

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

- Owner's Engineer Services for MDO and Evacuation facilities at Kurmitar Iron Ore Mines for OMC, Odisha.
- Assessment of Land requirement for Byproduct disposal from FGD Plant at Aditya Aluminium, Lapanga, Odisha for IPICOL.
- Preparation of DPR & Selection of Technology for Bauxite Conveying System from Pottangi Mines to Alumina Refinery, Damanjodi, Odisha of NALCO.

### Infrastructure

Your Company has developed a strong track record in Infrastructure

sector by providing a wide spectrum of services such as Project Management (including 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 projects were completed:

- 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 Bhatinda.
- PMC Services for Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad, Haryana.
- Technical Assistance for Environmental Clearance of Mopa Airport, Goa.
- Assessment of completion cost of assets occupied by AAI at Kempegowda International Airport at Bengaluru (BIAL), Karnataka.

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

- Extension of TPI services for Infrastructure Projects of Pune Municipal Corporation, Maharashtra.
- PMC Services for Construction of Domestic Terminal of Leh Airport
- PMC Services for New Campus Design & Development of IIM Nagpur at MIHAN, Maharashtra.
- PMC Services for Residential Complex of UIDAI in Delhi.
- PMC services for Construction of PLL's office Building at Dwarka Sector-14, Delhi.
- Independent Engineer for Development and Construction of Green Field International Airport at Mopa, Goa.
- 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.
- Supervision and PMC services for High Speed Rail Terminal Project at Sabarmati, Gujarat of National High Speed Rail Corporation Limited.
- 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:

- Provision of Manpower to assist Engineer for Supervision of Mumbai-Ahmedabad High Speed Rail Project (C4, C6 & P4 packages), Gujarat.
- Cost estimate report for facility up-gradation at International Advanced Research Centre at Hyderabad, Andhra Pradesh.
- PMC Services for construction of Office Complex at Lucknow for UIDAI, Uttar Pradesh.

### 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:

- PMC Services for the Interceptor Sewer Project of Delhi Jal Board (DJB) for abatement of pollution in River Yamuna. All the Packages have been handed over to DJB for O&M works.
- Preparation of DFR for Future Pipelines from Jhagadia & Ankleshwar Facilities, Gujarat (Narmada Clean Tech).

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

- Execution of entry level activities including development of Ghats and Crematoriums within the state of 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).
- EPCM Services for Effluent Treatment Plant at Tengakhat, Assam for OIL which is in advance stage of completion.

The following project was secured by the Company in Water and Waste Management sector during the year:

- PMC for ETP and associated facilities at Jhagadia Pumping Station for Narmada Clean Tech, Gujarat.

#### 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. Commercial operation of the plant was achieved on 22.03.2021.

Assignment for undertaking Techno-Commercial Viability and Preparation of DPR for Technical & Food Grade Phosphoric Acid Project at Sikka Unit, Jamnagar, Gujarat was secured during the year.

#### 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 has been completed.

#### 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 Piling, Civil/Structural works including Building works, Tankages erection is in progress at site.

#### 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, following overseas assignments were completed:

- 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.
- Upper Zakum/Artificial Island facilities - Studies/Engineering Packages (package-1) - under Engineering Service Agreement (ESA), UAE.
- FEED for Hail Oil Field Water Injection Project (WIP), ADOC, Japan. FEED completed along with the scope for preparation of EPC Scope of work.

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.
- General Engineering Services of M/s ADNOC Onshore, 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.
- Additional PMC/EPCM Services for new units, viz. DHDT, SWS & ARU in Dangote Refinery, Nigeria.
- PMC services 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, DHDT, HCU, VBU, SWS, ARU,SRU and H2.
- Detailed Engineering Services for recommended Synergy Tie-ins and MP Steam Lines at Ruwais Fertilizer Complex (FERTIL) for ALSA Engineering & Construction, UAE.
- Lower Zakum facilities - Studies/Engineering Packages (package-1) - under ESA, UAE.
- FEED Services for Automatic Overfilling Protection and flammable gas Detectors for HC tanks in ADNOC Refining locations-ADNOC, UAE.



- Al Nasr Super Complex and Field Plant Modification Request (PMRS) and Engineering Work.
- PMC Services for Habshan - Bab Projects, Adnoc Gas Processing, Abu Dhabi, UAE.
- PMC Services for Construction of a Crude Oil Refinery Plant in Mongolia for Mongol Refinery State Owned LLC.

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

- Upper Zakum / Artificial Island Facilities - Studies / Engineering Packages (Package-1) - Under ESA (Change Order), UAE.
- Zirku Island Facilities Studies / Engineering Packages (PMR'S & FC'S) (Package-3) (under ESA), UAE.

### Turnkey Projects

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

During the year, Mechanical Completion and Commissioning were successfully achieved for BS-VI Up-gradation project of CPCL, Tamil Nadu, .

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

- Vizag Refinery Modernization Project Offsite in Vizag, Andhra Pradesh.
- Revamping of Slug Catcher at Uran Plant of ONGC in Maharashtra.
- Execution of Residual Utilities and Offsites for Rajasthan Refinery Project, HRRL, Rajasthan on OBE basis. Construction of Offsite Pipe racks and buildings are in full swing.
- SRU Revamping at ONGC Hazira Plant, Gujarat

### Performance of Divisions

#### Process Design and 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. The division is also working in the arena of cross country Pipelines, LPG and LNG facilities and strategic storage facilities. The activities undertaken by the division encompass the whole gamut of activities from seeding to commissioning. The detailed role involves Configuration studies using LP modelling techniques, Preparation of Preliminary and Detailed Feasibility Studies, Technology evaluation studies for licensed technologies, Licensing of In-house Technologies, Basic design of open art units and EIL licensed units as well as utilities & offsite facilities. It also involves activities in Residual process design of licensed units, Detail engineering follow up, FEED preparation, selection of EPC contractors, providing PMC service for EPC projects. The division takes lead role in providing able support for Pre-commissioning / Commissioning, Plant start-up assistance & Trouble shooting. Technical due Diligence activities are also carried out by the division.

Process division also provides speciality services like selection of material of construction for various applications, failure analysis and residual life assessment services.

The division with its unique mix of expertise actively supports the Business Development Group of the company in securing new business, opening up new avenues for business in India and overseas. The division is ably handling a number of overseas prestigious

assignments adapting to diverse customer base, complying with diverse international and domestic design practices and standards.

The division has adopted international best practices in Process design, provides Value added services to the customers. Adoption of technology and initiative towards continuous digitization has yielded result in seamless work flow in error free manner.

During the year 2020-21, the COVID-19 pandemic has brought an unprecedented challenge. The division quickly adapted to the new methods of Work from Home and ensured the productivity of employees. Project schedule and quality of deliverables were maintained. Various innovative ways were adopted to face the adversity and overcome it. The challenging target of completing the BS-VI Projects for 6 IOCL refineries to meet the pan India BS-VI fuel compliance was achieved in the midst of the pandemic. Mechanical completion, pre-commissioning and commissioning activities of all BS-VI units were made possible by the committed and able team of engineers from the division. Mega project Guru Gobind Singh Polymer Addition Project (GGSPAP) of HMEL also achieved considerable progress during this time.

The highlights of the other prestigious assignments undertaken by the division last year are summarized below:

- Basic design of Open art units and Utility-offsites facilities of Mongol Refinery project, a path breaking project under LOC from Government of India, has been completed. Evaluation of technology for licensed units is in advanced stage. This refinery project was seeded through the DFS (Detailed Feasibility Study) carried out by the Company. This shall position the Company firmly in the area of Project execution under LOC, and also establish its credentials in the new geographical area as a Total Solution Company in Refining Sector.
- EIL has licensed the first grassroot DHDT unit at IOCL, Haldia jointly with IOCL with product meeting BS-VI fuel quality. The unit has been commissioned successfully and Guarantee test run has been successfully completed. The DHDT unit in IOCL Bongaigaon Refinery has also been revamped by EIL to almost 135% original capacity meeting BS-VI fuel quality. The Guarantee test run of this unit has also been successfully completed. Successful commissioning and operation of both these units have established EIL firmly in the Licensing business and shall provide future credentials.
- Supply of license and preparation of BEDP for SRU for Numaligarh Refinery Expansion Project of NRL. Project has been won on global competition basis.

**Paving way for future investment:** Process division has conceptualised and carried out various feasibility studies in Refineries, Petrochemicals, upstream and midstream area. The major assignments are:

- Feasibility study for IOCL, Paradip Refinery for expansion from 15 to 25 MMTPA is in the advanced stage. The refinery expansion would look into possibility of integrating additional petrochemical complex.
- In addition, a Feasibility Study for IOCL, Paradip is being conceived with an independent Dual Feed cracker and associated downstream petrochemical units. This study is also in the advanced stage.
- Two possible scenarios for Utilization of Excess Butadiene at IOCL, Panipat Naphtha Cracker complex have been evaluated and completed.

- Feasibility Study for utilization of additional Ethylene and Propylene in Naphtha Cracker complex at IOCL Panipat is in advanced stage.

All these above studies are important from the point of view of sustainability and profitability of the Refineries. Implementation of Projects conceptualised under these studies will reduce import dependence of Petrochemical products.

In the upstream and midstream area, following assignments were carried out:

- Operational Feasibility study for integrated operations from proposed Dahej Jetty to LPG Cavern at Vadodara of HPCL.
- Feasibility Study for optimized operation of Compressor stations along the HVJ, DVPL & VDPL is in the advanced stage. This study is important from the point of view of profitability of the country's largest natural gas pipeline network.
- The division has completed a number of studies to address debottlenecking of Bapco refinery in Bahrain

Following are some of the projects under execution for which Process Division is providing services.

#### Petrochemicals

- Process activities i.e. FEED preparation and EPC evaluation for Polypropylene Unit, LLDPE/HDPE swing unit, MS Block, Sulfur recovery block(SRB) and offsite facilities and Detail Engineering of various process units of first grassroot Integrated Refinery cum Petrochemical complex for Rajasthan Refinery Project, Barmer.
- Execution of Residual Utilities & Offsite system of Rajasthan Refinery Project under open book estimate.
- EPCM activities for PDH/PP facility at GAIL, Usar has been awarded to the Company by GAIL based on the Detailed Feasibility Report (DFR) carried out earlier. This would usher in a new technology for On-purpose Olefin production. The basic design for Utility and offsites are at the advanced stage. The associate pipeline for Uran –Usar propane Pipeline is also under progress.
- Engineering activities for setting up a 60 KTPA Polypropylene plant at GAIL's Petrochemical complex at Pata is in full swing.
- Licensor Selection, Preparation of Detailed Feasibility Report and Review of Licensor's BEDP for Polypropylene Unit (PPU) of Numaligarh Refinery Expansion Project of NRL.
- EPCM services for setting up of Butene-1 & HPG (2nd stage) & PSA unit of BCPL.
- Precommissioning/Commissioning of all units under Polypropylene Derivative Project, Kochi Refinery.

#### Refinery

- **Panipat Refinery Capacity expansion:** Panipat Refinery currently operating at 15 MMTPA capacity is being augmented to 25 MMTPA under Panipat P-25 project, for which EIL is providing services of Overall PMC, and EPCM activities for a cluster of units and U&O. The division has already completed design of Open art units and Utility & Offsites facilities. FEED preparation is also complete.
- **Mongol Refinery Project:** Basic design of Open art units and Utility-offsites facilities of Mongol Refinery project, has been completed. Process Licensor evaluation work is in advanced stage.
- **Dangote Refinery:** Capacity enhancement of the Refinery is

underway with additional Distillate Treating and other auxiliary units. The detailed engineering is in full swing. These units will augment refinery capacity to 650 KBPSD, a new milestone in single train design. The Original refinery at 460 KBPSD capacity is in advance stage of construction. The division is gearing up to provide assistance to DORC in pre-commissioning activities.

- PMC review for all Process related documents for Residue Upgradation facility which is being installed for the first time in India under Visakh Refinery Modernization Project of HPCL.
- EPCM Services of Coker B revamp of Barauni Refinery.
- EPCM Services of MRPL BS VI Project
- **Eastern Refinery Limited:** FEED activities for the prestigious ERL expansion project at Bangladesh has concluded. The EPC activities will commence upon award. EIL is providing PMC services to ERL.
- **ADNOC:** Division has provided Process services for Ruwais Refinery tank farm overfilling Projects through Abu Dhabi Office for ADNOC.
- PMC review for all Process related documents for all Licensed Unit under Visakh Refinery Modernization Project of HPCL
- FEED preparation of ARU, Revamp-SWS & Utility facilities for PRFCC, SRU & Associated facilities at MR and PP & Associated facilities at Rasayani.
- Licensor Selection MS Block, PFCC, RPTU & FCC-GDS units for Numaligarh Refinery Expansion Project of NRL.
- Phase-1 of Study of revised configuration of CPP for CPCL's proposed 9 MMTPA CBR project.
- Feasibility Study of current Hydrotreatment facility for BS-VI quality fuel production, Nayara Energy.
- Precommissioning / commissioning of BS-VI MS Block Project, BPCL-Kochi Refinery.
- Pre commissioning / commissioning activities of Suphur Recovery Block, Flare, Utilities and offsite facilities of BS-VI auto fuels project, CPCL.
- Precommissioning /Commissioning of CDU-4, HCU, NIU units under Visakh Refinery Modernization Project, HPCL.

#### Upstream and Midstream

- **LPG Cavern at Mangalore:** The division is providing services in the design and PMC work for the LPG cavern at Mangalore. With this project, EIL has taken the first step in this critical area of underground cavern storage for LPG.
- **Crude Storage terminal for HRRL and NRL:** The division is providing specialized services for Basic Design & Residual Engineering for NRL Crude Oil Terminal (COT) at Paradip. The NRL project will be executed in BOOT mode. The HPCL Rajasthan Refinery Crude Oil Terminal (COT) is in EPC evaluation stage.
- **Chhara LNG terminal:** The division has carried out PMC Services for Chhara LNG Terminal in Gujarat. The Terminal is designed for unloading, storing and vaporizing LNG and sending 5MMTPA of natural gas (expandable to 10 MMTPA) into the cross-country pipeline connected to the high pressure natural gas distribution network. This is a very strategic project considering India's commitment towards gas penetration.





## Pipelines

- **Gas pipeline:** The division is providing services for GAIL's prestigious Urja Ganga pipeline for Dhamra – Haldia segment & Nagpur-Jharsuguda natural Gas Pipeline. These pipelines will ensure a highly reliable and dependable corridor for gas transmission. This division is also providing services for Krishnagiri-Coimbatore section of Kochi-Kootanad-Bangalore-Mangalore Gas Pipeline -II which is being executed in PMC mode.
- **Crude Pipeline:** Design activities are being carried out for Paradip - Numaligarh Crude Oil Pipeline (PNCPL) pipeline for supplying additional crude feedstock for meeting requirements of NRL capacity augmentation to additional 6MMTPA, thereby taking a leap towards the NE vision plan.
- **Multiproduct pipeline:** Division is providing services for BPCL's proposed Multi product pipeline from Krishnapatnam to Hyderabad, a facility to augment fuel supplies in one of the fast, industrially developing areas of Telangana.

## Commissioning

Following units in upstream, midstream and downstream segments for various projects were commissioned or nearly commissioning during the year:

### Downstream

- All units under the prestigious BS-VI implementation project have been commissioned in IOCL refineries at Mathura, Panipat, Digboi and also in HMEL Refinery, Bathinda. All the units except Prime G have been commissioned in IOCL Gujarat refinery. These projects have helped the Nation to leapfrog to the BS-VI fuel spec.
- The site activities for Guru Govind Singh Polymer Addition Project (GGSPAP) are in full swing and nearing mechanical completion. The 1200 KTPA mega cracker and associated downstream complex will ensure import substitution in area of commodity polymers to a large extent.
- Commissioning of kero Hydrodesulphurisation ( KHDS) unit of BORL.
- Commissioning of FCC GDS (Prime-G ) unit of BS-VI auto fuels project, CPCL.

### Upstream and Midstream

- The LPG import facilities at Haldia for BPCL have been commissioned successfully. This project is significant for the country to meet the energy demand by supply of cleaner and more efficient fuel.
- Cross- Country Palanpur – Vadodara Multiproduct pipeline and Marketing Terminal at Vadodara of HPCL have been commissioned. In addition, prestigious Hazira- Dahej Naphtha pipeline project has been commissioned. This pipeline will provide a highly reliable, dedicated and dependable corridor for transmission of feedstock for Opal Dahej.

## Engineering

During the year, the Engineering Divisions of EIL continued their efforts towards providing optimised 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, digital data transfer, electronic work flow integration and remote working capabilities, communication systems, implementation of Internal Audit observations and Monitoring and updation of specifications, standards and guides.

## Engineering and Technology Development Department (ETDD)

ETDD is a multidisciplinary group with specialists from different fields of engineering providing specialist solutions for Refineries, Petrochemicals, Oil & Gas Processing Projects, Pipelines, Offshore Platforms, Fertilizers, Metallurgical and nuclear industries. ETDD provides services in the field of advanced engineering design and analysis of pressure vessels and piping systems including those for very severe environments such as very high temperatures and pressures, technological and complex structural systems, pipelines and tankages.

The capabilities of ETDD include finite element analysis, pipe stress and pipeline analysis, heat transfer, structural analysis, design-by-analysis of pressure vessels and piping components, fatigue and creep-fatigue analysis, mechanical and structural dynamics and vibration, fluid transients and fitness-for-service evolutions. ETDD has solved many unconventional, complex and multidisciplinary problems, which required in-depth technical knowledge and proven performance in the fields of engineering design and analysis, arise during design phase and as well as pre- and post-commissioning phases. ETDD has also taken up many project works in high-technology areas such as seismic analysis of nuclear structures, satellite launch complexes, rocket test stand, large space structures, blast resistant structures etc.

In-house capability developed for the following and implemented in the projects:

- Development of Minimum Pressurization Temperature (MPT) curves for carbon and low alloy steel equipment based on state-of-the-art fracture mechanics based methodology. This capability is implemented in BORL KHDS project and utilized in review of contractor documents in VRMP and HRRL projects. This development enhanced the capabilities of EIL in the field of advanced engineering assessments for pressure vessels and piping (PVP) components.
- Integrity assessment of dented pipeline across expressway as per Level-3 assessment of API 579-1/ASME FFS-1 standard, through Nonlinear Finite Element Simulation for GAIL. This enhanced the capabilities of EIL in the field of fitness-for-service assessment for pipelines.
- Engineering Critical Assessment (ECA) of onshore natural gas pipeline weld anomalies. This capability is being implemented for GAIL pipelines. This development enhances the capabilities of EIL in the field of fitness-for-service assessment for pipelines.
- Seismic analysis of long underground cross country LPG steel pipeline having 2800 km length.

## Equipment

Equipment Division of EIL is engaged in the design, engineering & procurement of different types of static, rotating, packaged, heat & mass transfer equipment that are required in the industry. Through its vast knowledge pool and past database, division ensures design & procurement of energy efficient equipment with advanced technologies, in compliance with latest International norms. While some equipment have modest functions, many other equipment carry



out highly specialized technologically advanced functions, often bordering at limits of material due to very high temperatures or sometimes cryogenic conditions. With consolidation of mass transfer & heat transfer personnel into the division, there has been a seamless integration of concept, design, detailed engineering and field execution stages of the equipment under one roof.

As the plant capacities have increased over the years, the sizes & complexity of equipment have seen a continuously upward trend. The above industry trends when transposed to the equipment level have triggered new challenges which are to be tackled by effective execution strategies.

Some of the key highlights of year 2020-21 are as under:

- Concept of Modularization to shorten the execution schedules but also to enhance construction quality and reduce costs.
- Remote Inspections at shop / site using Videoconferencing tools to overcome the limitations being imposed by the pandemic.
- Remote Inspection of Column internals by Mass transfer Specialists for various clients using videoconferencing tools.
- Implementation of improved Coker Furnace & Coke Drum design based on in-house indigenous improved Coker Technology for IOCL-Barauni.
- Expertise in energy optimization studies, on-site performance evaluation and throughput enhancement by modification/ replacement of existing heat transfer equipment.
- Design of high pressure exchangers, cryogenic heat exchangers, reflux condensers in addition to conventional shell & tube heat exchangers and Air coolers.
- Dispatch of world's Heaviest LC Max Reactors for RUF Unit of HPCL-Vizag.
- Engineering for Procurement activities for largest grass-root Integrated Refinery cum Petrochemical Complex for HRRL Refinery & Petrochemical Project at Rajasthan including ~40 Compressors, ~800 Pumps & 100 other Packages for various units and utility & offsite.
- One of the biggest Flare systems of India: 9 stacks in single derrick structure (Type: Demountable and staged, maximum tip size 88", height 140 m) for RRP-HRRL.
- One of the large Capacity Cryogenic Nitrogen Plants: 2 Chains, each chain consists of Gaseous Nitrogen (13000 Nm<sup>3</sup>/Hr), Liquid Nitrogen (2000 Nm<sup>3</sup>/Hr Gaseous Equivalent) for HRRL project.
- One of the large capacity Hydrogen Membrane Units: Design Capacity ~85,000Kg/Hr for VRMP, HPCL.
- Raw bamboo based Bio Refinery being set up in the country for the first time in Numaligarh, Assam for ABRPL: Concept to layout preparation of major packages such as Raw bamboo handling, Hydrolysis reactor feeding, Digester feeding, Bio coal dryer, Decanter centrifuge, support to licensor in up scaling and basic engineering etc.
- HVAC System for Leh Airport in J & K with wide variations in outside temperature from (+) 35°C to (-) 22°C using Glycol based chiller/ hot water.
- Equipment design for Mongol Refinery for winterization conditions of (-)31.5 °C.
- Pitch Solidification Package & Solid Pitch Handling & Storage

System with design capacity of 1066 TPD implemented for first time in India for Vizag Refinery Modernization Project (VRMP) of HPCL.

- Sulphur Pelletization Package based on ENERSUL's granulation drum technology with Design Capacity - 970 TPD for VRMP, HPCL. Use of Side wall conveyor (steep angle belt conveyor) in place of regular inclined conveyor due to space constraints.
- Steps undertaken to increase technology patent footprints, especially for fired heaters & coke drum.
- Conceptual design development for advanced Mass transfer internals.
- Application of digital technology and redevelopment of software tools for day to day design with value additions from feedbacks.
- Publication of articles in revered oil & gas trade journals highlighting the strength of technical know-how of Equipment division. Topics covered were "impact of hydrogen rich fuel gas firing in process furnaces and it's repercussion on thermal design parameters", "necessity of integrating fired heater design with overall process target" etc.

In order to boost Govt. of India's initiatives on "Make In India" and "Aatmanirbhar Bharat", efforts were made for maximizing the equipment manufacturing & sourcing from within India.

#### Electrical

Electrical Department is responsible for the design, engineering, procurement and implementation of the electrical network systems for all projects by adopting latest technologies and following the applicable latest standard and codes.

With the adequate availability of stable & reliable Grid Power supply across India nowadays, the focus has shifted to utilising the Grid Power source for the projects instead of Captive power plants considered earlier. This has led to handling incoming Grid power supplies upto 400 KV, use of Extra high voltage Gas Insulated switchgears (GIS) & EHV cables for HMEL Petrochemicals, VRMP & BPCL Kochi projects, use of very large rated motors in the range of 30 MW instead of steam turbines for driving compressors for RRP HRRL & GAIL Usar projects and extensive Electric heat tracing systems instead of Steam tracing for VRMP & RRP HRRL projects. Further, the electrical systems of the plants are getting smarter with digitalisation. The electrical department has aligned with the latest requirements & policies and accordingly state of the art Electrical Control System (ECS), Substation Automation system, digital Fire Alarm System and Plant Communication System are being utilised in all projects viz. VRMP, RRP HRRL, GAIL-Usar and IOCL P-25 projects.

During the Pandemic times, digitalisation has been brought to altogether new platform. Many initiatives and innovative techniques have been employed to continue the line of business yet ensuring the safety and health of the employees. The Remote online Factory Acceptance Testing (Hardware and Software) of Electrical Control System (ECS) for complete electrical system of VRMP consisting of complete checking of the functionalities including breaker control, generator control, load shedding, synchronisation, capacitor control, graphics, integration with ETAP RT for data exchange, ETAP RT functionalities with the involvement of Client (HPCL), vendor and ETAP sub-vendor.

Electrical Department also carries out independent Electrical study projects for various clients. One such project has been the Lightning



Protection system design and calculations for BPCL LPG Bottling Plant at Nashik. As part of initiatives for renewable energy sources, Solar panels are now being installed on various building rooftops within the plant to harness the solar energy as part of the project itself. The department is also implementing land based 2 MW Solar Photo voltaic Plant at HPCL, Bengaluru. The Cathodic Protection system design & engineering for plant equipment, onshore & offshore pipelines and marine structures has also been another area of expertise for Electrical Department.

Electrical department has been contributing to the Green initiative through use of energy saving electrical equipment and is utilising LED light fixtures for all types of indoor & outdoor lighting and use of Energy Efficient motors & transformers for all projects.

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

In line with the "Aatmanirbhar Bharat" & "Make In India" policy, Electrical Department has been actively involved in frequent interactions with Indian vendors, developing & guiding them, conducting vendor meets and enlisting indigenous vendors for various items viz. Numerical Relays, Electrical Heat Tracing, VFD, Motors etc.

As part of the nation building initiative, Electrical Department has majorly contributed in the development & updation of various Indian standards for electrical equipment & systems. The National Electrical Code (NEC), SP 30, a prestigious publication of the Bureau of Indian Standards is being formulated under the leadership of EIL. The standard will lay down a set of good practices and guidelines for selection of various items of electrical system, electrical installations in buildings & for outdoor sites and general safety procedures & practices in electrical work.

### Instrumentation

Instrumentation Department has always maintained its forte as leader adopting digital technology and serving wide range of industries in synchronisation with the technical and scientific evolutions and advancements. Latest Technology coupled with knowledge for appropriate utilisation of relevant Indian and International Codes and Standards are exploited to the benefit of plant operation and maintenance by providing a safe and secure environment to the plant and personnel.

EIL is having large footprints in domestic & overseas jobs in Design of Instrument and Control System including Distributed Controls Systems (DCS), Safety Instrumented Systems (SIS), Fire and Gas system, Asset Management Systems for Instruments, Alarm Management System, Analyzer Systems, SCADA & Tele-communication, field instruments etc. for plants.

Control Systems are designed, selected and executed with an aim to provide maximum automation to the Process plants at every stage of Refinery and Petrochemical projects using the skill, knowledge and experience of engineers to meet End-user expectation of optimum plant performance and reduced maintenance in HRRL, HMEL Petrochemical, DRPP DORC, BS-VI Projects, VRMP, HPCL and PDPP & MS Block BPCL Kochi Refinery etc. Technologies like universal I/Os for ease of system engineering and cable termination activity at site and Virtualized Server for DCS to ensure seamless updation of System Operating software as well as system expansion are incorporated in

the system design. High level of safety & security are ensured in the control system design through a team of certified Function Safety Professionals during execution stage along with SIL verification in accordance with IEC 61511/61508.

To ensure that the workflow and schedule does not suffer during the partial lockdowns / pandemic of COVID-19, the benefit of virtual platform has been fully exploited conducting Factory Acceptance Test (Hardware and Software) of DCS/ PLC, metering system, loading automation without having any physical presence at Factory for Complete logic checking, graphics checking and complex loop verification through WebEx with participation by all stakeholders for multiple projects like GGSPAP, BS-VI, VRMP, MRPL, MSBP etc. and Hardware Inspection carried out using Virtual Reality Camera involving all the stakeholders i.e. EIL Inspection, EIL Engineering team, TPI as well as client.

The Refinery and Petrochemical Complexes have numerous large sized Rotating Machineries comprising Centrifugal compressors, Reciprocating compressors, Turbine Driven pumps, Extruders etc. spread across various units which are critical for the Plant operation and it is imperative to have a centralised health monitoring and predictive maintenance platform for ensuring the efficient operation of these Machines. With this aim, a Plant-wide Centralised Machine Condition Monitoring and Analysis System (MCMAS) is implemented by EIL in many Refinery and Petrochemical complexes as part of their Plant Design.

To achieve improved asset utilisation, efficient processes, improved Productivity, IIoT w.r.t Digitisation (Industry 4.0) technologies were adopted using wireless sensors for pump seal monitoring, rotating equipment health monitoring and acoustic sensors for exchanger performance, detection of PSV and Flare valves leak in MRPL BS VI, HRRL and GAIL PDH-PP.

Specifications for procurement of exotic instrument items like Top Loading Digester Valves used for automatic clean filling of the bamboo chips in batch digesters, without scatter of the chips and without use of any air removal system, Consistency Analyser in bamboo pulps service to detect consistency of process fluid as shear forces acting on the sensing element were developed in Bio-Refinery Project.

Instrumentation Department is contributing towards standardisation, digitalisation & end to end work flow integration of EIL including integration of in-house PDSIS (Process data module) to Instrumentation specification sheet of procurement module as well as to Smart Plant Instrumentation Module (SPI), integration between various Smart suites. Incorporation of all job installation standards and integration of work flow of Instrumentation with IPMCS of Piping through web based in-house BOM software has been implemented. Other areas of standardisation activities like web-based instrument index software through ITS, Power supply distribution through Automatic Transfer Switch (ATS) and earthing schemes for integrated Plant earthing system including lightning surge protection implemented in recent projects will enhance efficiency, plant availability and safety.

Department has been continuously engaged in the process of promotion of the Indian Manufacturing Industry arranging multiple vendor meets to make domestic manufacturers aware of their potential and also by enlisting Indian suppliers / system integrators who maximise domestic content by optimising Original Equipment Manufacturers scope in high tech areas like DCS, PLC, Analysers,

Metering Skids, Communication systems, CCTV, Radars and electronic transmitters.

### 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 helped in creating 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 multiskilled Planning and Cost Engineers holding dual work experience. Deployments have been made in 'Project Controls' roles and 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.

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 has also been providing Third Party Project Monitoring Services to the Ministry of Petroleum and Natural Gas for the last 40 years. By implementation of web based Project Monitoring Software with Dashboard (called MMC Darpan) MMC has taken a giant leap into digitization and 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.

### Supply Chain Management

EIL 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 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, Fairness, ensuring desired quality within the designated time frame at the most competitive prices and against aggressive competition.

Engineers India Limited 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 other Purchase Preference Policies, etc.

During the year 2020-21, EIL procured ₹217 crore worth of goods and services (around 32% of total procurement of goods and services) from Micro and Small Enterprises.

#### Ordering highlights for Fiscal Year 2020-21

- INR 1200 Crore - direct purchase and contracts on suppliers/ contractors for various LSTK/ OBE/ Depository projects.
- INR 370 Crore - direct purchase and contracts for EIL In-house requirements.
- INR 17240 Crore for projects where EIL worked as a Consultant.
- INR 18810 Crore - Total Procurement.
- 439 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, 2377 suppliers and 397 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 maximise indigenisation, in the FY 2020-21, EIL has organised nine (9) industry specific exclusive supplier / contractor meets including one specifically for MSE entrepreneurs to make them understand EIL requirements and to address challenges faced by the suppliers / contractors. EIL also participated in one (1) programme for development of SC/ST entrepreneurs with an exclusive programme of EIL organised by NSIC-NSSH Chennai.

SCM through its inspection offices 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. However, inspection at supplier's shop was a great challenge in the year 2020-21 due to COVID-19.

In spite of prevailing pandemic situation restricting movement and limited window for shop floor manufacturing and inspection, total 273 equipment including Propylene Fractionator column (weight 1800 MT), 40000 Valves, 83000 fitting, 209 Km pipe and 46000 flanges were made available at site in the year 2020-2021, by focused expediting of various suppliers located across the globe.

Special methodology for remote inspection was adopted to ensure compliance to Job specific requirement so that timely inspection of ready items can be carried out and further dispatched to site.

### 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 2020-2021, Construction Division continued to provide Construction Management Services for various clients at more than 58 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, Mongolia Refinery Project, LNG Chhara Terminal, Indo-Bangla Friendship Pipeline Project, PPU GAIL Pata, HP Green R&D Centre Phase-II Bengaluru, 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 project of CPCL at Chennai (OBE), PDPP & MSBP of BPCL at Kochi, MREP and MR-II project of HPCL at Mumbai, Bio Refinery Project, DDHPL & Vijapur Aurya Pipeline project of GAIL, BS-VI of MRPL at Mangalore, NBPS-II Project of OIL, Mumbai Manmad pipeline of BPCL, Jawar Deep project Mumbai, Indjet Unit of IOCL at Barauni, APL-Namrup, Jamnagar-Loni pipeline of GAIL, KSPPL Kochi, High Speed Rail Terminal at Sabarmati, construction of Leh Airport and design & development of IIM Nagpur.

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

- EPCM Services for Crude Oil Import Terminal (COIT) of NRL at Paradip
- PMC Services for Development of Effluent Treatment and Infrastructure, Jhagadia
- PMC Services for construction of LNG truck loading facility at Dhabol of M/s KLPL
- PMC Services for balance works of Dhabol LNG Terminal of M/s KLPL
- Owner's Engineering Services for construction of PLL's Office Building Complex at Dwarka Sector-14, Delhi.

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:

- DFR & EPCM for Palanpur Vadodara Pipeline (PVPL) Project of HPCL at Mumbai.
- Project Development and Management Consultant (PDMC) under AMRUT Odisha.
- BS-VI Project for Gujarat Refinery of IOCL.
- BS-VI Project for Panipat Refinery of IOCL.
- EPCM Services for Restoration works of Interconnecting Piperack in Phase-III Complex of MRPL.
- PMC Services for construction and development of various buildings & services for IIT Patna on Depository Basis.
- Phase-I Main Building of Central University of Punjab at Main Campus at Ghudda, Dist. Bathinda.

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

- Erection of equipment in dressed up condition.
- Modular construction of Tech Structure, Pipe rack 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 epitomised by the multitude of accolades received from clients, during the year:

- 50 Million LTI free man hours at VRMP, HPCL Vizag(PMC).
- 21 Million LTI free man hours at MREP, HPCL-MR, Mumbai.
- 20 Million LTI free man hours at BS-VI project of IOCL, Panipat.
- 15 Million LTI free man hours at MSBP-BPCL, Kochi.
- 11.61 Million LTI free man hours at BS-VI Project, MRPL, Mangalore.
- 10.38 Million LTI free man hours at NFCL Kota.
- 10 Million LTI free man hours at VRMP, HPCL Vizag(OBE).
- 9 Million LTI free man hours at BS-VI project of IOCL, Bongaigaon.
- 5 Million LTI free man hours at H-Energy LNG Terminal Site at Jaigarh.
- 5 Million LTI free man hours at APL Namrup.
- 2 Million LTI free man hours at MMPL Project, Mumbai.





- 1.6 Million LTI free man hours at HP Green Research & Development Centre at Bengaluru.
- 1 Million LTI free man hours at Bio-Refinery Project, Numaligarh.

### Environmental Engineering

The Company has been providing solutions for water resources management while protecting and restoring major water ecosystems. EIL has helped in enabling the adoption of innovative & integrated water and wastewater management for industries & municipalities. Carrying out studies for reduction in fresh water intake of industries by reducing consumption in process units, maximising the recycle & reuse of treated effluent and/or exploring the alternate sources of water such as fresh water production from sewage/sea water, reducing wastage of water through leaks and maximising water pinching in industrial operations is an integral part of our business. 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 Engineering include the following:

- Adequacy Study for 9 nos. of Effluent Treatment Plants (ETPs) of IOCL's Refinery and Petrochemicals (Panipat, Haldia, Gujarat, Barauni and Bongaigaon) for remediation of various problems being faced in the ETPs. The study includes recommendation for modifications and enhancement of ETP performance, options and recommendations for recycle and maximum reuse of treated effluent and VOC collection and treatment system.
- Independent Environmental and Social Consultant for GAIL to undertake the study geared to Equator Principle 9 (Independent Monitoring and Reporting). The Environmental and Social monitoring report is prepared on the basis of International Finance Corporation (IFC)/ World Bank EHS guidelines along with national regulations with reconnaissance survey of the site, Environmental Monitoring, Data Analysis, Public Consultations and Discussions with other relevant stakeholders.
- Project Management Consultancy (PMC) Services for a Crude Oil Refinery in Mongolia including construction of entire water & wastewater treatment facilities including effluent recycle & reuse.
- Water & wastewater treatment facilities including effluent recycle & reuse to meet zero liquid discharge concept to minimise the fresh water consumption is being implemented for HRRL Rajasthan Refinery Project.
- Environmental Clearances from Ministry of Environment, Forest and Climate Change (MoEFCC) were successfully obtained by EIL for CPCL's Cauvery Basin Refinery at Nagapattinam; NRL's Numaligarh Refinery Expansion Project at Numaligarh; installation of GT-IV and Enhanced Reaction Thermal Oxidizer (ERTO) at ONGC Uran; and GAIL Usar Petrochemical complex (PDH unit integrated with PP Unit).

Quality Council of India (QCI) Accreditation was renewed for Engineers India Limited for carrying out Environmental Impact Assessment study and the accreditation is valid upto 14<sup>th</sup> September 2022. EIL is accredited in 13 sectors with 4 EIA Coordinators and 16 Functional Area Experts.

### Research & Development

India is gradually marching towards becoming a technological hub through various initiatives of the Government of India such as Make In India and more recently Aatmanirbhar Bharat. EIL-R&D has always been in the front line when it comes to making India self-reliant in the area of Oil, Gas and Energy through the development of technologies at its R&D Centre. It has recently secured work on the supply of license, BEDP and other services related to Sulphur Recovery Unit (SRU) for Numaligarh Refinery Expansion Project (NREP). This has been a giant stride in terms of reaffirming the robustness and potential of in-house technology development, as it has been won by EIL through competitive bidding where all major technology providers across the globe participated.

The R&D Division is also spearheading EIL's commitments toward the development of coal gasification technology through its Coal to Liquid (CTL) pilot plant. Sustained operation of coal gasifier for more than 24 hours was achieved this year after addressing the bottlenecks that had constrained previous runs. This will be helpful to study the scale-up aspects of the coal gasification system dealing with high ash Indian coal thereby adding expertise in the area of fluidized bed coal gasification systems. Wastewater treatment is another major area of research in the scientific fraternity and EIL has a strong foothold in this area. This year witnessed an important technology contribution from the R&D Division related to Neutralization of Alkaline Wastewater using a carbonation process which is an important development in the wastewater treatment arena.

As far as Intellectual Property generation is concerned, EIL has been continuously adding new feathers in its cap. This legacy has been maintained this year as well by adding six new patents in its technology basket. EIL is also focused on the development of new technologies in collaboration with the institutes of prominence and industry partners alike. EIL has always been a world-class technology service provider and our record in terms of project execution across the globe says it all. In order to stay afloat in the rapidly changing technology landscape, research and development plays a key role and with a strong R&D division, EIL will continue to endeavour to achieve new heights and fulfill the expectations of our esteemed clients with innovative solutions.

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

R&D division is continuously engaged in undertaking new initiatives in the area of technology development. Some of the new projects initiated and ongoing projects are as below:

### New Projects Initiated

- Development of technology for conversion of Methanol to Dimethyl Ether through dehydration route.
- Process Development for Divided wall column technology.
- Hydrogen production from photolysis / Photocatalytic water splitting.
- Development of process scheme for Reference fuel.
- Development of a Novel process for recovering Anhydrous ammonia from refinery sour gases with experimental data based simulation modeling.





- Setting up of in-house bench scale and pilot scale units of catalyst testing facility.
- Development of Effluent Treatment Process based on Hydrodynamic Cavitation Technology.

#### Ongoing Projects

- Coal to Liquid (CTL) Fuels-Technological development including Operation of CTL pilot plant and data collection.
- Coal to Liquid (CTL) Fuels-Process Package for demonstration plant
- Development of catalyst and process for slurry phase residue hydrocracking.
- Development of above ground sulphur seal.
- Development of design methodology for structured packing application in refineries and gas processing units.
- Development of oxygen enrichment technology for up to 45% capacity.
- Catalyst development and reactor design for methanol to DME technology.
- Technology development and demonstration for production of methanol.
- Population balance model for PSD changes due to attrition during pneumatic conveying of coal.
- Development of 3D CFD model for fluidised bed coal gasifier.
- Optimisation of sulphur plant for 99.9 wt% overall sulphur recovery.
- Setting up catalyst testing / evaluation facility at EIL R&D.
- Renovation of pilot plant facilities and coal to liquid plant.
- Development and analytical testing for hydrocarbon and water/wastewater samples.
- Process development for Divided Wall Column.
- Basic design and engineering package for an efficient and cost effective commercial scale amine purification.
- Refinery hydrogen network analysis and optimisation.
- Hydrogen production through photolysis/photocatalytic water splitting.
- Development of data bank for potential coal gasification.

#### Technology Commercialization efforts

- Start up and successful commissioning of SRU (1 x 19.3 TPD) at NRL.
- Design and preparation of BEDP for Sulphur Recovery Unit (SRU) & EngDEGAS at NRL as part of Numaligarh Refinery Expansion Project (NREP) (2 x 240 TPD).
- Design and preparation of BEDP for Tail Gas Treating Unit at NRL as part of NREP (1 x 480 TPD).
- Promoting the technology & Technical proposal for feasibility study of SRU configuration to improve reliability for IOCL, Guwahati Refinery.
- Development of process scheme for reference fuel for CHT.
- Preparation of BDEP for implementation of DWC in NSU of MRPL.
- Making Technical Proposal for performance improvement of Desalter systems for submission to IOCLJR & BPCL-KR.
- Making efforts for ammonia recovery in NRL.

- Successful commissioning of capacity enhancement of IREP SRUs (2 trains, 25% of original capacity) using EIL's oxygen enrichment technology at BPCL KR, Kochi.

#### Initiatives taken for widening Technology Portfolio

Apart from carrying out research in-house, EIL has always been instrumental in realising synergistic potential by forging relationships with other research organisations and educational institutes. Our Honorable Prime Minister has already sketched an outline for India's energy map with iconic comparison to "Chariot of Sun God" with key drivers (or horses) such as acceleration towards gas-based economy, thrust towards domestic bio-fuels, inclusion of Hydrogen as key fuel and digital innovation across all energy systems. Further, keeping pace with technological innovation and focus on R&D towards developing efficient, reliable, green and environment friendly technologies will be one of the key drivers for achieving Aatmanirbhar Bharat.

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

- Process Science Technology Center (PSTC), an industry-academia collaborative research programme initiated by University of Texas, USA.
- Fractionation Research Incorporated (FRI), a non-profit cooperative research organisation based at Oklahoma, USA.
- Process Integration Research Consortium (PIRC), University of Manchester UK.

EIL has signed MOUs with following Institutes during the year:

- IIT Bombay and PSU Oil companies for Centre of Excellence in Oil, Gas and Energy operationalised.
- CSIR-IIP to exchange scientific knowledge, encourage joint research in the field of hydrocarbon, petrochemicals and energy technology and commercialise the developed technologies.
- CSIR-NCL to exchange scientific knowledge, encourage joint research in the field of energy technology and commercialise the developed technologies. MOA also signed for a specific project "Joint Development of Technology for Catalytic Conversion of Methanol to DME through Dehydration Route".
- ICT to exchange scientific knowledge, encourage joint research in the field of biofuels, renewable energy and waste to valuable technology development and commercialisation of technologies.

#### Patents/Trademarks filed / granted

Continuing with the tradition to safeguard EIL's intellectual property and further commercialisation interests, following 11 patents were filed during the year:

- Water conditioning device and method by virtue of hydrodynamic cavitation in presence of magnetic field.
- Novel arrangement for burner air distribution duct in VC Heaters to take care of thermal expansion.
- Coke drum with optimum combination of vertical and horizontal plate arrangement.
- An apparatus and process for production of specialty gasoline fuels.
- A structure for supporting a large stack (chimney) on a small vertical cylindrical Fired Heater.
- A vertical tube box type heater with twin convection section.
- Decoupled twin cell arrangement for Delayed Coker heaters for longer run length and improved turn-down capability.

- A visibly leak tight fired heater explosion door arrangement.
- Single fired multiple pass vertical cylindrical heater configuration for low pressure drop application.
- Air pre-heater system with separate cast and glass modules for increased availability of heat recovery.
- An optimised configuration for improved operational flexibility and energy efficiency in a divided wall column.

#### The following 6 patents filed earlier have been granted during the year:

- Patent No. 335928: An improved water cooled flat plate type distributor with integrated fines capturing system for fluidized bed coal gasifier.
- Patent No. 342730: An Apparatus and a process for low pressure Hydrogen Sulphide Absorption.
- Patent No. 336059: Process and apparatus for enhancing recovery of liquefied petroleum gas (LPG) from natural gas at lower condenser duty.
- Patent No. 350771: Low pressure system and process for recovering anhydrous ammonia from sour gas.
- Patent No: 356305: Ion exchange resin process for removal of heat stable salts (HSS) from alkanolamine solution.
- Patent No: 361827: A process for dimethyl ether production from methanol.

With above the Technology portfolio of EIL consists of 35 live patents and 32 patent applications under consideration.

#### Trademarks Applied and Granted

##### Trademarks Applied

Applications have been made for registration of Trademarks for following technologies to enhance the brand image of the Company:

- Nisek (Alcohol based Hand Sanitizer).
- EngAPU (Amine Purification Process).
- EngDMS (Software Solution for Managing Document).
- EngSoWS (Removal of  $\text{NH}_3$  &  $\text{H}_2\text{S}$  from Sour Water streams).

##### Trademarks Granted

The following Trademarks have been granted against past applications and those filed during the year:

- EngDEGAS (Catalyst for removal of  $\text{H}_2\text{S}$  / Poly-sulphides from liquid Sulphur).
- Nisek (Alcohol based Hand Sanitizer).
- EngAPU (Amine Purification Process).

#### 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. In addition the division is directly providing services to customers in various project related activity including emerging area of Digital twin.

The year 2020-21 was a unique year where unprecedented pandemic changed perspective and approach of doing business for years to come. Employee safety became the highest priority, Business continuity became the mantra. In a way the pandemic made the Organisation leapfrog into the world of cutting edge technology. The

situation demanded de-perimeterisation of all activities, ensuring safe and secure work environment and data transfer while maintaining and enhancing productivity further. This challenge catalysed further digitisation of the work processes, reduce interface and ensure seamless workflow for all the procedures and systems, to maintain business continuity.

The ITS division rose to this occasion in an unprecedented manner and on war footing strategised the change of work culture, enabled users and ushered in the change in "work from office" to "work from home". The division also overcame limitations and challenges and provided 24\*7 support to make sure availability of all infrastructure, applications, devices to users and provide handholding to the users to get accustomed to the New Normal. The stupendous efforts by the ITS as "Covid warrior" has been recognised by the Management at various occasions.

ITS provides services in the two different arena:

Digitalisation interventions and technology adoption in the areas of Infra/facilities/device/security etc. which have addressed the Cyber security, breach of data privacy and sustainability challenges such as ensuring physical, mental and environmental resilience of all stakeholders.

The other wing works in the domain of Digitalisation of Work processes through Applications and Portals to ensure via automated work process for all activities within the Company. These activities also help in achieving Sustainable goal with paperless office environment. Standardisation of work processes and deliverables has resulted in minimisation of manual interface and effort as well as error-free seamless end to end activities in optimised way.

Activities carried out in both the areas are indicated below.

**Digitalization Interventions and Technology Adoption:** ITS is at the forefront in applying advanced IT tools to define, design and deliver customised, technology-enabled business solutions to our Internal business departments as well as External Clients. Connectivity of HO to ROs & Site Offices has bridged the gap of distance and time of information flow. Information Security is also ensured at EIL through various means like Perimeter Security, Network Security, LAN Server Security and Anti-virus measures.

The major upgradation in technology intervention in Infra, Security are listed below. A few of them have been adopted during lockdown time and being maintained and continuously being upgraded.

#### Infrastructure Upgradation

- Empowering the employees with end-points applications and other tools for 24x7 anytime/ anywhere working.
- Establishing de-perimeterisation with suitable centralised IT infrastructure allowing flexible access within office premises and outside.
- Internet connectivity enhancement to 500 Mbps to cater to the user needs as it became the key carrier of all access.
- Remote and automated IT Infrastructure Management without regular human intervention.
- All 3rd party software access got activated for remote operation environment.

#### Security

Addressing challenges of data security, all in-house knowledge-base, database, calculation tools etc. were made accessible remotely to users suitably ensuring both security and access.



Additional credentials i.e., MFA (Multi Factor Authentication) was enabled immediately after lock down was announced and extra security features such as Zero tolerance features / protocols enabled to ensure data protection by disabling Copy/paste of documents while working from outside.

#### Usage of Virtual tools

To address need of seamless interaction in safe way, cloud based virtual cloud based meeting tools have been adopted which became the most important feature for collaboration, interaction and interfacing simulating the physical interaction.

Knowledge sharing is a very important activity in a Knowledge-based company like EIL. With digital tools like webinar, the knowledge sharing has been made hassle free, effective, far reaching and efficient.

Vendor and customer interface are being carried out through the same. Virtual tools are adopted for activities like vendor shop inspection or construction site inspection.

**Digitalisation:** Digital initiatives undertaken by EIL in this year address the following need:

#### Compliance towards various Government Directives / National Importance

- ITS has developed System for online request and approval of OPSUs seeking relaxation for GTE for tenders below ₹ 200 crores for MoP&NG.
- ITS has also developed "The Annual Plan & Achievement Reporting System (APAR) for Head of all OPSUs and higher officials in MoP&NG.
- For internal activities, Trade Receivables Discounting System (TReDS) has been developed and implemented by EIL to facilitate early payment to vendor by boarding on the three GOI TReDS platforms ; thereby implementing a paradigm shift in payment process in EIL in-line with MSMED Act.
- Integration with Government e-Marketplace: All GeM procurement payment related applications were integrated with GeM web services like Order Count, Order Details, Bill Summary, Bill Details and Payment status.

#### Digitalising Internal Work Flow

- Online seamless integration in the system through alignment Design Basis-Part B with the engineering design basis.
- Competency Analysis and Review System (CARES) with Skill Set System have been completed. This will provide insight for competency available within the company and strengthen Business Development.
- Enhancing Software Dashboards to include critical information and making it available on smart devices for use by management.
- System for Online review of Annual Plan and Achievement Reporting System was implemented for Directors of EIL.
- Development / updation of engineering-procurement applications with features for multi-location projects.
- Completion of overall process coordination software for enabling error-free interface line management.
- Development of Integrated hydraulic calculation software to reduce the interface, optimising efforts and completing hydraulic calculation in a combined flow sheet.

- Collation of Information applications for Planning division for Job Closure Reports, which provides insight for each job and lessons learnt in the job.
- An Online portal of SAMVAAD as a direct interface with management has been created.
- New applications have been developed and implemented to attain paperless workflow in various claims, which are in the area of Processing of Overtime/Out-of-pocket claims, Approval of TA, Reimbursement of magazine/newspaper claims, Processing of medical claims for retired employees, Recoupment of CNG Bills, Management of Primary Data Center Operations, Submission of Expense Reports, Processing of telephone bills, etc.

#### Interfacing External Customers with Internal Processes

- Home grown Engineering Document Management System is being used successfully in Project. The complete transition of Data Management to new home grown EngDMS is underway.
- The new home-grown Client Document Review Portal has been put into use successfully in ADNOC job. This application has been used in lieu of International 3<sup>rd</sup> party OEM software application.

#### Cutting edge Technology Adoption

ITS has played a pivotal role to usher in cutting age technology with 3<sup>rd</sup> party software for integrated activities through adoption of smart PID, SP3D, SPEL, SPI. Complete adoption of these smart platforms in work processes is expected to enhance employee efficiency and shorten project cycletime. Building of Digital twin for the new VRMP and HRRL projects are being spearheaded by ITS.

#### Sustainable Development

The COVID-19 pandemic has led to a dramatic loss of human life worldwide and presents an unprecedented challenge to public health, food systems and the world economics. The economic and social disruption caused by the pandemic is devastating: tens of millions of people are at risk of falling into extreme poverty. While the fallout from the crisis is monumental, 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 much cleaner and clear, the snow-clad mountains again become visible from far-off places, air 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.

To state the loss of human lives due to this pandemic, is just the tip of the iceberg, what remains are the hazardous ashes of the present-day scenario. Most devastating aftershocks would be felt within the startup and MSME ecosystems. These rely upon a constant flow of capital and investments, which due to the pandemic have come to a complete standstill. Times are rough and only the tougher ones would survive. While for some of us it is a battle for survival, there are a few that seized this opportunity to make fortunes of this state.

New online education technology system, Health, Pharma, Testing labs and Wellness sector, Financial services and Non-Banking Financial companies, Remote working tools, E-commerce and delivery based service, Managed office spaces services, OTT platform are some of the sectors, which are going to be benefited from the new normal.



EIL has always been conscious of this fact that we have to respect nature and while doing so, we have evolved new technologies for 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 invented several green technologies & have also been providing consultancy in the area of control of volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and its bio-remediation thereafter besides opting for energy efficient processes and treatment systems. In order to boost renewable 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 for the sustainable growth of the country.

### Marketing & Business Development

Your Company has strategised itself in the Hydrocarbon sector and is providing its services in new geographies, initiating tie ups with licensors/vendors/collaborators, thereby augmenting the portfolio of EIL with strategic and diversification initiatives into sunrise sectors.

During the year 2020-21, the Company secured business worth ₹ 1569.12 crore and total order book position is ₹ 7982 crore.

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

As a part of its Geo Strategic Outreach programme, your Company is in dialogues with prominent client countries under the Bilateral Framework arrangement of Govt. of India to provide its services in the Hydrocarbon and associated infrastructure sector.

Your Company is in incessant engagement with MoP&NG and other Oil & Gas sector organisations 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 has been a part of the Working Committee formulated by Ministry of Steel and Ministry of P&NG for enhancing Domestically Manufactured Steel in the Oil and Gas Sector in India.

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. EIL is pursuing projects in development and redevelopment of Archaeological Sites and has secured projects from Indian Oil Foundation (IOF). EIL's efforts in successfully delivering the projects under the Atal Mission for Rejuvenation and Urban Transformation have been appreciated at all forums.

EIL conducted a strategy formulation workshop in February 2021 which was attended by all Directors on Board to brainstorm for various new ideas, narrow down on future strategies and formulate EIL's growth plan & trajectory.

Your Company is committed and focused towards enhancing the

footprint of EIL and is augmenting its current business portfolio through a sustained seeding exercise mechanism and extensive outreach approach.

### HSE Management System

EIL accords highest priority to Health, Safety & Environment (HSE) across its operations. Your Company is certified for ISO 45001:2018 which is the latest International standard on Occupational Health and Safety. Your company is also maintaining its ISO 14001:2015 (Environmental Management system) certification. These HSE Certificates are valid up to 14.12.2023. Apart from ensuring effectiveness of the HSE Management system, these certifications enhance our chances of securing business, especially overseas.

Your Company has aligned the requirements of Standard Operating Procedures (SOPs), issued on COVID 19 pandemic, in its HSE system for the safety of its stakeholders.

On the operational front, Emergency Preparedness and Response Plans (EPRP) are in place across all office locations of EIL to secure safety of its employees and assets. Regular mock drills are being conducted to test and improve the preparedness towards emergencies. Awareness about HSE is maintained through HSE Newsletter as well as classroom sessions.

On the engineering front, HSE aspects that are to be addressed in the design engineering phases are built into the procedures of various engineering departments. Exhaustive HSE checklists are in place to ensure that these aspects are complied with during design and engineering phases. Being a renowned engineering consultant in the hydrocarbon sector, EIL use proven risk assessment methodologies like HAZOP, RRA, QRA and SIL to ensure the process safety of the plants being designed.

On the construction front, Quantitative scoring system for measuring contractors' HSE compliance, upfront analysis of HSE aspects of the construction sites through constructability study, recognition of Top HSE rating sites are few examples of improvements implemented. On achieving 1 Million LTA free Man hours, your company is issuing Recognition Certificate to Contractors.

### Quality Management System

Quality is inbuilt into the processes, workplace, deliverables and services of your Company. Quality Management System of the Company is being reassessed through External Audits across the company for continual conformance to ISO 9001:2015, by third party certification agency. The Quality Management System of the Company continues to conform to the international standard ISO 9001:2015. The current Certificate is valid up to 13.10.2021.

Important ingredients of our quality initiatives are effective & comprehensive Internal Quality Audit process, planned customer perception surveys, analysis of feedbacks from stakeholders and regular reviews & directions from the Management Review Committee (MRC) and the Executive Council (EC). The MRC is chaired by the C&MD with all functional Directors being members. The Executive Council is chaired by senior Executive Director, and senior officials from all areas of operation & functions are members of the committee. Regular monitoring is being done to analyse the data & feedback for recommending improvements in processes, deliverables and QMS to reduce costs, shorten cycle time, address cross functional issues, improve visibility and credibility. QMS implementation and its effectiveness have been further increased by using in-house developed software.





During the COVID-19 pandemic, your company used digital channels namely Video conferencing, Digital sharing / verification of documents to conduct audits and to ensure compliance to Quality Management System. The Quality Management System of EIL's Abu Dhabi office was also separately audited and reassessed during surveillance audit and declared conforming to ISO 9001: 2015 standard. In addition, the Company participated as a prominent and active member in various committees for formulating quality system standards under the aegis of Bureau of Indian Standards. Quality Management System provides a competitive edge in securing and executing projects with focus on full customer satisfaction. A digital newsletter "Eminence" is being issued to all employees, to promote awareness and to improve the Quality Management culture.

### Risk Management System

The objective of the Corporate Risk Management function is to ensure sustainability of the organisation 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 organisation. EIL 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 Enterprise (DPE) Guidelines. Risk Management process has also been integrated with the Quality Management System requirements as per ISO 9001:2015 standard. 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, Business Development, Human Resources, Legal, Accounts & Recovery have been identified.

Changes in the Key Risks have been approved by the Risk Management Committee of the Board. Mitigation plans are in place for these risks and deployed across the organisation. 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 organisation, 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) System 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 improvement towards the Risk Management function. EIL is continuously improving its risk management capabilities in order to protect and enhance the interests of its stakeholders.

### Vigilance

With a focused objective of ensuring transparency, integrity, increased accountability, conformity to the Company's Guidelines/ Procedures and adherence to CVC and Government Guidelines, the vigilance department carried out CTE type examination of various projects, routine and surprise inspections of in-house contracts/ purchases, scrutiny of Immovable Property Returns, investigation of complaints from different sources and other activities during the year.

Activities were broadly covered in to three categories (a) Preventive Vigilance, (b) Punitive Vigilance and (c) Surveillance and detection. For systemising 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. Necessary measures were undertaken for modification/ improvement in the processes by way of issuance of advisories/ system improvements.

The Vigilance Awareness Week (VAW-2020) was celebrated with a series of programmes on the theme "सतर्क भारत, समृद्ध भारत" ("Vigilant India, Prosperous India") from 27<sup>th</sup> Oct till 2<sup>nd</sup> Nov 2020. In view of the prevailing COVID-19 pandemic situation in India and across the world, almost all of the activities during the Vigilance Awareness Week were carried out through digital medium. A few activities undertaken during VAW 2020 are as under:

- A pertinent and relevant topic of "Does fear of Vigilance impact decision making process" was selected for debate competition, which was organised at EIL HO and at Gurugram office.
- A structured meet with EIL suppliers, "Suppliers e-Meet" was organised, focusing on challenges faced by MSE suppliers and their mitigation. Approximately 154 suppliers and senior management of EIL attended it.
- An interactive session was organised with one of the field sites i.e. HRRL site Rajasthan, wherein CVO EIL interacted with the field officers to understand their issues and challenges being faced.
- All the Functional Directors and CVO EIL delivered the e-talks on various vigilance related issues like the "Need of Being Vigilant in Today's Digital World", "Strength of Technology for a Vigilant India", "Preventive Vigilance leading towards a New and Prosperous India", "Vigilance and Financial Management" etc. The e-talks were delivered through digital media, across all the offices of EIL throughout the country.
- During inauguration of VAW-2020, C&MD in presence of CVO and Directors, released EIL Vigilance Journal named "Abhijatasya", which means "transparency". This Journal contains messages from C&MD, CVO and Directors on the occasion of Vigilance Awareness Week. Some of the in-house case studies have also been included in the journal for ready reference.
- A "Compendium of Systemic Improvements suggested by Vigilance - 2020" was unveiled by the CVO, which is a compilation of 40 odd system improvements. The compendium is available on EIL Connect.

### Major Activities

- As the focus of the VAW 2020 was on internal House Keeping activities, Vigilance took up various important issues like removal of land encroachment, payment of minimum fare wages to



outsourced employee, contribution to provident fund/ESI and other social security measures, adequate representation of women in workforce etc. Commission also emphasised that organisations should focus more and more on internal (housekeeping) activities, which shall be taken up in campaign mode not only as a part of Vigilance Awareness week but throughout the year.

- To create awareness on Preventive Vigilance and to give relevant exposure to the young officers, Vigilance took the initiative of introducing preventive vigilance module in induction training programme, both for entry level and middle level management in EIL. The objective is to give an insight into the areas prone to corruption within the organisation and to trigger a thought process which will be helpful to plug the gaps by understanding the key areas of intervention.
- For the first time, a comprehensive CTE type examination procedure was introduced by Vigilance, which not only brings in more transparency in selection of projects to be taken up for investigation during the year, but also highlights the various parameters required/used during investigation in a standardised format. This will bring required uniformity and standardisation in carrying out such investigations now onwards.
- With the consistent pursuance from Vigilance and under applicable directions from MoPNG and CVC, the frequency of filing Annual Property Return in the organisation has now been brought at par with other PSUs i.e. on yearly basis instead of once in two years as was the case so far.
- As per directions issued by the Central Vigilance Commission and the Department of Public Enterprises, details of Vigilance activities were presented to Board for the period ending November 2020.

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

- Integrity Pledge.
- Leveraging Technology.
- Complaint Handling Policy (CHP).
- Job Rotation.
- Integrity Pact.
- Online Vigilance Clearance (OVC) & Scrutiny of IPRs.

#### **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 optimised the returns on cash reserves by deploying cash surplus in safe and liquid instruments as per the approved investment policy of the Company.

#### **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.

#### **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, the 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 optimisation along with various automated reports for the Company Management.

#### **Human Resources & Industrial Relation**

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 organisation'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 2021, EIL has 2814 employees, including 2480 professionally qualified employees. Approximately 3.28 % 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 utilisation 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 2020-21, 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 organising weekend sessions and interdepartmental tournaments of various sports for participation in PSPB Tournaments. EIL organises in-house sports like Table Tennis, Carrom and Chess facilities during lunch time and after office hours and 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 PSPB Golf tournament during the year.



## • Training & Development

Being a knowledge driven Consultancy organization in its field, EIL firmly believes that training and development of employees goes a long way in enhancing competitiveness and ensuring sustainable growth in the long run. It is a considered view that improving and enhancing the competencies of its human capital be it domain, functional or behavioural attributes and orientation is the only way forward to help align individual goals with that of organisational one and thus in turn maximise contribution towards achievement of set organisational objectives.

EIL training focuses on various interventions related with domain, behavioural and leadership area through a well-thought of Annual Training Calendar. Annual Training Calendar (ATC) 2020-21 was prepared incorporating inputs from all the concerned stakeholders. While domain programmes of ATC were organised with the faculty support of in-house resources, behavioural skill & leadership programmes got organised with faculty sourced from two empanelled agencies.

Training & Development Division succeeded in its endeavour in conducting/organising almost all the training programmes of ATC 2020-21 using online webex platform mitigating the potential risk posed due to COVID -19 pandemic in the classroom training mode. In order to enhance the effectiveness and bring in uniqueness, an OBT (Outbound Training) Intervention for Aarohan Batch 12 was scheduled which was widely appreciated by the participants.

Various training interventions taken by Training & Development Division for employees during the FY 2020-21 are as detailed below:

### ▪ External Nominations

Employees participated in various external training programmes, meet, summit and workshop which were available in online mode. Training & Development Division processed 613 nominations during the year.

### ▪ Domain Training Initiatives

As an engineering-driven company, the core competency of EIL's employees lies in the development of their technical expertise. Training & Development Division enhanced these capabilities through structured domain-based training programmes of the ATC. These training were through online platform and conducted by in-house resources.

### ▪ Leadership Development Programmes

Two nos. of Leadership Development Programmes were conducted through faculty support from external empanelled agency.

- MDP: A three-day Management Development Programme (MDP) for AGMs (Level 16) was conducted with participation of 31 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. The programmes were well appreciated by the participants.

- Aarohan - the flagship Leadership Development Programme of EIL saw culmination of leadership journey of Aarohan Batch 11 with final Presentation on ALPs (Action Learning Projects) on 27<sup>th</sup> August 2020. Further, Aarohan Batch 12 was launched on 24<sup>th</sup> November 2020, in the virtual mode in view of the Pandemic. The Aarohan Batch 12 comprises participants in level-17 and 18 selected from across Directorates on the basis of their performance and potential. The participants were assigned & divided into Six teams and each team was assigned an ALP relevant to the Organisation and aimed to make participants brainstorm and propose actionable recommendations for implementation in order to enhance processes and functioning of the Company.

### ▪ Soft Skills/ Behavioural Programmes

EIL leveraged the online platform and organised behavioural programmes under the following Competency Clusters viz. Access (L12), Climb (L13-15), Build (L16-18) and Aadhar (L1-9).

Following are some significant Soft Skills/ Behavioral Programmes that were held during FY 2020-21:

- Mentoring & Coaching.
- Fostering Team Work.
- Feedback & Counselling on Performance Management.
- Power of Positive Attitude.

### ▪ Training of Management Trainees (MTs)

During the FY 2020-21, 140 Management Trainees (MT) who had joined during the previous year were absorbed as Engineer after successful completion of their one year training period wherein they learnt technical as well as behavioural skills enabling them to start contributing to EIL's growth.

### ▪ Skill Development Initiatives

In order to give fillip to Government of India's "SKILL INDIA MISSION", Training of Apprentices taken under the Apprentices Act 1961 took considerable focus and notwithstanding COVID-19 pandemic situation, all possible efforts were made to ensure that learning of apprentices continued despite the challenging scenario. Learning interventions were organised online and on the Job training was conducted when situation permitted. The aim for undertaking these learning interventions for Apprentice Trainees is to make them more employable thereby enhancing the employment index of the Country.

As a special training intervention, activities like Online Slogan writing, Online Quiz, Poem Writing Competition, Photography, Essay Writing, Story Writing and Poster Competitions were organised on the theme of "Fundamental Duties of Citizen" as mentioned in Article 51A of the Constitution of India, by Training and Development Division to create awareness of citizen duties amongst EIL employees during the FY.

## • 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 organisation. Structured interactions are encouraged for building positive relationships between the mentor and mentees for long time benefits, both to the mentee and the organisation.

- Under the Aegis of "YOU PHORIA"- The Youth Engagement Platform for Millennials of Oil and Gas Central Public Sector Enterprises, Engineers India Limited successfully conducted Intra-Industry Technical Paper Writing Competition - 'URJAALEKH' on 26<sup>th</sup> & 27<sup>th</sup> February, 2021 on a virtual platform-Webex.

The objective of the platform was to provide an open forum for showcasing the best practices of each Oil & Gas CPSE and to engage, enable and empower the youth across the Oil and Gas CPSEs by leveraging collective intellect and experiences.

- HR Annual Report 2019-20: As a part of HR initiative, HR Annual Report was published which included compilation of various initiative, interventions, and accomplishment of HR team during the year.

## • Annual Awards 2019-20

For enthusing and inspiring employees, annual awards were presented in following award categories in August 2020:

- Best Employee of the Year in Staff Category .
- Executive of the Year.
- Individual Innovation (L12-15).
- Team Innovation.

## • Women Development

Women constitute approximately 11.7% of EIL's human resource, of which 89.34% are in the officer cadre. EIL has in place, a Women's Forum comprising 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 Crèches, Focus on Women Health and Well-being, Training on Self-defense, Knowledge of Financial Planning and Installation of Sanitary Napkin Vending Machines were some of the initiatives in this direction.

## • Women's Day Celebration

The International Women's Day was celebrated at EIL on March 08, 2021 through the virtual online platform. The theme for IWD this year was "Choose to Challenge". As a prelude to the Women's Day celebrations, various online competitions viz poster making, photography, essay writing and Vlog were organised on themes ranging from 'She is Power' to 'Rise of a Woman is not Fall of a Man' and enthusiastic participation was received from across the Organisation. The top management of EIL encouraged the women

employees to continue to add value through their concerted efforts for achievement of the Organisational goals.

A Talk on Training Session on "Financial Empowerment for Women: Safeguarding Savings and Investing in Pandemic Times" by Shri Pankaj Sahijwani, MD at Mentoring Matters India Limited was arranged for employees.

## • Technical Paper Writing Competition

Training and Development Division provided a platform to employees for showcasing their technical/ domain prowess in two categories – Category-A (for Level 12-15) and Category-B (for Level 16-18), which saw overwhelming participation and insightful technical papers commensurate with a stature of a world class engineering consultancy organisation.

## • 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 always endeavored to safeguard 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 31 SC & ST (SC-22 and ST-9) undergraduate engineering students. The percentage of employees belonging to Scheduled Castes and Scheduled Tribes was 18.8 % and 5 % respectively of the total employee strength of the Company (as on March 31, 2021).

## • 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 17.9% of the total employee strength of the Company (as on March 31, 2021).

## • 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 Rights of Persons with Disabilities Act, 2016" by way of providing reservation for Persons with Disabilities. The Company has also formulated Equal Opportunity Policy and appointed a Grievance Redressal Officer for Persons with Disabilities (Divyangjan). As on March 31, 2021, there are 51 PwD employees on the rolls of the Company.

## 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 at least 2% of the average net profit made during three immediately preceding financial years has been done in the financial year 2020-21 for CSR activities. Some key initiatives that the Company has been engaged in are as follows:

**Education:** The growth of a nation lies on the abilities & attitude of its citizens and the purpose of education is not only to spread literacy but build character of each individual. EIL, through its CSR initiative has



endeavoured to reach to those who have been deprived of the benefits of education due to unavailability of resources like school infrastructure and sanitation facilities etc.

EIL supported the construction of additional classrooms in Govt schools of Darrang, Assam & Karaikal Puducherry & charitable school at Tilhar, Shahjahanpur district, Uttar Pradesh. To make education accessible to all and control the drop out of children especially girl children due to inadequate sanitation facilities, EIL undertook the maintenance of school toilets constructed by EIL at Assam, Odisha & Tamil Nadu as part of Swachh Vidyalaya Abhiyan.

**Health Care:** The wealth of any nation can be measured by the health status of its citizens. As a progressive step towards Nation-building, several health related initiatives have been taken up with the intent of making India a healthy nation.

EIL under this initiative conducted general health camps for poor and needy community living in and around EIL's area of operation in various states and 6 Camps (Assessment and Distribution) were conducted for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PWDs) at Nuh (Haryana), Hamirpur (Uttar Pradesh), Kalaburgi (Karnataka), Jaisalmer & Udaipur (Rajasthan) and Chattarpur (Madhya Pradesh).

To extend specialised healthcare services to poor, old & infirm, EIL provided medical beds and electrical (Stretcher) lift at old age home at Gurugram, Haryana and provided blood bank equipment for targeted treatment of patients with Haematological Cancers to a blood transfusion centre in Kolkata, West Bengal.

EIL also initiated project for providing medical equipments for Department of Anesthesiology, Ear Nose Throat, Radio Diagnosis & Urology at Indira Gandhi Medical College & Research Institute, Puducherry to provide state of art health care facilities to people from underprivileged segments of society.

To address the issue of malnourishment amongst children, EIL is supporting 140 nos. of Model Anganwadi Centres by providing basic infrastructure at Dhurbri, Assam and to tackle the issue of clubfoot amongst infants treatment through Ponsetti model is provided to 375 children at Patna & Gaya, Bihar.

In its bid to fight COVID 19, EIL provided contribution to PM CARES Fund.

**Drinking Water/Sanitation:** As per UNICEF, 'India has made rapid progress in ending open defecation across the country which is having a huge impact on improving water, sanitation and hygiene.' The Swachh Bharat Mission of Govt of India led to increased awareness amongst people as well as Corporates to invest major part of their CSR funds towards this thrust area.

EIL as part of this initiative supported the projects for restoration of an ancient water body named Gauri Kund in Bilond Village, Bharatpur district, Rajasthan and for setting up 100 nos. of individual toilet facility for poor families residing in Mustafabad and Dhanpura villages of Haridwar district, Uttarakhand.

**Measures for benefit of armed forces:** EIL contributed to Armed Forces Flag Day Fund (AFFDF) for benefit of armed forces veterans, war widows and their dependents.

**Vocational Training/Skill Centres:** "While 'Make In India' occupies prominence as an important goal, the future trajectory of Indian development depends on both 'Make In India' and 'Skilling India'. To address the needs for the rapidly evolving industrial scenario and

economic challenges posed by COVID-19, EIL undertook the initiative for Skill Development Training Programme (SDTP) for 902 candidates from backward classes on PAN India basis and contributed towards operational funding of Skill Development Institute (SDI), Bhubaneswar, Kochi, Vishakhapatnam, Ahmedabad, Raebareli & Guwahati.

### **Make In India- Aatmanirbhar Bharat - EIL's Perspective**

The "Make In India" campaign launched by our Hon'ble Prime Minister has added much needed boost to the economic growth of the country. The Government of India through its policies has created an atmosphere to bring about Self Reliance in each and every sphere of the ecosystem. The clarion call of Aatmanirbhar Bharat Abhiyan by our Hon'ble Prime Minister has rekindled the passion amongst MSMEs to provide for the Nation and to the world.

EIL has been continuously synergising its vision with the policies of the Govt. of India and simultaneously nurturing the manufacturing industry and spreading the same spirit of contribution to national growth. EIL has managed to create a vast data base of its vendors which is dynamic and continuously evolving itself to provide a conducive environment for the growth of Indian industry to promote import substitution and self-reliance, under the aegis of Ministry of Petroleum & Natural Gas. The indigenous contribution in the capital goods industry catering to the refinery sector was about 10-15% in late seventies/ early eighties. With EIL's consistent efforts, today this contribution has risen to the current level of 85-90%. Similarly, in the petrochemical and gas processing sector, the indigenous contribution has grown from almost negligible to close to 60%. This has been the impact of EIL's contribution to the indigenisation efforts of the Government of India.

In addition to the ongoing indigenisation efforts underway in EIL, in order to give a further boost to indigenisation 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 analysing 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 indigenisation thereby creating employment opportunities.

To carry forward the campaign of Make In India and growth of Indian Industry, in sectors where only one or two players exist, a policy has been devised wherein even manufacturers without PTR are being allowed to develop prototypes with handholding. Manufacturers are 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. Further, a policy has been introduced whereby a new vendor getting qualified in any open tender of EIL would get automatically enlisted in EIL.

Towards Aatmanirbhar Bharat Abhiyan, with the guidance of MoPNG, EIL has developed a reliable, scalable information system to be used by Oil & Gas companies to highlight all Capital goods & MRO items procured by OPSUs and provide opportunities for new entrepreneurs and existing manufacturers to invest/expand their





manufacturing base in India under the Make In India policy.

In addition to the ongoing indigenisation efforts underway in EIL, the “Start-up India” has witnessed EIL as an incubation centre for around three technologies in diversified arenas. 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 leading to the economic growth.

EIL has been organising Manufacturers’ Meets from time to time in order to meet the entire vendor community including MSEs to understand their issues and pain areas. In addition, focused meets have been held on specific items providing the intending entrepreneurs and existing manufacturers with the detailed perspective of the product under consideration.

### Official Language

Following efforts were made for Implementation of Official Language Policy & New Initiatives taken in this area are:

- i. Quarterly meetings were held regularly where in the progress of progressive use of Hindi was reviewed. The meetings of different OLICs of Regional/ Field/Procurement Offices were also organised as per schedule and the targets of four meetings as per schedule would be achieved in the financial year in all offices.
- ii. The Committee of Parliament on Official Language inspected our Delhi Head Office and R&D Gurugram office and were quite satisfied with the implementation of Official Language Policy in the office.
- iii. Senior Officers of the Company participated in the meetings of the Town Official Language Implementation Committee (TOLIC).
- iv. Employees are nominated for all competitions organised by other undertakings under the aegis of TOLIC and some of them were suitably awarded.
- v. Hindi Nibandh Pratiyogita for other member Undertakings was successfully held under the aegis of TOLIC, New Delhi and Gurugram.
- vi. Provisions of the Section 3(3) of the Official Language Act and the Official Language Rules have been complied with.
- vii. 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. Training of above software were given to employees during Hindi Workshops. Necessary Hindi software, Glossary and other material are available in the Company Portal for ready use of employees.
- viii. For better implementation of Official Language, inspections have been carried out in the offices located across India and various 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 official language conferences in region 'A', 'B' & 'C' has been organised.

### Hindi Fortnight Celebration

The Hindi Fortnight was celebrated during September 1 - 15, 2020 in the Company. Various competitions were organised 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 2019-20.

In view of COVID-19, all the activities for the compliance of Official Language in the office are conducted online.

### Awards and Accolades

- FIPI Oil & Gas Industry Awards 2020 in ‘Woman Executive of the Year’ category to Ms. Rima Kundu, Deputy General Manager (Instrumentation) on January 27, 2021.
- 12<sup>th</sup> CIDC Vishwakarama Awards 2021 for Best Construction Projects for establishment of Main Campus of Central University of Punjab in Bathinda received on March 7, 2021.
- 12<sup>th</sup> CIDC Vishwakarama Awards 2021 for Best Practices in Construction Health, Safety & Environment for the MS Block BPCL Kochi Refinery project received on March 7, 2021.
- FICCI Chemical and Petrochemical Awards 2021 special award in the category of ‘Sustainability Award for Best Green Process’ received on March 17, 2021.
- Life Time Achievement Award to Shri R.K. Sabharwal, Director (Commercial) and C&MD - Additional Charge, EIL at the 5<sup>th</sup> India Refining Summit held on March 25, 2021, for his contribution to the Oil and Gas Sector.

### 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. Commercial Operation of the plant was achieved on 22.03.2021.

### 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, L&T, Tata Projects, 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.
- Konkan Railway Corporation Limited: Quality Assurance Services for USBRL project, 16 bridges on Katra Dharam sector, Anji Bridge project.
- TPI services for RUF project of HPCL Vizag through Larsen & Toubro
- TPI services for CDU/VDU, DCU, VGO units of HRRL through Tata Projects.



- TPI services for DFCC for various packages of Western and Eastern Corridors.
- 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 continued Certification and Third Party Inspection assignments with ONGC for Onshore terminal & GS23 projects in Kakinada, Heera Offshore Field, Sagar Samrat Conversion Project in Mumbai. Other assignments with Surat Municipal Corporation, Cantonment Boards, Ministry of Commerce, South Delhi Municipal Corporation, DFCC, NHAI continued. IMS audit for GAIL CGD networks at Varanasi, Patna, Ranchi, Bhubaneswar, Cuttack, Jamshedpur, Adani Total Gas at Faridabad, Gurja, Ahmedabad & Vadodara, Torrent Gas at Muradabad, T4S audit for Palwal CGD Network for Adani Total Gas and ERDMP certification for Deepak Fertilizers, Shell India Market P Ltd 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 2020-21, a final dividend of ₹47/- per share in addition to ₹ 53/- per share (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 ₹ 900 Lakhs.

Salient features of Financial Statement of Subsidiary / Joint Venture as required under Section 129 (3) of the Companies Act, 2013 is presented under note no.67 of Consolidated Financial Statement.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant document and separate audited financial statements in respect of subsidiary, are available on the Company's website on <https://engineersindia.com/investors/shareholders-meetings/>.

#### 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 is annexed to this report.

#### Number of Meetings of the Board

The Board met 7 (seven) 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.

#### Composition of Audit Committee

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.

#### Declaration of Independent Director

Independent Director of the Company has submitted the declaration confirming that he meets 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 he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective of independent judgment and without any external influence.

The Board is of the opinion that the Independent Director of the Company possess requisite qualifications, experience and expertise and he hold highest standards of integrity. Further, Independent Director of the Company has complied and affirmed to abide by Rule 6 (Creation and Maintenance of Data Bank of Persons Offering to become Independent Directors) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and has also declared his enrollment in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs ('IICA').

#### Training to Independent Directors

The Company has a well defined Training Policy for training of Board Members which, inter-alia, include various familiarisation programmes aligned with 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 various Strategy Meets of the Company and different presentations on 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 procedures and practices. The details of such familiarisation programmes/Training Policy have also been posted on the website of the Company <https://engineersindia.com/investors/corporate-governance/>.

#### Directors and Key Managerial Personnel

The following changes occurred in the Board of Directors/Key Managerial person of the Company during the period under review:

#### Appointment/Cessation/Additional Charge

1. Shri J.C. Nakra, C&MD & CEO, superannuated from the services of the Company w.e.f. 31.01.2021. In Pursuant to MoPN&G letter dated 27.01.2021 & 25.03.2021, Shri R.K. Sabharwal, Director (Commercial) was holding the additional charge of the post of C&MD as well as CEO from 01.02.2021 to 31.08.2021.
2. Shri Chaman Kumar and Shri R.K.Gogna, Non-official Independent Directors ceased to be Directors w.e.f. 08.09.2020 consequent upon completion of their term.
3. Shri Sunil Bhatia Director (Finance) and Chief Financial Officer (CFO) of the Company, superannuated from the Services of EIL, after attaining the age of 60 years, on 30<sup>th</sup> June, 2021.

4. To fill up the position of CFO, the Board at its meeting held on June 11, 2021 has designated Shri Sanjay Jindal, GGM (F&A) as Chief Financial Officer with effect from July 1, 2021 until the appointment of Director (Finance). Subsequently, MoPNG has entrusted the addl. Charge of the post of Director (Finance) to Smt. Vartika Shukla, Director (Technical). As per the prevailing practice in EIL, the position of CFO is held by Director (Finance), accordingly the Board has subsequently designated Smt. Vartika Shukla as CFO w.e.f. 23.07.2021.
5. Shri B.N. Reddy, Director (Govt. Nominee), and Shri S.K. Handa, Director (Projects), are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting.
6. Pursuant to MoP&NG letter dated 31.08.2021, Smt. Vartika Shukla has assumed the charge of the post of Chairman & Managing Director of the Company w.e.f. 01.09.2021. Consequently, Smt. Vartika Shukla ceased to be Director (Technical) w.e.f. 01.09.2021.

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 Notice of the 56<sup>th</sup> Annual General Meeting of the Company.

#### **Secretarial Auditors**

M/s Agarwal S. & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21, required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for the financial year 2020-21 is annexed to this Report.

All the comments of Secretarial Auditor were primarily related to Composition of Board/Committee and its performance evaluation etc. In this regard, it is clarified that EIL, being a Public Sector Undertaking (Government Company), composition of its Board of Directors is the prerogative of the President of India as provided under the Articles of Association of the Company. Since Government of India is appointing authority for Directors, the company communicates to the Administrative Ministry (MoPNG) as and when a vacancy is created and requests to fill up the position. The Ministry of Corporate Affairs (MCA) vide notifications dated 05.07.2017, inter-alia, had exempted government companies from the provisions relating to performance evaluation of directors. Further, due to non availability of requisite number Independent Director, no separate meeting was conducted during the financial year as explained in detail in Corporate Governance Report.

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

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. This Policy is available at the Company's website <https://engineersindia.com/investors/corporate-governance/>.

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

A detailed disclosure on unpaid/unclaimed dividend and shares transferred to the IEPF in Compliance with the provisions of the Companies Act, 2013 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/>.

#### **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 2020-21 to the above Stock Exchanges inttime.

#### **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.

#### **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).

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

In line with the provisions of the Companies Act, 2013 and the Listing Agreement, 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 (AOC-2) is annexed to this report . 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.

#### **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 31.03.2021 are given in the respective Notes to the financial statements.

#### **Reporting of Frauds by Auditor**

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.

#### **Annual return**

Pursuant to Section 134(3)(a) read with Section 92(1) of the Act, Annual Return of the Company for FY 2020-21 is placed at <https://engineersindia.com/investors/shareholders-meetings/>.

#### **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.

#### 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, 2021 | Year ended 31 <sup>st</sup> March, 2020 |
| a)      | Expenditure (disbursement basis) in foreign Currency on account of:                                                                                                                                                                                                                                                          |                                         |                                         |
| (i)     | Know how and professional fees including sub-contracts (others)                                                                                                                                                                                                                                                              | 935.77                                  | 617.96                                  |
| (ii)    | Sub-contractor/Construction Material turnkey projects                                                                                                                                                                                                                                                                        | 2626.56                                 | 1980.45                                 |
| (iii)   | Others (foreign travel, living allowance, membership fees, agency commission, foreign office expenses)                                                                                                                                                                                                                       | 5516.33                                 | 4525.98                                 |
| b)      |                                                                                                                                                                                                                                                                                                                              |                                         |                                         |
| (i)     | Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 22.76 Lakhs (Previous year: ₹ 0.37 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 3.99 Lakhs (Previous year: ₹ 20.67 Lakhs) incurred in local foreign currencies. | 34407.03                                | 36152.44                                |

#### 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.

#### 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 2020-21:-

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or other wise.

- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- 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 2020-21, 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.

#### 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(vi) 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/>

#### Right to Information

An elaborate mechanism has been implemented within the Organisation 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 149 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. 23 number of RTI Appeals were attended and appropriately disposed off by First Appellate Authority during the aforesaid period.

#### Directors' Responsibility Statement

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2021, 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, 2021 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Statutory Auditors**

N. K. Bhargava & Co, Chartered Accountants were appointed as Auditors of the Company for the financial year 2020-21 by the Office of Comptroller & Auditor General of India. The Statutory Auditor's Report on standalone and consolidated financial statements do not contain any qualifications, reservations, or adverse remarks or disclaimer.

Review and Comments of C&AG on the Company's Financial Statements for the Financial Year ending March 31, 2021 and Management's Reply forms Part of Annual Report and are annexed to Directors' Report.

#### **Bankers**

Bankers of the Company include State Bank of India, Indian Overseas Bank, Bank of Baroda, Punjab National Bank, Union Bank of India (erstwhile corporation bank), HDFC Bank, ICICI Bank, Indian Bank, Bank of India, Canara Bank, Axis Bank, Standard Chartered Bank, EXIM Bank, Citi Bank and IndusInd Bank.

#### **Particulars of Employees**

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

#### **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 continues 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 : September 02, 2021

Vartika Shukla  
Chairperson & Managing Director

## Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2020 -21 and the business outlook for this year:

### 1. Business Overview

For the year 2020-21, the Company secured business worth ₹1569.12 crores with segment-wise breakup as follows:-

- Domestic Consultancy : ₹ 1455.02 Crores
- Overseas Consultancy : ₹ 101.12 Crores
- LSTK : ₹ 12.98 Crores

Majority of the orders received this year are in Consultancy segment. Major contributions in inflows include orders for setting up PDH PP Project of GAIL at Usar, Capacity Expansion Project (15 to 25 MMTA) of Panipat Refinery of Indian Oil Corporation Limited, Consultancy Services and Overall Project Management for Coker- B Revamp of Barauni Refinery Capacity Expansion Project of Indian Oil Corporation Limited, PMC / EPCM Services for Nagpur-Jharsuguda & NTPC Korba Spur Section of Mumbai-Nagpur-Jharsuguda Pipeline (MNJPL), Technical assistance on MAHSR C-4, MAHSR C-6 and MAHSR P-4 Contract Packages of Mumbai-Ahmedabad High Speed Rail Project to NHRCL, PMC Services for "Installation of ERL Unit-2" (Contract Amendment No. 1) (Variation Order), and Detailed Engineering Consultancy and Construction Supervision for Setting Up Nuclear Fuel Complex (Variation Order) by DOAE.

#### Domestic

##### Refinery and Petrochemical

In the Downstream Hydrocarbon sector, major assignments secured in the Refining sector include Overall Project Management and EPCM Services (Phase 2) for 15MMTPA to 25MMTPA Capacity Expansion of Panipat Refinery (P-25 Project) of IOCL, EPCM services for 500 KTPA PDH-PP project of GAIL at Usar, Consultancy Services and Overall Project Management for Coker- B Revamp of Barauni Refinery Capacity Expansion (to 9.0 MMTA) Project of Indian Oil Corporation Limited, Supply of License, Basic Engineering Design Package (BEDP), Catalyst and Other Related Services for Sulphur Recovery Unit (SRU) for Numaligarh Refinery Expansion Project (NREP), Detailed Engineering Services for Standby SRU (525 TPD) Train of IOCL Paradip Refinery to BHEL and various other assignments including several variation orders.

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

In the Midstream segment, EIL secured orders for providing PMC / EPCM Services for Nagpur-Jharsuguda & NTPC Korba Spur Section of Mumbai-Nagpur-Jharsuguda Pipeline (MNJPL), PMC Services for Krishnagiri-Coimbatore section of KKBML-II Project, PMC Services for Dhamra-Haldia Pipeline Project.

##### Upstream Oil and Gas Projects

In the Upstream segment, EIL secured orders for EPCM Services

for Western Gateway Project Early Production facilities (Variation Order).

#### Metallurgy

In the Metallurgy segment, EIL secured order for Owner's Engineer Services for 6.0 MMTA Mechanized Production and Evacuation Facilities at Kurmitar Iron Ore Mines from OMC and Preparation of DPR & Selection of Technology for Bauxite Conveying System from Pottangi Mines to Alumina Refinery Damanjodi from NALCO.

#### Infrastructure

Project Management Consultancy (PMC) Services for the Development of Effluent Treatment and Infrastructure Facility at Jhagadia Pumping Station, Technical assistance on MAHSR C-4, MAHSR C-6 and MAHSR P-4 Contract Packages of Mumbai-Ahmedabad High Speed Rail Project to NHRCL, Project Management Consultant (PMC) for Construction of New Domestic Terminal Building and associated works at Leh Airport, J&K (Variation Order).

#### Overseas

EIL has been able to secure various Engineering and Consultancy assignments in Central Asia, Middle East and Africa. Major jobs secured in overseas markets include PMC Services for FEED for Site Schemes (CED Projects) AL NASR Super Complex and Field Plant Modification Request (PMRs) and Engineering work (under ESA), Zirku Island Facilities Studies / Engineering Packages (PMRs & FCs) (Package-3) under ESA-COO-433894/4 from ADNOC Offshore alongwith a couple of variation orders.

Other major contributors in Overseas business include Additional Consultancy Services work under ongoing contract for Dangote Refinery Project in Nigeria and Project Management Consultancy Services contract for "Installation of ERL Unit-2" for Bangladesh Petroleum Corporation, Consultancy assignments for both Onshore and offshore projects in UAE. EIL is consistently pursuing opportunities in other international territories to enhance its geostrategic outreach.

### 2. Business Environment & Future Outlook

#### India

The current global crisis due to COVID-19 has affected the entire world. As per IMF, the global economy would shrink by 4.3% in 2020 wherein major economies like US and EU nations shrink by 8-10%, and India shrink by 4.5%. However, due to improvement in consumption, the economy is expected to bounce by 5.4% next year. In last 1 year, the policies of the GoI and additional measures on fiscal and monetary front by RBI has provided impetus to the industry and public spending to come out of the impact of this pandemic. GoI's Stimulus package of INR 29.5 Lac Crores (~15% of GDP) will provide a boost to the Indian Economy which would be crucial for revival of Projects in all the major sectors. The economy

had bounced back significantly well after the country gradually started opening up after National lockdown imposed in March-April'20 and the nation had been back to normal by Dec-Jan'21. This was echoed by the IMF in Jan'21, when it forecast India's growth rate of 11.5% for the year FY22. However, the growth may again get slowed down due to the 2nd national wave where massive surge was seen in COVID cases in April'21. Good news is that now vaccines are available and nationwide Vaccination drive is on and things are expected to get back to normal soon.

India's Oil & Gas sector would be instrumental in pulling back the growth trajectory post COVID through massive investments lined up. Anticipated investment to tune of INR 21000 Cr is expected in the upstream oil and gas production to double the Natural Gas production to 60 BCM and drill more than 120 exploration wells by 2022. Looking at GOI plans, with respect to midstream sector, Investment of around INR 70,000 Cr is anticipated to expand the gas pipeline network across the country. So far, India has around 16981 km of gas pipeline, and additional 14239 Km more is announced. Oil Pipeline network is to be further augmented by another 15000 Km in addition to the existing 28790 Km. To achieve the Gas economy vision of the GOI, robust investments are planned in LNG and Gas space wherein Regasification Facilities are being proposed at the Western and Eastern Coast of the Nation by both Private and Public players. LNG Regasification facilities are being developed by the Private and Public organizations. Additional capacity of 30 MMTA LNG can be expected to be added in next few years.

Likewise, around 185 MMTA of additional refining capacity shall be added which would entail an investment of around INR 3.57 Lac Crore. In Petrochemical segment too, the government is determined to realize the Aatmanirbhar Bharat call and cut down the massive imports. Mega projects have been announced by RRPCL, BPCL Rasayani, Nayara Energy, Adani-BASR, RIL, HMEI etc which would help India be self-sufficient in this segment. Total anticipated investment of around INR 4 Lac Cr is expected in next few years in Petrochemical segment. Pandemic has impacted most of the sectors and Oil and Gas being no exception, deferment of projects by a few months is expected, nonetheless the GOI is determined for reviving the economy and accordingly has directed the PSUs under MoPNG to continue with the erstwhile CAPEX Plans.

During the CERA Week held in Oct'20, Hon'ble Prime Minister mentioned with zeal that India's Oil & Gas sector would play an instrumental role in pulling back the growth trajectory post COVID-19 through massive investments which are lined up. Oil and Gas industry is the precursor of development in other sectors. The tentative doubling of the refining capacity would bolster the demand growth as well as cater to the neighbouring countries.

Mega projects in Hydrocarbon sector provide enormous job opportunities in the organised as well as unorganised sector and also creates a series of service industry and ancillary industries that push the regional growth creating new urban centres. The projects in the remote and far flung locations act as epicentres for the regional and economic growth. Hence for the revival of economy it is quintessential that energy projects are set up not only as per envisaged plans but at accelerated growth.

Apart from pure-play downstream, several projects are lined up in

Bio-fuels( Ethanol & Biogas) and going by recent developments, significant projects in Coal gasification domain are also foreseen. With Energy security, petrochemical expansion, Carbon sequestration and Hon'ble Prime Minister's call for 10% crude import reduction in mind, the GOI has been vocal about the plans to gasify 100 MT of coal by 2030 and a total investment of INR 4.1 Lakh crore is anticipated.

Also, of late, there has been a lot of discussion on Green Hydrogen and even the GOI announced in the recent budget for FY21-22 that India will launch its National Hydrogen Energy Mission (NHEM). Focus is expected on Blue Hydrogen and gradually Green H<sub>2</sub> shall get impetus as more and more cheap renewable energy would be available to make it. It is also anticipated that NHEM will emphasize on generating green hydrogen and enabling its commercial use as a transportation fuel. However, it is yet to be seen what roadmap the government has envisioned in its draft regulations considering the fact that India has become global Champion in Renewable energy and have an ambitious target of 175 GW of RE capacity by 2022 and 450 GW by 2030. It is imperative that our energy grid involves other green technologies on a medium-to-long term basis. Moreover, India's pledge towards green economy will also ensure opportunities cropping up within definite timeline. This will help EIL's cause as it is immensely dependent upon domestic clientele for business.

The Company expects that the planned projects and investments related to LNG Terminals, Refining projects, Petrochemical Complexes, Coal gasification, Bio-fuels & Renewable Energy may move forward. Necessary reforms/ revamps within the Refineries and Offshore platforms could also probably be taken up in future.

#### **Overseas**

The global economy is expected to expand 4% in 2021, assuming an initial COVID-19 vaccine rollout becomes widespread throughout the year. A recovery, however, will likely be subdued, unless policy makers move decisively to tame the pandemic and implement investment-enhancing reforms, the World Bank says in its January 2021 Global Economic Prospects.

Although the global economy is growing again after a 4.3% contraction in 2020, the pandemic has caused a heavy toll of deaths and illness, plunged millions into poverty, and may depress economic activity and incomes for a prolonged period. Top near-term policy priorities are controlling the spread of COVID-19 and ensuring rapid and widespread vaccine deployment. To support economic recovery, authorities also need to facilitate a re-investment cycle aimed at sustainable growth that is less dependent on government debt.

While domestic Projects appeared to be postponed mostly, situation was a bit different overseas in FY21. Middle East and US had severely been affected with the decline in the Oil Prices and the COVID Pandemic in the 1st Quarter of FY 21, this has negatively impacted the CAPEX outlook of Oil related sectors as well as Oil producing countries. Upstream Sector witnessed a sharp reduction in CAPEX for green field projects while downstream projects and contracts have also been deferred & renegotiated or called off. In April'20 around 25 % reduction in annual CAPEX was announced by Oil Majors like Aramco, ADNOC, Exxon, BP, SHELL etc.

Globally also the Hydrocarbon sector is envisaged to provide a



booster to the economy with relatively significant demand from increased energy consumption since last July, when the economies started rebounding back. The crude prices recovered significantly going as low as 20 USD/bbl to rebounding back to upwards of 60 USD/bbl on account of both return in global demand and controlled production by OPEC+ during last 2 years. Keeping the last year crude price in mind, one can definitely foresee plethora of downstream petchem project or grassroot integrated Refining petchem projects being planned by NOCs in near future. Also, keeping the clean energy commitments in mind, revival of LNG projects in majority of the countries are also envisaged.

The pandemic did turn out to be a likely opportunity for Digital & Automation penetration in Downstream segment. Until now, experts believed that Digitization & Automation penetration had been less in downstream segment than other segments of hydrocarbon value chain. One of the learnings from this pandemic could be having systems in downstream firms, both refining & petchem, wherein units can be operated with least possible interference from humans/ manpower in field. Thus, penetration of more digitization & automation, and process having digital twins are likely to emerge in long run.

Two major emerging global themes during the last few years, besides the rise of renewables & Digitization, have been De-Carbonisation & Hydrogen. Investments are expected in these emerging areas as well.

With the Vaccine rollout, optimism may return provided the pandemic loses its steam thereby allowing Industrial and Manufacturing sectors to realign and contribute towards growth. International Projects that have been mothballed may get revived in due course of time.

Your Company is empanelled with EXIM Bank for projects in various countries funded by Government of India under Line of Credit. The Govt of India, through Exim Bank, has extended the Line of Credit for a loan of \$ 1 Billion for the oil refinery in Mongolia's southern Dornogovi province. EIL is executing the Project Management Consultancy (PMC) Services Agreement for 1.5 MMTPA Crude Oil Refinery Plant in Mongolia. Additionally, EIL also focused on providing Training Services in the Hydrocarbon sector which will help in developing relationship with various clients in Bahrain, Oman etc. EIL was able to empanel itself with KPC of Kuwait and its subsidiaries for Training Services in Hydrocarbon Sector.

EIL has a few opportunities on radar which are being pursued. Bilateral Engagements with Countries and Line of Credit offered by Government of India to countries for Energy Projects are being pursued for the purpose of securing new projects. EIL already has its foothold in Refinery project, so we are all geared up, and this project could also provide a stimulus to EIL's overseas business. Further, we have extensively mapped opportunities in Oil & Gas domain in SE Asia, Middle East, Africa & SAARC countries and shall be pursuing the same.

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

As severe crises did in the past, the pandemic is expected to leave long lasting adverse effects on global activity. It is likely to worsen the slowdown in global growth projected over the next decade

due to underinvestment, underemployment, and labour force declines in many advanced economies. The near-term outlook remains highly uncertain, and different growth outcomes are still possible. A downside scenario in which infections continue to rise and the rollout of a vaccine is delayed could limit the global expansion to 1.6% while with an upside scenario with successful pandemic control and a faster vaccination process, global growth could accelerate to nearly 5 percent.

The current global pandemic crisis due to COVID-19 has impacted the entire Indian Economy and EIL is no exception to this. However with the sustained efforts of GoI, India has been more resilient and most of the scheduled upcoming projects, expected to be deferred, are now being announced and put on implementation track.

While the pandemic and lockdown did affect the Company in the initial stages but with the strong resilience and support from IT Dept, HR and other departments, IT infrastructure was put in place to enable work from Home. Slowdown of Construction activities was also witnessed. Financial Health of Contractors, Sub Contractors and Suppliers especially MSMEs have also been impacted.

Your Company's strong credential and technical prowess are expected to remain a preferred choice for the esteemed clients in these trying times. Further, a robust order book is expected to sail us through these difficult times. We are drafting 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 to the 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 utilised 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 works as per Govt. Guidelines with permission of local authorities.

Inspite of the grave COVID-19 impact on global and domestic economy, fresh orderbook was more than INR 1500 CR, and in terms of revenue and profit, EIL performed much better than the industry average.

We are confident that with strategies planned, EIL will retain the leadership position in Engineering Consultancy Services 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 2020-21 | Actual 2019-20 |
|---------|-------------------------------------|----------------|----------------|
| A.      | <b>INCOME</b>                       |                |                |
| i)      | Consultancy & Engineering Contracts | 138332         | 156531         |
| ii)     | Turnkey Contracts                   | 17213          | 163774         |
| iii)    | Other Income                        | 19488          | 25804          |
|         | <b>TOTAL INCOME</b>                 | <b>329957</b>  | <b>346109</b>  |



(Figures in ₹ Lakhs)

| Sl. No.   | Description                                  | Actual 2020-21 | Actual 2019-20 |
|-----------|----------------------------------------------|----------------|----------------|
| <b>B.</b> | <b>EXPENDITURE</b>                           |                |                |
| i)        | Cost of rendering services                   | 277061         | 276175         |
| ii)       | Depreciation & Amortization                  | 2343           | 2383           |
|           | Exceptional Items                            | 15496          |                |
|           | <b>Total</b>                                 | <b>294900</b>  | <b>278558</b>  |
| <b>C.</b> | <b>PROFIT BEFORE TAX (A-B)</b>               | <b>35057</b>   | <b>67551</b>   |
| D.        | Provision for Current tax                    | 15336          | 21936          |
| E.        | Provision for Deferred Tax                   | (6231)         | 2640           |
| F.        | Earlier Year Tax Adjustments, Short/(Excess) | 2              | (49)           |
| <b>G.</b> | <b>PROFIT FOR THE YEAR (C-D-E-F)</b>         | <b>25950</b>   | <b>43024</b>   |
| <b>H</b>  | <b>OTHER COMPREHENSIVE INCOME</b>            | <b>(84)</b>    | <b>(3057)</b>  |
| <b>I.</b> | <b>TOTAL COMPREHENSIVE INCOME</b>            | <b>25866</b>   | <b>39967</b>   |

#### 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)

| Particulars                           | Year ended 31.03.2021 | Year ended 31.03.2020 |
|---------------------------------------|-----------------------|-----------------------|
| <b>Segment Revenue</b>                |                       |                       |
| Consultancy & Engineering Projects    | 138332                | 156531                |
| Turnkey Projects                      | 172137                | 163774                |
| <b>Total</b>                          | <b>310469</b>         | <b>320305</b>         |
| <b>Segment Profit From Operations</b> |                       |                       |
| Consultancy & Engineering Projects    | 37994                 | 49892                 |
| Turnkey Projects                      | 5581                  | 6545                  |
| <b>Total(A)</b>                       | <b>43575</b>          | <b>56437</b>          |
| Interest                              | 366                   | 174                   |
| Other un-allocable expenditure*       | 27640                 | 14516                 |
| <b>Total(B)</b>                       | <b>28006</b>          | <b>14690</b>          |
| <b>Other Income(C)</b>                | <b>19488</b>          | <b>25804</b>          |
| <b>Profit Before Tax(A-B+C)</b>       | <b>35057</b>          | <b>67551</b>          |
| <b>Income Tax Expense</b>             | <b>9107</b>           | <b>24527</b>          |
| <b>Profit for the year</b>            | <b>25950</b>          | <b>43024</b>          |
| <b>Capital Employed**</b>             | <b>170101</b>         | <b>234546</b>         |

\* Financial year 2020-21 includes expenditure on Oil and Gas exploration blocks, including dry well written off and impairment amounting to ₹ 175 Lakhs (previous year : ₹ 2,985 Lakhs)

\* Includes ₹17,222 lakhs (previous year: ₹ 1,630 lakhs) of accrued

Provident Fund liability/provision for impairment 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 ₹ 3,10,469 Lakhs in FY 2020-21, as stated in the audited financial statement. The revenue from consultancy business is ₹ 1,38,332 Lakhs and from Turnkey Project is ₹ 1,72,137 Lakhs.

The Company has recommended a final dividend of ₹ 0.60 per share (Face value ₹ 5/- per share) in addition to interim dividend of ₹ 1.40 per share paid during the year.

#### 4.3 Key Financial Ratios

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

| Particulars                                                                                                                                                                                  | 2020-21 | 2019-20 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| PBT / Turnover                                                                                                                                                                               | 11.29%  | 21.09%  |
| PAT / Turnover                                                                                                                                                                               | 8.36%   | 13.43%  |
| PBT / Capital Employed                                                                                                                                                                       | 20.61%  | 28.80%  |
| PAT / Net Worth                                                                                                                                                                              | 15.26%  | 18.34%  |
| Turnover / Net Worth (number of times)                                                                                                                                                       | 1.83    | 1.37    |
| Sundry Debts / Turnover (Month's Turnover)                                                                                                                                                   | 2.00    | 2.50    |
| The Decrease in Profit related ratios is mainly on account of Exceptional Item related to provision for Impairment in PF Trust Investment and impact of Covid -19 on recognition of revenue. |         |         |
| The Increase in Turnover/Net worth ratio is mainly on account of decrease in Net Worth because of Buy back exercised by the Company.                                                         |         |         |

As there is no significant change (i.e. change of 25% of or more as compared to the immediately previous financial year) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in above key financial ratios, hence no explanation is annexed thereto.

#### 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 system of your Company performs the Risk Management activities across the business functions of the



organization. Your Company's Risk Management process has also been integrated with the Quality & HSE Management System requirements as per ISO 9001 & ISO 45001, 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, Engineering, 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 made aware on Risk Management 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.

## 6. Internal Control System

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 (MoU) with Govt. of India

MoU with MoP&NG (Ministry of Petroleum & Natural Gas) for the financial year 2020-21 was signed on October 21, 2020. With a focus on profitability and sustainable growth, various financial

and non-financial parameters like turnover, operating profit, return on investment and research & development etc. have been included in the MoU for the year 2020-21.

During 2020-21, the Company submitted "Very Good" rating in MoU (Memorandum of Understanding) for the financial year 2019-20 which is under finalization.

## 8. Significant initiative

EIL has strategized itself as a leading consultancy organization in the Oil and Gas Sector and is providing its services to the HRRL, Barmer Refinery at Rajasthan, Refinery Modernization and Expansion Project at Vizag. EIL is also providing its services for the Largest Ethylene Cracker (1.2 MMT/PA) of HMEL. EIL has successfully delivered the BS-VI Fuel quality upgradation projects for its Private and Public Sector Clients. EIL is also playing a pivotal role in the country's quest towards gas based economy and is actively engaged in setting up pipeline infrastructure under the Pradhan Mantri Urja Yojana. EIL is also actively involved in the changing landscape of the LNG Infrastructure in the country.

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, Green Hydrogen etc. In line with the GoI plans for Refining Capacity expansion from the present 249.9 MMT to 443 MMT by 2030 and 490 MMT by 2040, the OMCs are considering expansions of the Refineries and EIL is actively involved in carrying out comprehensive studies for setting up new projects in Refinery/ Petrochemicals, Speciality chemicals sector and Bio Fuels sector.

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

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 is 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.

In line with our Strategy of investing in manufacturing assets to have sustained revenue in long term, besides 26.6% stake in RFCL, your Company now also owns 4.37% stake in NRL.

## 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. Endeavors 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:

- 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.
- 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.
- Multi pronged efforts were undertaken to minimize the hardships being faced by employees during the unprecedented times brought by the COVID 19 pandemic. During the year, prompt action was taken at every step for the welfare of employees. In line with the instructions received, various steps were taken for wellbeing of employees such as introduction of Work from Home, modification of leave rules, staggered office timings, issuance of travel advisories, Standard Operating Procedures, etc. Apart from regular revision of the Instructions, rules and regulation within the company (due to changing business scenario and prevailing pandemic situation), constant efforts were also made for aligning our rules and policies with other PSUs.
- 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.
- Training & Development Division succeeded in its endeavour in conducting/organising almost all the training programs of ATC 2020-21 using online webex platform mitigating the potential risk posed due to COVID-19 pandemic in the classroom training mode. In order to enhance the effectiveness and bring in uniqueness, an OBT (Outbound Training) Intervention for Aarohan Batch 12 was scheduled which was widely appreciated by the participants.
- 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.
- 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.
- Specialized 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.
- 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 organization.
- Under the Aegis of "YOUPHORIA"- The Youth Engagement



Platform for Millennials of Oil and Gas Central Public Sector Enterprises, Engineers India Limited successfully conducted Intra-Industry Technical Paper Writing Competition - 'URJAALEKH' 2021 on a virtual platform-Webex.

- 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 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.

## 8.3 MARKETING

The Company is successfully enhancing the footprint with geo strategic outreach and continuously expanding its client base with addition of new clients with focus on diversified sector and emerging new technology areas.

The Company Management's active engagement with clients and evolving Business Development initiative anticipating client's requirements and formulation of profit centre facilitates to achieve significant growth and order booking for the Company.

Company's Regional, International and Inspection offices are located close to client's base to have regular interaction with clients and present the business leads to Marketing & Business Development department for translation of potential leads to firm orders.

## 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 the sector 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 also part of the High Speed Rail Corridor project of NHSRCL and is implementing Airport Terminal Building projects for the AAI.

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 is associated with Indian Oil Foundation in this initiative. EIL is successfully delivering 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. EIL continues to provide its excellence and has achieved outstanding recognition. As per the National Level Rating Framework assessment, Odisha has achieved 1st position (from the earlier

2nd 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, Ware House and Cold Storages, 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 to the existing OMCs.

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

As indicated earlier, keeping GOI's plan for National Hydrogen Energy Mission (NHEM), EIL is all geared up for Blue and Green H<sub>2</sub> projects. In fact, over the years in Refining industry, EIL has been rendering services for grey H<sub>2</sub> projects. Blue Hydrogen is just an extension of that with a facility for CCUS.

In line with our Strategy of investing in manufacturing assets to have sustained revenue in long term, besides 26.6% stake in RFCL, your company now also owns 4.37% stake in NRL.

## 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 pandemic has led to a dramatic loss of human life worldwide and presents an unprecedented challenge to public health, food systems and the world economics. The economic and social disruption caused by the pandemic is devastating: tens of millions of people are at risk of falling into extreme poverty. While the fallout from the crisis is monumental, 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 much cleaner and clear, the snow-clad mountains again become visible from far-off places, air 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.



To state the loss of human lives due to this pandemic, is just the tip of the iceberg, what remains are the hazardous ashes of the present-day scenario. Most devastating aftershocks would be felt within the start-up and MSME ecosystems. These rely upon a constant flow of capital and investments, which due to the pandemic, have come to a complete standstill. Times are rough and only the tougher ones would survive. While for some of us it is a battle for survival, there are a few that seized this opportunity to make fortunes of this state.

New online education technology system, Health, Pharma, Testing labs and Wellness sector, Financial services and Non Banking Financial companies, Remote working tools, E-commerce and delivery based service, Managed office spaces services, OTT platform are some of the sectors, which are going to be benefited from the new normal.

EIL has always been conscious of this fact that we have to respect nature and while doing so, we have evolved new technologies for 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 invented several green technologies & have also been providing consultancy in the area of control of volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and its bio-remediation thereafter 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 for the sustainable growth of the country.

#### **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 Bhawan, 1, Bhikaji Cama Place, New Delhi -110066
- Website:** <https://www.engineersindia.com>
- E mail Id:** eil.mktg@eil.co.in
- Financial Year Reported:** 2020-21
- 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 31.03.2021):**

9 (UAE, Bahrain, Oman, Nigeria, Bangladesh, Mongolia and 3 Inspection Offices in China, U.K. & Italy)

- Number of National locations (as on 31.03.2021):**

| Locations                    | No. |
|------------------------------|-----|
| Corporate Office             | 01  |
| Branch Office                | 01  |
| R & D Complex                | 01  |
| Regional Offices             | 03  |
| Regional Procurement Offices | 07  |
| Construction Sites           | 67  |

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

### SECTION B: Financial details of the Company

- Paid up capital (INR in Lakhs) : ₹28,102.13 (as on 31.03.2021)
- Total turnover (INR in Lakhs) : ₹3,10,468.78 (FY 2020-21)
- Total profit after taxes (INR in Lakhs) : ₹25,949.73 (FY 2020-21)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: 4.87%

**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, Environment Protection/ Sustainability, Healthcare, Women Empowerment, Drinking Water/ Sanitation, Upliftment of underprivileged, Rural Electrification, Community Development, Vocational Training/ Skill Centre and Rural Development projects.

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

**SECTION C: Other Details**
**1. Does the Company have any Subsidiary Company / Companies?**

Yes. EIL has one subsidiary company.

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

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

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

EIL has been pursuing pioneering efforts towards indigenization 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 indigenization to the tune of 90% in refinery plant & machinery. All equipment/materials are sourced through a large Vendor Data Base of 2377 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 Bhowmik

**Designation :** GGM (HR)

**Telephone Number :** 011-26762901

**e-mail id :** a.bhowmik@eil.co.in

**2. Principle-wise (as per NVGs) BR Policy / policies**
**a. Details of Compliance (Reply in Y/N):**

| Questions                                                                                                           | P1                                                                                                                     | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Do you have policy / policies for Principle                                                                         | Yes                                                                                                                    | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the policy been formulated in consultation with the relevant stakeholders?                                      | Yes                                                                                                                    | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the policy conform to any National / International standards? If yes, specify? (50 words)                      | EIL's policies conform to applicable guidelines, rules, statutes etc. issued by Government of India from time to time. |     |     |     |     |     |     |     |     |
| Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director? | EIL's policies are approved by Board/ Competent Authorities as per Delegation of Power.                                |     |     |     |     |     |     |     |     |



| 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. The Annual Report for the year 2020-21 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, etc. 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 themanagement? If so, provide details thereof, in about 50 words or so.

| Complaint/Grievance                         | No. of grievances received | No. of grievances resolved | % Resolved |
|---------------------------------------------|----------------------------|----------------------------|------------|
| Grievances received from internal employees | 17*                        | 14                         | 82.4 %     |
| Grievances received from CPGRAMS Portal     | 29                         | 29                         | 100%       |
| Investors Complaint                         | 43                         | 43                         | 100%       |

\*2 number of grievances have been received from employees on 25.03.2021 and 26.03.2021.



**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.

**Energy Efficiency:** Improvements in fuel specifications have achieved the immediate goal of cleaner air. However, it comes at the cost of higher energy consumption. It is imperative to optimize the energy conservation while achieving improved fuel specifications. 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. EIL ensures to meet low energy numbers for their design.

**Bio-fuels:** Environmental friendly feed-stocks /fuels is by far the most promising option for the future of which bio-fuels are most promising alternative. The primary drivers for production & use of green fuels are valuable form of renewable energy; energy independence; economic growth & reduced trade deficit; and environmental friendly leading to reduced pollution.

**Green Design:** EIL has been adopting green design approach in terms of optimization of raw material, fuel, power, water, space, etc. In its design, EIL ensures fugitive emission mitigation; water use efficiency, effluent treatment and water recycle, water recovery, green buildings, rain water harvesting, use of renewable energy to the extent possible, low carbon footprint, etc.

Also, 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.

**Tail Gas Treating Unit - EngSulfTG™:** The tail gas treating technology offered by EIL is one of the leading technologies which helps 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.

**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.

**Bio-Jet ATF process:** Civil Aviation is the fastest growing transportation mode in India. Demand for cleaner fuels from renewable source, including aviation fuel has gained significance in view of new emission guidelines expected to be mandated to reduce  $CO_2$  emission. EIL & CSIR-IIP have agreed to jointly develop and commercialize process technology to produce Bio-Jet ATF from Tree Borne Oil (TBO) and Used Cooking Oil (UCO). TBO from Soya, Jatropha, Karanja etc. and UCO are de-oxygenated, selectively cracked and isomerized over a single catalyst to produce aviation fuel with properties and composition meeting the specification required for blending with conventional aviation fuel. This process also produce renewable transportation fuel.

**Value Added Products from Algae:** Multispectral algal applications for value-added products such as antioxidants and pigments have high futuristic scope and can help us to serve a long way. These algal pigments and antioxidants have massive commercial value as natural additives in nutraceutical, cosmetics, pharmaceutical industries etc. The demand of these biobased value added products is continuously increasing and their future prospective seems bright. EIL & DBT-ICT have agreed to jointly develop commercial scale algae cultivation system and production of value added products, e.g. phycocyanin pigment from the cultivated algae.

**Oxygen enrichment in Sulphur Recovery Unit:** Oxygen enrichment process adopted in Claus Sulfur Recovery unit (SRU) is technoeconomically viable process for capacity enhancement of an existing SRU and also provides low cost design of grass root SRU. This technology provides additional acid gas processing capacity by reducing nitrogen content of combustion air. An additional capacity of about 20-30% can be achieved for an existing SRU using this process without any major changes. Greater enhancement can also be achieved by making certain modifications in the unit.



**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?**

Being a consultancy organization, EIL incorporate in the design all such requirements of low energy numbers, reduced water and carbon footprint, raw material optimization, effluent recycle & reuse to the extent possible in all of the projects undertaken. EIL has been accredited by NABET-QCI to carry out Environment Impact Analysis (EIA) for various projects, thereby providing an opportunity to assess and recommend measures to optimize the consumption of raw material and natural resources in entire project life cycle (including design, construction and operation phases). EIL helps enable the adoption of innovative & integrated water and wastewater management services. Studies for reduction of fresh water intake to industries by means of reduced consumption in process units, maximize the recycle & reuse of treated effluent and/or exploring the alternate sources of water such as fresh water production from sewage/sea water, reduce wastages of water through leaks and maximize water pinching in industrial operations is integral part of our business.

Recently, EIL has carried out water consumption studies for 13 nos. of Indian PSU refineries (of IOCL, BPCL and HPCL). For the sustenance of water management system in a refinery, role of water conservation is essential and vital. This study report covers all the water saving potentials of Refineries including short term & long term recommendations for implementation to reduce specific water consumption by 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. The study had been carried out as part of initiative by Centre for High Technology (CHT) for MoPNG.

**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, 2377 nos. suppliers and 397 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 12 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 had 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 2020-21, EIL organised nine (9) 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 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 has state-of-the-art sewage treatment plants at its Gurugram, Chennai and Mumbai offices, wherein the treated sewage is recycled & reused for secondary applications within the office premises.

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

#### PRINCIPLE 3 QUESTIONS

1. Please indicate the Total number of employees.

Total number of employees as on 31.03.2021 was 2814.

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

Total number of employees hired temporary / contractual / casual basis as on 31.03.2021 was 48.

3. Please indicate the Number of permanent women employees.

Total number of permanent woman employees as on 31.03.2021 was 337.

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

Total no. of permanent employees with disabilities as on 31.03.2021 was 51.

5. Do you have an Employee Association that is recognized by Management?

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

6. What percentage of your permanent employees are 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                             | Nil                                              | Nil                                                      |
| 3       | Discriminatory employment                     | Nil                                              | Nil                                                      |

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

(a) Permanent Male Employees : 51.81 %

(b) Permanent Women Employees : 52.37 %

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

(d) Employees with Disabilities : 45.10 %

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

#### 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.**

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.

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 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 EIL.

In FY 2020-21, EIL organized an exclusive vendor meet on MSE sector including SC/ST and Women entrepreneur with a theme: Vigilant India, Prosperous India on 29.10.21. Additionally, EIL also organized a special Vendor Development Program in association with National SC-ST Hub, Chennai exclusively for SC/ST Entrepreneurs on 16.10.2020.

**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 specific department (EWS and Sustainability) which specifically covers all matters related to Environment, Safety and Sustainability.

A link to the Corporate Sustainability webpage is: <https://engineersindia.com/sustainability>

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

Yes; however they are limited to client's projects involving preparation of Environmental Impact Assessment (EIA) Reports for new projects.

**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 undertaken many initiatives in its design on clean technology, energy efficiency and renewable energy. For details, please refer answer to Principle-2, Question-1.

Also, Company has recently carried out the Energy and Water optimization studies for Public Sector Refineries in India. The studies were carried out as part of initiative by Centre for High Technology (CHT) for MoPNG. The Company has also diversified into renewable energy sector with the execution of solar and nuclear power projects. Major project undertaken in the past include 125 MW solar thermal project for AREVA/Reliance. In the nuclear power sector, the Company has provided its services for Kudankulam Nuclear Power Project of NPCIL and greenfield Nuclear Fuel Complex at Kota.

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

At all of our office premises, the emissions/waste are within the statutory norms as applicable. We carry out analysis for environmental parameters and submit reports to statutory bodies as desired.

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 Permanentway 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 Director’s Report.

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

All CSR programmes/projects were undertaken through agencies as prescribed by Companies (Corporate Social Responsibility Policy) Rules, 2014 in FY 2020-21. However, agencies will be selected in line with the criteria defined by Clause of 4 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 for coming years.

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

Impact Assessment was not envisaged in FY 2020-21, hence not undertaken.

**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 2020-21, the total contribution towards CSR activities has been ₹ 1264.65 Lakh. The details of projects have been provided as Annexure to Director’s 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 31.03.2021.

**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?

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, on which ratings are furnished by customer. During the year 2020-21, Customer perception survey have been obtained through online mode because of COVID 19 pandemic.

The Customer perception reports are shared with the respective HODs & In-charges for corrective actions and its implementation in the improvements of systems and processes. The trend of Customer ratings for EIL for last 5 years is shown below:

| Financial Year | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|----------------|---------|---------|---------|---------|---------|
| Average Rating | 8.8     | 7.74    | 7.91    | 8.07    | 7.90    |

## Report on Sustainable Development

### 1. Introduction

Sustainable development seeks to achieve the optimal use of resources in a manner that serves the members of society and in a manner that guarantees the rights of future generations and work to address all areas within society (water, health, food, services, education, income, awareness, institutional building, good governance, etc.). It very well acknowledges both the facts - the need of human civilisation to consume resources to sustain its modern way of life and the need for ecological balance. The greatest threat to our planet is the belief that someone else will save it. We live in a modern, consumerist and largely urban existence and extensively consume natural resources every day. Sustainability and sustainable development focuses on balancing that fine line between competing needs - our need to move forward technologically and economically, and the need to protect the environment where we and others live. Sustainability is not just about the environment, it's also about our health as a society, and it's also about examining the longer term effects of the actions humanity takes and asking questions about how it may be improved.

The Coronavirus pandemic has shown us a new world; one where the status quo no longer exists. Millions of people are experiencing untold misery and suffering as the virus overwhelms our bodies and economies. Rich and poor, the pandemic has forced us to reconsider almost every aspect of how we live. The pandemic has presented a series of challenges to the global sustainability. But the pandemic also shows us the wisdom of what is already inherent in the Sustainable Development Goals; the challenges we face cannot be dealt with in isolation. Sustainable development has become an indispensable thing in our current world, as it constitutes a strong support factor for the process of facing crises if they are present properly. Sustainable development in its contemporary concept is no longer confined to one side but rather extended to include the social, political, economic, cultural and environmental aspects and its various activities, it is an interrelated process of sustainable activities according to an integrated approach based on justice and participation, as the concept of sustainability emerged closely with development in an attempt to expand the dimensions of development.

At EIL, the sustainability mandate is not just about contributing to a good cause or complying with environmental regulations but also 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 exceed their targets of sustainability
- Fostering partnership with its esteemed customers, suppliers, contractors and the communities to support sustainable development

- Nurturing and training a highly qualified workforce for sustainability initiatives at individual as well as at social level
- 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.

There are three Pillars of Sustainability: Economic Development, Social Development and Environment Protection. Our business mandate revolves around these pillars and comply with the environmental regulations and norms in a way that make EIL a responsible Company and transparent to its entire stakeholder. Sustainability is no longer about doing less harm. It's about doing more good. We, as a Company, focus on delivering projects as per our Corporate Quality and HSE policies; fostering partnership with our esteemed customers, suppliers, contractors and the communities; nurturing and training our workforce for sustainability initiatives at individual as well as social level; developing environment-friendly technologies to achieve better sustenance in our business and following 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. These are the cornerstones of our business operations. These 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 including injury-free and incident-free man hours of work at our construction sites. The infrastructure and the work



environment EIL provides to its employees, is based on maintaining a sound work-life balance in order 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. This helps in developing artisanship amongst the local community which enhances their contribution during plant construction and prepares them with the necessary skill sets to exploit various available employment opportunities in the long run. Our business operations support the development of local manufacturers and suppliers.

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 at EIL take small actions such as using a reusable water bottle, using stairs, turning off the computer at the end of the day, automatic switch on lights in cabins and rooms, taking prints only when essential and using double sided printing etc.

## 2. Organization's Role in Sustainability

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

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

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

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.
- Create awareness amongst employees so that they may integrate environmental considerations into their daily activity.
- Work with clients, partners, suppliers and subcontractors to build an Environmental Management System for each project.
- Advocate with key stakeholders and decision makers viz. investors, clients, suppliers, government agencies and regulatory bodies, about sustainable development and energy efficient policies.
- Engage in Community Welfare Programs for sharing amongst the unprivileged sections of the society.

Today, EIL's revenues generation flow mostly from Indian region, especially the Hydrocarbon and Petrochemicals segment, as other international market are struggling to cope with the changing geo-politics. 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.

## 3. EIL's R&D Capability for Sustainable Technologies

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 (2nd 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.

**Tail Gas Treating Unit - EngSulfTG™:** The tail gas treating technology offered by EIL is one of the leading technologies which helps 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.

#### **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.

**Bio-Jet ATF process:** Civil Aviation is the fastest growing transportation mode in India. Demand for cleaner fuels from renewable source, including aviation fuel has gained significance in view of new emission guidelines expected to be mandated to reduce CO<sub>2</sub> emission. EIL & CSIR-IIP have agreed to jointly develop and commercialize process technology to produce Bio-Jet ATF from Tree Borne Oil (TBO) and Used Cooking Oil (UCO). TBO from Soya, Jatropa, Karanja etc. and UCO are de-oxygenated, selectively cracked and isomerized over a single catalyst to produce aviation fuel with properties and composition meeting the specification required for blending with conventional aviation fuel. This process also produce renewable transportation fuel.

**Value Added Products from Algae:** Multispectral algal applications for value-added products such as antioxidants and pigments have high futuristic scope and can help us to serve a long way. These algal pigments and antioxidants have massive commercial value as natural additives in nutraceutical, cosmetics, pharmaceutical industries etc. The demand of these biobased value added products is continuously increasing and their future prospective seems bright. EIL & DBT-ICT have agreed to jointly develop commercial scale algae cultivation system and production of value added products, e.g. phycocyanin pigment from the cultivated algae.

**Oxygen enrichment in Sulphur Recovery Unit:** Oxygen enrichment process adopted in Claus Sulfur Recovery unit (SRU) is technoeconomically viable process for capacity enhancement of an existing SRU and also provides low cost design of grass root SRU. This technology provides additional acid gas processing capacity by reducing nitrogen content of combustion air. An additional capacity of about 20-30% can be achieved for an existing SRU using this process without any major changes. Greater enhancement can also be achieved by making certain modifications in the unit.

## **4. 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.

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

### **Green Initiatives**

Solar energy is today's resource for a brighter future. 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 EIL Gurugram building complex. The SPV system is capable of peak daily generation of above 400kW on a sunny day. With the provision of SPV system, the demand of electricity from the state electricity grid has reduced.

### **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 acre, the 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 a wood, two fruit gardens and numerous varieties of flowering trees all across the roads and pathways. To bring nature close to our work tables 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 oneself.

### **Water Conservation**

EIL has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL helps in enabling 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 & recovery of water from sewage generated to the extent possible. Water is primarily consumed in EIL offices for drinking, cleaning, washing, cooling, plantation/horticulture etc. For the financial year 2020-21, the water consumption was about 15000 m<sup>3</sup>/year for EIL-Delhi office; 8500 m<sup>3</sup>/year for EIL-Gurugram Office Complex; 3800 m<sup>3</sup>/year for EIL-Mumbai office and 7300 m<sup>3</sup>/annum for EIL-Chennai & EIL-Kolkata Offices. Water is sourced from the ground water for both New Delhi & Gurugram offices. For other offices, water is sourced partly from ground water and partly from municipality & other sources. 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. EIL has state-of-the-art sewage treatment plants at its Gurugram, Chennai and Mumbai offices, wherein the treated sewage is recycled & reused for secondary applications within the office premises.

#### **Solid Waste Management at EIL's own facilities**

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 has 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 saving 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 the users have made a significant impact in the Company.

#### **Water conservation at Indian Refineries**

Recently, EIL has carried out water consumption studies for 13 numbers of the Indian PSU refineries (of IOCL, BPCL and HPCL). For the sustenance of water management system in a refinery, role of water conservation is essential and vital. This study report covers all the water saving potentials of Refineries including short term & long term recommendations for implementation to reduce specific water consumption by 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. The study had been carried out as part of initiative by Centre for High Technology (CHT) for MoPNG.

#### **Environment Management for Industries**

EIL has been providing solutions for Water Resources Management while protecting or restoring our major water ecosystems. EIL has helped in enabling the adoption of innovative & integrated water and wastewater management for industries & municipalities. Studies for reduction of fresh water intake to industries by means of reduced consumption in process units, maximize the recycle & reuse

of treated effluent and/or exploring the alternate sources of water such as fresh water production from sewage/sea water, reduce wastages of water through leaks and maximize water pinching in industrial operations is integral part of our business. 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:

- Adequacy Study for 9 numbers of Effluent Treatment Plants (ETPs) of IOCL's Refinery and Petrochemicals (Panipat, Haldia, Gujarat, Barauni and Bongaigaon) for remediation of various problems being faced in the ETPs. The study includes recommendation for modifications and enhancement of ETP performance, options and recommendations for recycle and maximum reuse of treated effluent and VOC collection and treatment system.
- Carried out an assignment for GAIL (India) Limited as an Independent Environmental and Social Consultant to undertake the study geared to Equator Principle 9 (Independent Monitoring and Reporting). The Environmental and Social monitoring report is prepared on the basis of International Finance Corporation (IFC)/ World Bank EHS guidelines along with national regulations with reconnaissance survey of the site, Environmental Monitoring, Data Analysis, Public Consultations and Discussions with other relevant stakeholders.
- Project Management Consultancy (PMC) Services for a Crude Oil Refinery in Mongolia including construction of entire water & wastewater treatment facilities including effluent recycle & reuse.
- 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
- Environmental Clearances from Ministry of Environment, Forest and Climate Change (MoEFCC) were successfully obtained by EIL for CPCL's Cauvery Basin Refinery at Nagapattinam; NRL's Numaligarh Refinery Expansion Project at Numaligarh; installation of GT-IV and Enhanced Reaction Thermal Oxidizer (ERTO) at ONGC Uran; and GAIL Usar Petrochemical complex (PDH unit integrated with PP Unit).
- Quality Council of India (QCI) Accreditation was renewed for Engineers India Limited for carrying out Environmental Impact Assessment study and the accreditation is valid upto 14th September 2022. EIL is accredited in 13 sectors with 4 EIA Coordinators and 16 Functional Area Experts.

#### **5. CSR Initiatives**

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 at least 2% of the average net profit made during three immediately preceding financial years has been done in the financial year 2020-21 for CSR activities. Some key initiatives that the Company has been engaged in are as follows:



**Education:** The growth of a nation lies on the abilities & attitude of its citizens and the purpose of education is not only to spread literacy but build character of each individual. EIL, through its CSR initiative has endeavoured to reach to those who have been deprived of the benefits of education due to unavailability of resources like school infrastructure and sanitation facilities etc.

EIL supported the construction of additional classrooms in Govt schools of Darrang, Assam & Karaikal Puducherry & charitable school at Tilhar, Shahjahanpur district, Uttar Pradesh. To make education accessible to all and control the drop out of children especially girl children due to inadequate sanitation facilities, EIL undertook the maintenance of school toilets constructed by EIL at Assam, Odisha & Tamil Nadu as part of Swachh Vidyalaya Abhiyan.

**Health Care:** The wealth of any nation can be measured by the health status of its citizens. As a progressive step towards Nation-building, several health related initiatives have been taken up with the intent of making India a healthy nation.

EIL under this initiative conducted general health camps for poor and needy community living in and around EIL's area of operation in various states and 6 Camps (Assessment and Distribution) were conducted for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PWDs) at Nuh (Haryana), Hamirpur (Uttar Pradesh), Kalaburgi (Karnataka), Jaisalmer & Udaipur (Rajasthan) and Chattarpur (Madhya Pradesh).

To extend specialised healthcare services to poor, old & infirm, EIL provided medical beds and electrical (Stretcher) lift at old age home at Gurugram, Haryana and provided blood bank equipment for targeted treatment of patients with Haematological Cancers to a blood transfusion centre in Kolkata, West Bengal.

EIL also initiated project for providing medical equipment for Department of Anesthesiology, Ear Nose Throat, Radio Diagnosis & Urology at Indira Gandhi Medical College & Research Institute, Puducherry to provide state of art health care facilities to people from underprivileged segments of society.

To address the issue of malnourishment amongst children, EIL is supporting 140 nos. of Model Anganwadi Centres by providing basic infrastructure at Dhurbri, Assam and to tackle the issue of clubfoot amongst infants treatment through Ponsetti model was provided to 375 children at Patna & Gaya, Bihar.

In its bid to fight COVID 19, EIL provided contribution to PM CARES Fund.

**Drinking Water/Sanitation:** As per UNICEF, 'India has made rapid progress in ending open defecation across the country which is having a huge impact on improving water, sanitation and hygiene.' The Swachh Bharat Mission of Govt of India led to increased awareness amongst people as well as Corporates to invest major part of their CSR funds towards this thrust area.

EIL as part of this initiative supported the projects for restoration of an ancient water body named Gauri Kund in Bilond Village, Bharatpur district, Rajasthan and for setting up 100 nos. of individual toilet facility for poor families residing in Mustafabad and Dhanpura villages of Haridwar district, Uttarakhand.

**Measures for benefit of armed forces:** EIL contributed to Armed Forces Flag Day Fund (AFFDF) for benefit of armed forces veterans, war widows and their dependents.

**Vocational Training/Skill Centres:** "While 'Make In India' occupies prominence as an important goal, the future trajectory of Indian

development depends on both 'Make In India' and 'Skill India'. To address the needs for the rapidly evolving industrial scenario and economic challenges posed by COVID-19, EIL undertook the initiative for Skill Development Training Programme (SDTP) for 902 candidates from backward classes on PAN India basis and contributed towards operational funding of Skill Development Institute (SDI), Bhubaneswar, Kochi, Vishakhapatnam, Ahmedabad, Raebareilly & Guwahati.

## 6. 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 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, there are contractors who work with our team on various projects. It is therefore especially important that these contractors 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 angels
- 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

- Organising 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 procedure 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 guidelines 'Structured Meetings' are held between CVO, C&MD and Directors in every quarter related to Vigilance matters. Inter-directorate meetings are also held periodically between CVO & Directors to resolve the pending issues. Vigilance activities are also presented to the Board of Directors on half-yearly basis. Vigilance workshops, Interactive Sessions, Seminars, Debates, Vigilance Awareness Week etc. are organized in HO, Regional, Branch and site offices of EIL for spreading vigilance awareness and encouraging "Participative Vigilance" amongst the employees of EIL.

EIL has its own dedicated website [www.engineersindia.com](http://www.engineersindia.com). Tender notices, complete bid documents, details of awarded tenders, details of contract given on nomination basis, rules and procedures of the company and all application, forms/ proforma 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,

proforma 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 procedure, 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 21 system improvements during the year.

"As part of observing Vigilance Awareness Week-2020 (VAW-2020), a series of programs were held in line with the theme "सतर्क भारत, समृद्ध भारत" ("**Vigilant India, Prosperous India**"). This year Vigilance Dept. structured the activities in line with advisories and directions received from CVC. It is to be highlighted here that due to COVID-19 pandemic situation in India and across the world, this year almost all of the activities during Vigilance awareness week were carried out on digital medium. A Debate competition was organized on **28<sup>th</sup> October** (F/N) at 10:00 hrs onwards at EIL HO and at EIL Gurugram office on topic "**Does fear of Vigilance impact decision making process?**" ("क्या सतर्कता का डर निर्णय लेने की प्रक्रिया को प्रभावित करता है?") As part of VAW-2020, "Suppliers e-Meet" was organized in the afternoon of 29<sup>th</sup> October. The meet was structured to focus on challenges faced by MSME suppliers and their mitigation. It was attended by approximate 154 suppliers with around 10 senior executives of EIL on panel. On 30<sup>th</sup> October, an interactive session was organized with HRRL site and EIL, CVO along with Vigilance team at Head Office Delhi.

As part of VAW-2020 following e-talks were organized

- 27<sup>th</sup> October, an e-talk was presented by CVO on "**Need of Being Vigilant in Today's Digital World**".
- 28<sup>th</sup> October, an e-talk was presented by Director (Finance) on "**Vigilance and Financial Management**".
- 29<sup>th</sup> October, an e-talk was presented by Director (Projects) at on "**Preventive Vigilance during Project Execution**".
- 30<sup>th</sup> October, an e-talk was presented by Director (Technical) on "**Strength of Technology for a Vigilant India**".
- 02<sup>nd</sup> November, an e-talk was presented by Director (HR) on "**Preventive Vigilance leading towards a New and Prosperous India**".

During inauguration of VAW-2020, Officiating C&MD in presence of CVO and Directors, released EIL Vigilance Journal named





**“Abhijatasya”.** “Abhijatasya” means “transparency”. This Journal contains messages from C&MD, CVO and Directors on the occasion of Vigilance Awareness Week. Some of the in-house case studies have also been included in the journal for ready reference. “Abhijatasya” also contains glimpses of VAW – 2019 including initiatives and activities undertaken by EIL Vigilance Department.

**A “Compendium of Systemic Improvements suggested by Vigilance - 2020”** was unveiled by the CVO during the opening ceremony. This is a second volume in the series. This volume of Compendium is also available on EIL Connect. Based on various investigations conducted by Vigilance Department during last year about forty odd system improvements were suggested by Vigilance covering all directorates ranging from Commercial, Projects, Engineering, Finance, Human Resource directorate etc. From some of these suggestions, a good amount has been recovered from the defaulters on various counts resulting into significant savings to the Company and other stake holders.

As per Direction issued by the Central Vigilance Commission and the Department of Public enterprises, details of Vigilance activities were presented to Board for the period ending November 2020.

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 places 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**

Online Vigilance Clearance and Immovable Property Returns of employees is being carried out through Vigilance website- “Avalokan” on OVC Portal.

## 7. 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 27 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.

## 8. 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
- Hazard and Operability Study
- Safety Integrity Level (SIL)
- Quantitative Risk Analysis Study (QRA)
- Hazard Identification Study (HAZID)
- Gas dispersion Study (Flammable & Toxic Gas)
- Vent/flare Radiation Studies
- Consequence Analysis
- Fire Safety Assessment
- Safety Layouts
- F&G Layouts and Cause/ Effect Matrix

- Disaster Control and Management Plan
- Escape Evacuation and Rescue Assessment
- Escape Route layouts

## 9. 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 67 construction sites spread all over India and overseas projects are being executed at Nigeria, Bangladesh and Mongolia.

EIL Construction on an average renders supervision for more than 185 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)
- 50 Million LTA free Man-Hours at VRMP, HPCL Vizag (PMC)
- 48.3 Million Man-Hours without any LTA (MRPL Phase-III, Mangalore)
- 33 Million Man-Hours without any LTA (DYIP, Aishwarya Project, IOCL Haldia Refinery)
- 21 Million LTA free Man-Hours at MREP, HPCL-MR, Mumbai
- 20 Million LTA free Man-Hours at BS-VI project of IOCL, Panipat
- 15 Million LTA free Man-Hours at MSBP-BPCL, Kochi
- 11.61 Million LTA free Man-Hours at BS-VI Project, MRPL, Mangalore.
- 10.38 Million LTA free Man-Hours at NFCL Kota
- 10 Million Man-Hours without any LTA (BS-VI HMEL, Bathinda)

- 10 Million Man-Hours without any LTA (LPG import, Haldia)
- 10 Million LTA free Man-Hours at VRMP, HPCL Vizag (OBE)

MS Block BPCL, Kochi Site was conferred with "Construction Health, Safety and Environment" at the 12<sup>th</sup> CIDC Vishwakarma Awards by CIDC for HSE during 2020-2021.

One of EIL's core values and fundamental business strategy is the constant pursuit of world-class Health, Safety & Environment (HSE) standards. For our Clients and us, the maintenance of a safe workplace is a key business driver. In the areas where we provide services, we have delivered excellent safety performance and we continue to do so. 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 as applicable during design & construction stage:

- Rain Water Harvesting for buildings
- Recycle & Reuse of sewage for horticulture
- Plantation of locally available species
- Griha compliance for identified buildings
- Orientation / layout of the building looking into the solar path in that location
- 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
- Use of PPC instead of OPC
- Use of fly-ash bricks & AAC bricks instead of conventional clay bricks

## Annual Report on CSR Activities

### 1. Brief outline on CSR policy of the Company.

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.

Board approved EIL's 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 being located in and around its work places which includes project sites, regional & branch offices and Head office. EIL has undertaken CSR Projects/ Programs in line with Schedule VII of the Companies Act 2013.

### 2. Composition of CSR Committee

| S. No. | Name                        | Designation                                                                  |
|--------|-----------------------------|------------------------------------------------------------------------------|
| 1      | Shri Rakesh Kumar Sabharwal | Director (Commercial) & Addl. Charge Chairman & Managing Director - Chairman |
| 2      | Shri M. Arulmurugan         | Non-official Independent Director- Member                                    |
| 3      | Shri Sunil Bhatia           | Director (Finance) -Member                                                   |
| 4      | Shri Ashok Kumar Kalra      | Director (HR)-Member                                                         |

### 3. Provide the web link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

The web link for EIL's CSR projects or programs and CSR Policy is as below:

<https://engineersindia.com/sustainability/corporate-social-responsibility>

Web-link for composition of CSR Committee is as below:

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

### 4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Impact assessment was not envisaged in FY 2020-21, hence not undertaken.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

No amount available for set off in pursuance of sub-rule (3) of rules 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 or amount required to be set off for the financial year.

### 6. Average net profit of the Company as per section 135 (5)

Average net profit for last three preceding FYs i.e. 2017-18, 2018-19 & 2019-20 was ₹ 59704.89 Lakh.

### 7. (a) Two percent of the average net profit of the Company as per section 135 (5)

₹ 1194.10 Lakh

### (b) Surplus arising out of the CSR projects or programme or activities of the previous financial years

No surplus arose out of the CSR projects or programme or activities of the previous financial years

### (c) Amount required to be set off for the financial year, if any

No amount is available to be set off for the financial year.

### (d) Total CSR obligation for the financial year (7a+7b-7c)

₹ 1194.10 Lakh

### 8. CSR amount spent or unspent for the financial year:

#### (a) Amount Unspent

| Amount Unspent (in ₹ Lakh)                            |                                                                                   |                                                                                                                   |                  |        |                  |
|-------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------|--------|------------------|
| Total Amount Spent for the Financial Year (in ₹ Lakh) | Total Amount transferred to Unspent CSR Account as per section 135(6) (in ₹ Lakh) | Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5) (in ₹ Lakh) |                  |        |                  |
|                                                       | Amount                                                                            | Date of transfer                                                                                                  | Name of the fund | Amount | Date of transfer |
| 1264.65                                               | 1350.75                                                                           | 30.4.2021                                                                                                         | -                | -      | -                |

**(b) Details of CSR amount spent against ongoing projects for the financial year**

| (1)     | (2)                                                                                                                                                                                    | (3)                                                         | (4)                  | (5)                       |                                                                                                                                                                                                                                  | (6)              | (7)                                          | (8)                                                    | (9)                                                                                         | (10)                                     | (11)                                                |                         |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------|
| Sl. No. | Name of Project                                                                                                                                                                        | Item from the list of activities in Schedule VII to the Act | Local area (Yes /No) | Location of the project   |                                                                                                                                                                                                                                  | Project Duration | Amount allocated for the project (in ₹ Lakh) | Amount spent in the current financial year (in ₹ Lakh) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency |                         |
|         |                                                                                                                                                                                        |                                                             |                      | State                     | District                                                                                                                                                                                                                         |                  |                                              |                                                        |                                                                                             |                                          | Name                                                | CSR registration number |
| 1       | Support for construction of additional infrastructure in Govt Schools.                                                                                                                 | 'promoting education' (Item no. (ii) of Schedule VII)       | No                   | Assam                     | Darrang                                                                                                                                                                                                                          | 3 years          | 111.20                                       | 26.69                                                  | 57.82                                                                                       | No                                       | District Administration Darrang                     | -                       |
| 2       | Support for construction of additional classrooms in 2 Govt schools                                                                                                                    | 'promoting education' (Item no. (ii) of Schedule VII)       | No                   | Puducherry                | Karaikal                                                                                                                                                                                                                         | 2 years          | 20.70                                        | 2.07                                                   | 18.63                                                                                       | No                                       | Directorate of School Education, Govt of Puducherry | -                       |
| 3       | 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)       | No                   | Odisha                    | Balangir                                                                                                                                                                                                                         | 5 years          | 47.15                                        | 0.00                                                   | 33.12                                                                                       | No                                       | State Project Director Odisha                       |                         |
| 4       | Maintenance of toilets constructed by EIL in Govt schools as part of Swachh Vidyalaya Abhiyan                                                                                          | 'promoting education' (Item no. (ii) of Schedule VII)       | No                   | 1) Assam<br>2) Tamil Nadu | 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 | 5 years          | 198.90                                       | 0.00                                                   | 110.64                                                                                      | No                                       | State Project Director Assam and Tamil Nadu         |                         |



| (1)     | (2)                                                                                | (3)                                                                                                                           | (4)                  | (5)                     |                | (6)              | (7)                                          | (8)                                                    | (9)                                                                                         | (10)                                     | (11)                                                |                         |
|---------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|----------------|------------------|----------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------|
| Sl. No. | Name of Project                                                                    | Item from the list of activities in Schedule VII to the Act                                                                   | Local area (Yes /No) | Location of the project |                | Project Duration | Amount allocated for the project (in ₹ Lakh) | Amount spent in the current financial year (in ₹ Lakh) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency |                         |
|         |                                                                                    |                                                                                                                               |                      | State                   | District       |                  |                                              |                                                        |                                                                                             |                                          | Name                                                | CSR registration number |
| 5       | 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) | No                   | Odisha                  | Bhubaneswar    | 5 years          | 125.00                                       | 25.00                                                  | 25.00                                                                                       | No                                       | Skill Development Institute, Bhubaneswar            | -                       |
| 6       | 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) | Yes                  | Andhra Pradesh          | Vishakhapatnam | 5 years          | 125.00                                       | 25.00                                                  | 25.00                                                                                       | No                                       | Skill Development Institute, Vishakhapatnam         |                         |
| 7       | 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) | Yes                  | Kerala                  | Kochi          | 5 years          | 125.00                                       | 25.00                                                  | 25.00                                                                                       | No                                       | Skill Development Institute, Kochi                  | -                       |
| 8       | 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) | No                   | Uttar Pradesh           | Raebareli      | 5 years          | 125.00                                       | 25.00                                                  | 50.00                                                                                       | No                                       | Skill Development Institute, Raebareli              | -                       |



| (1)     | (2)                                                                                                                                                    | (3)                                                                                                                           | (4)                  | (5)                     |               | (6)              | (7)                                          | (8)                                                    | (9)                                                                                         | (10)                                     | (11)                                                         |                         |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|---------------|------------------|----------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------|-------------------------|
| Sl. No. | Name of Project                                                                                                                                        | Item from the list of activities in Schedule VII to the Act                                                                   | Local area (Yes /No) | Location of the project |               | Project Duration | Amount allocated for the project (in ₹ Lakh) | Amount spent in the current financial year (in ₹ Lakh) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency          |                         |
|         |                                                                                                                                                        |                                                                                                                               |                      | State                   | District      |                  |                                              |                                                        |                                                                                             |                                          | Name                                                         | CSR registration number |
| 9       | 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) | Yes                  | Assam                   | Guwahati      | 5 years          | 125.00                                       | 25.00                                                  | 50.00                                                                                       | No                                       | Skill Development Institute, Guwahati                        | —                       |
| 10      | 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) | Yes                  | Gujarat                 | Ahmedabad     | 5 years          | 125.00                                       | 25.00                                                  | 75.00                                                                                       | No                                       | Skill Development Institute, Ahmedabad                       | —                       |
| 11      | Support for extending eye-ailment healthcare services to poor & needy by conducting 600 cataract operations & distribution of spectacles and medicines | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | No                   | Uttar Pradesh           | Shahjahan pur | 2 years          | 22.30                                        | 2.23                                                   | 20.07                                                                                       | No                                       | Anugraha Drishtidaan                                         | —                       |
| 12      | Support for restoration of an ancient water body of Gauri Kund in Bilond Village                                                                       | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | No                   | Rajasthan               | Bharatpur     | 2 years          | 96.22                                        | 52.92                                                  | 43.30                                                                                       | No                                       | The Braj Foundation                                          | —                       |
| 13      | Support for conducting Fifteen Camps (Assessment and Distribution) for distribution of assistive aids &                                                | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | No                   | PAN India               | PAN India     | 3 years          | 600.00                                       | 296.84                                                 | 243.76                                                                                      | No                                       | Artificial Limbs Manufacturing Corporation of India (ALIMCO) | —                       |



| (1)     | (2)                                                                                                                                                                                                                                                                                                                                                  | (3)                                                              | (4)                 | (5)                     |              | (6)              | (7)                                          | (8)                                                    | (9)                                                                                         | (10)                                     | (11)                                                               |                         |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------|-------------------------|--------------|------------------|----------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------|-------------------------|
| Sl. No. | Name of Project                                                                                                                                                                                                                                                                                                                                      | Item from the list of activities in Schedule VII to the Act      | Local area (Yes/No) | Location of the project |              | Project Duration | Amount allocated for the project (in ₹ Lakh) | Amount spent in the current financial year (in ₹ Lakh) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency               |                         |
|         |                                                                                                                                                                                                                                                                                                                                                      |                                                                  |                     | State                   | District     |                  |                                              |                                                        |                                                                                             |                                          | Name                                                               | CSR registration number |
|         | appliances to poor & needy Persons with Disabilities (PwDs).                                                                                                                                                                                                                                                                                         |                                                                  |                     |                         |              |                  |                                              |                                                        |                                                                                             |                                          |                                                                    |                         |
| 14      | Support for identification and treatment of 375 no. of children with Clubfoot.                                                                                                                                                                                                                                                                       | 'promoting preventive healthcare' (Item no. (i) of Schedule VII) | No                  | Bihar                   | Gaya & Patna | 2 years          | 24.37                                        | 2.44                                                   | 21.93                                                                                       | No                                       | Cure International India Trust                                     | —                       |
| 15      | Support for procurement of medical equipments for Dept of Anesthesiology, Ear Nose Throat, Radio Diagnosis & Urology at Indira Gandhi Medical College & Research Institute, Puducherry                                                                                                                                                               | 'promoting preventive healthcare' (Item no. (i) of Schedule VII) | No                  | Puducherry              | Puducherry   | 2 years          | 203.05                                       | 20.31                                                  | 182.74                                                                                      | No                                       | Perunthalaivar Kamaraj Medical College Society (PKMCS)             | —                       |
| 16      | Support for establishment of Model Anganwadi Centres by providing basic infrastructure with 'Nutri Garden, Supply of kitchenware, supply & installation of LPG with all accessories including Bhattichula with Regulator & Hose (5ft.) and supply of Kent Gold+ 20 ltrs. with UF Membrane (Water Purifier) to 140 nos. of existing Anganwadi Centres | 'promoting preventive healthcare' (Item no. (i) of Schedule VII) | No                  | Assam                   | Dhubri       | 3 years          | 409.71                                       | 40.97                                                  | 368.74                                                                                      | No                                       | Office of the Deputy Commissioner, Dhubri District, Govt. of Assam | —                       |
|         | <b>Total</b>                                                                                                                                                                                                                                                                                                                                         |                                                                  |                     |                         |              |                  |                                              | <b>594.47</b>                                          |                                                                                             |                                          |                                                                    |                         |

## (c) Details of CSR amount spent against other than ongoing projects for the financial year

| (1)     | (2)                                                                                                                                                                                                            | (3)                                                                                                                           | (4)                  | (5)                                                                                                                                                                   |                                                                                                                                             | (6)                                      | (7)                                      | (8)                                                                  |                         |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|----------------------------------------------------------------------|-------------------------|
| Sl. No. | Name of Project                                                                                                                                                                                                | Item from the list of activities in Schedule VII to the Act                                                                   | Local area (Yes /No) | Location of the project                                                                                                                                               |                                                                                                                                             | Amount spent for the project (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency                  |                         |
|         |                                                                                                                                                                                                                |                                                                                                                               |                      | State                                                                                                                                                                 | District                                                                                                                                    |                                          |                                          | Name                                                                 | CSR registration number |
| 1       | Support for setting up of 100 nos. of individual toilet facility                                                                                                                                               | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | No                   | Uttarakhand                                                                                                                                                           | Haridwar                                                                                                                                    | 60.20                                    | No                                       | Sustainable Actions Towards Human Empowerment (SATHEE)               | —                       |
| 2       | Support for installation of Sanitary Napkin Vending and Incineration units in 10 village-based Girls Secondary Schools                                                                                         | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | Yes                  | Uttar Pradesh                                                                                                                                                         | Noida & Greater Noida                                                                                                                       | 3.60                                     | No                                       | Roshni                                                               |                         |
| 3       | Support for conducting 12 no. of 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)                                                              | No                   | Uttarakhand                                                                                                                                                           | Haridwar                                                                                                                                    | 9.93                                     | No                                       | ROKO Cancer Charitable Trust                                         | —                       |
| 4       | 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)                                                              | Yes                  | West Bengal                                                                                                                                                           | Kolkata                                                                                                                                     | 1.13                                     | No                                       | Indian Association for Blood Cancer & Allied Diseases                | —                       |
| 5       | Support for conducting residential Skill Development Training Programme (SDTP) of 1000 candidates from backward classes                                                                                        | 'promoting education, including special education and employment enhancing vocational skills' (Item no. (ii) of Schedule VII) | No                   | 1) Andhra Pradesh<br>2) Bihar<br>3) Gujarat<br>4) Haryana<br>5) Himachal Pradesh<br>6) Kerala<br>(7) Maharashtra<br>8) Rajasthan<br>9) Telangana<br>10) Uttar Pradesh | 1) Vijayawada<br>2) Hajipur<br>3) Valsad<br>4) Murthal<br>5) Baddi<br>6) Kochi<br>7) Aurangabad<br>8) Jaipur<br>9) Hyderabad<br>10) Lucknow | 103.49                                   | No                                       | National Backward Classes Finance & Development Corporation (NBCFDC) | —                       |
| 6       | Support for conducting ten Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs).                                               | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | No                   | 1) Rajasthan<br>2) Karnataka<br>3) Delhi<br>4) Kerala<br>5) West Bengal<br>6) Maharashtra<br>7) Himachal Pradesh<br>8) Odisha                                         | 1) Udaipur & Kota<br>2) Udupi<br>3) Delhi<br>4) Kochi<br>5) Haldia<br>6) Ratnagiri<br>7) Dharamshala<br>8) Cuttak & Bargarh                 | 24.78                                    | No                                       | Artificial Limbs Manufacturing Corporation of India (ALIMCO)         | —                       |
| 7       | Support for procurement of 30 no. of Medical Beds and Electrical Lift in the campus of The Earth Saviours Foundation                                                                                           | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                              | Yes                  | Haryana                                                                                                                                                               | Gurugram                                                                                                                                    | 23.74                                    | No                                       | The Earth Saviours Foundation                                        | —                       |



| (1)     | (2)                                                                                | (3)                                                                                                                                                                                                             | (4)                  | (5)                     |          | (6)                                      | (7)                                      | (8)                                                                                         |                         |
|---------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|----------|------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------|
| Sl. No. | Name of Project                                                                    | Item from the list of activities in Schedule VII to the Act                                                                                                                                                     | Local area (Yes /No) | Location of the project |          | Amount spent for the project (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency                                         |                         |
|         |                                                                                    |                                                                                                                                                                                                                 |                      | State                   | District |                                          |                                          | Name                                                                                        | CSR registration number |
| 8       | Support to providing bike ambulances to extend healthcare services to poor & needy | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)                                                                                                                                                | No                   | Assam                   | Dhubri   | 2.21                                     | No                                       | District Administration Dhubri                                                              | —                       |
| 9       | Reward for exemplary services to COVID Warriors                                    | Ex-gratia payment made to temporary / casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19                                            | —                    | —                       | —        | 16.10                                    | Yes                                      | EIL-Inhouse                                                                                 | —                       |
| 10      | Contribution to PM Cares Fund                                                      | 'promoting preventive healthcare' (Item no. (i) of Schedule VII)<br>'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) | —                    | —                       | —        | 350.00                                   | No                                       | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND) | —                       |



| (1)          | (2)                                                | (3)                                                                                                                                                                                                                                            | (4)                  | (5)                     |          | (6)                                      | (7)                                      | (8)                                                                                                          |                         |
|--------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|----------|------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------|
| Sl. No.      | Name of Project                                    | Item from the list of activities in Schedule VII to the Act                                                                                                                                                                                    | Local area (Yes /No) | Location of the project |          | Amount spent for the project (in ₹ Lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency                                                          |                         |
|              |                                                    |                                                                                                                                                                                                                                                |                      | State                   | District |                                          |                                          | Name                                                                                                         | CSR registration number |
| 11           | Contribution to Armed Forces Flag Day Fund (AFFDF) | Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows (Item no. (vi) of Schedule VII) | –                    | –                       | –        | 75.00                                    | No                                       | Armed Forces Flag Day Fund (AFFDF), C/o Secretary, Kendriya Sainik Board Ministry of Defence, Govt. Of India | –                       |
| <b>Total</b> |                                                    |                                                                                                                                                                                                                                                |                      |                         |          | <b>670.18</b>                            |                                          |                                                                                                              |                         |



**(d) Amount spent in Administrative Overheads**

No amount was spent on administrative overheads in FY 2020-21.

**(e) Amount spent on Impact Assessment, if applicable**

No amount was spent on Impact Assessment in FY 2020-21.

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**

8b- ₹ 594.47 Lakh

8c- ₹ 670.18 Lakh

8d- Nil

8e- Nil

Total: ₹ 1264.65 Lakh

**(g) Excess amount for set off, if any**

| Sl.No. | Particular                                                                                              | Amount<br>(in ₹) |
|--------|---------------------------------------------------------------------------------------------------------|------------------|
| (i)    | Two percent of average Net Profit of the Company as per section 135 (5)                                 | 1194.10          |
| (ii)   | Total amount spent for the Financial Year                                                               | 1264.65          |
| (iii)  | Excess amount spent for the financial year [(ii)-(i)]                                                   | 70.55            |
| (iv)   | Surplus arising out of the CSR projects or programmes activities of the previous financial year, if any | Nil              |
| (v)    | Amount available for set off in succeeding financial years [(iii)-(iv)]                                 | Nil              |

\*Excess amount has been spent from the ongoing projects from previous years. Hence the amount for set off is "NIL"

**9 (a) Details of Unspent CSR amount for the preceding three financial years**

| Sl. No. | Preceding financial year | Amount transferred to Unspent CSR Account under Section 135(6) (in ₹) | Amount spent in the reporting financial year (in ₹) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any |               |                  | Amount remaining to spent in succeeding financial years (in ₹) |
|---------|--------------------------|-----------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------|---------------|------------------|----------------------------------------------------------------|
|         |                          |                                                                       |                                                     | Name of the fund                                                                          | Amount (in ₹) | Date of transfer |                                                                |
|         |                          |                                                                       |                                                     |                                                                                           |               |                  |                                                                |

Reply: Not applicable for preceding three financial years i.e. 2017-18, 2018-19 & 2019-20. However, cumulative unspent amount worth ₹ 1350.75 Lakh from all the previous years was transferred to the Unspent CSR Account in April 2021. The details of unspent CSR amount for the preceding three financial years shall be reported in subsequent financial years.

**9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)**

| (1)     | (2)         | (3)                                                                                                                                                                  | (4)                                               | (5)              | (6)                                                | (7)                                                                     | (8)                                                                            | (9)                                       |
|---------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------|----------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------|
| Sl. No. | Project ID. | Name of the project                                                                                                                                                  | Financial year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹ Lakh) | Amount spent on the project in the reporting financial year (in ₹ Lakh) | Cumulative amount spent at the end of the reporting financial year (in ₹ Lakh) | Status of the project- Completed/ Ongoing |
| 1       | –           | Support for conducting ten Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs).     | 2016-17                                           | 4 years          | 400.00                                             | 24.78                                                                   | 340.89                                                                         | Completed                                 |
| 2       | –           | Contribution to operational funding of Skill Development Institute, Bhubaneswar                                                                                      | 2017-18                                           | 5 years          | 125.00                                             | 25.00                                                                   | 100.00                                                                         | Ongoing                                   |
| 3       | –           | Contribution to operational funding of Skill Development Institute, Vishakhapatnam                                                                                   | 2017-18                                           | 5 years          | 125.00                                             | 25.00                                                                   | 100.00                                                                         | Ongoing                                   |
| 4       | –           | Contribution to operational funding of Skill Development Institute, Kochi                                                                                            | 2017-18                                           | 5 years          | 125.00                                             | 25.00                                                                   | 100.00                                                                         | Ongoing                                   |
| 5       | –           | Contribution to operational funding of Skill Development Institute, Raebareli                                                                                        | 2018-19                                           | 5 years          | 125.00                                             | 25.00                                                                   | 75.00                                                                          | Ongoing                                   |
| 6       | –           | Contribution to operational funding of Skill Development Institute, Guwahati                                                                                         | 2018-19                                           | 5 years          | 125.00                                             | 25.00                                                                   | 75.00                                                                          | Ongoing                                   |
| 7       | –           | Contribution to operational funding of Skill Development Institute, Ahmedabad                                                                                        | 2018-19                                           | 5 years          | 125.00                                             | 25.00                                                                   | 50.00                                                                          | Ongoing                                   |
| 8       | –           | Support for conducting residential Skill Development Training Programme (SDTP) of 1000 candidates from backward classes                                              | 2018-19                                           | 3 years          | 480.00                                             | 103.49                                                                  | 453.60                                                                         | Completed                                 |
| 9       | –           | Support for construction of additional infrastructure in Govt Schools. In association with District Administration Darrang                                           | 2019-20                                           | 3 years          | 111.20                                             | 26.69                                                                   | 53.38                                                                          | Ongoing                                   |
| 10      | –           | Support for restoration of an ancient water body of Gauri Kund in Bilond Village                                                                                     | 2019-20                                           | 2 years          | 96.22                                              | 52.92                                                                   | 52.92                                                                          | Ongoing                                   |
| 11      | –           | Support for conducting Fifteen Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs). | 2019-20                                           | 3 years          | 600.00                                             | 296.84                                                                  | 356.24                                                                         | Ongoing                                   |



| (1)     | (2)          | (3)                                                                                                                                                                                                            | (4)                                               | (5)              | (6)                                                | (7)                                                                     | (8)                                                                            | (9)                                       |
|---------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------|----------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------|
| Sl. No. | Project ID.  | Name of the project                                                                                                                                                                                            | Financial year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹ Lakh) | Amount spent on the project in the reporting financial year (in ₹ Lakh) | Cumulative amount spent at the end of the reporting financial year (in ₹ Lakh) | Status of the project- Completed/ Ongoing |
| 12      | —            | Support for conducting 12 no. of camps for awareness, screening and detection of anaemia and malnutrition and distribution of Govt. Approved health supplements to the identified needy cases                  | 2019-20                                           | 2 years          | 12.41                                              | 9.93                                                                    | 12.41                                                                          | Completed                                 |
| 13      | —            | Support for setting up of 100 nos. of individual toilet facility                                                                                                                                               | 2019-20                                           | 2 years          | 120.41                                             | 60.21                                                                   | 120.41                                                                         | Completed                                 |
| 14      | —            | Provided support to Roshni Sanstha for installation of Sanitary Napkin Vending and Incineration units in 10 village-based Girls Secondary Schools                                                              | 2019-20                                           | 2 years          | 7.20                                               | 3.60                                                                    | 7.20                                                                           | Completed                                 |
| 15      | —            | 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 | 2019-20                                           | 2 years          | 22.68                                              | 1.13                                                                    | 22.68                                                                          | Completed                                 |
|         | <b>Total</b> |                                                                                                                                                                                                                |                                                   |                  |                                                    | <b>729.59</b>                                                           |                                                                                |                                           |

**10. In case of creation or acquisition of Capital Asset, furnish the details of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)**

- Date of creation or acquisition of the Capital Asset(s)**
- Amount of CSR spent for creation or acquisition of Capital Asset**
- Details of the entity or public authority or beneficiary under whose name such Capital Asset is registered their address etc.**
- Provide details of the Capital Asset(s) created or acquired (including complete address and location of the capital asset)**

No Capital Asset was directly created or acquired by EIL itself. CSR projects for construction of Capital Assets were undertaken by EIL in association with implementing agencies.

**11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135 (5).**

Not applicable

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

**R.K. Sabharwal**  
Chairman - CSR Committee

Place : New Delhi  
Date : 08.06.2021

## 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 arms length transaction under third proviso thereto.

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

| SL. No. | Particulars                                                                                                       | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)      | Name (s) of the related party & nature of relationship                                                            | CERTIFICATION ENGINEERS INTERNATIONAL LTD (CEIL)<br><br>100% Subsidiary                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| b)      | Nature of contracts/arrangements/transaction                                                                      | Leasing of office to CEIL at EIB Kharghar Navi Mumbai.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| c)      | Duration of the contracts/arrangements/transaction                                                                | Contract shall be for 3 years with provision for extension for two further terms of 3 years .                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any                         | Monthly rent as per market rate prevalent at Kharghar Navi Mumbai shall be charge from CEIL by EIL, for leasing office area of 9488 sqft at EIB Kharghar Navi Mumbai. However, no rent shall be charged by EIL from CEIL for Its premises in kharghar, Mumbai till such time the premises of CEIL in CBD Belapur is rented out.<br><br>The utility and operational charges at Engineers India Bhavan, Plot No. 85, Sector 11, Kharghar, Navi Mumbai, Raigad District – 410210 be paid proportionally by CEIL to EIL on actuals. |
| e)      | Justification for entering into such contracts or arrangements or transactions'                                   | The proposal for shifting CEIL to EIB Kharghar from its own premises in CBD Belapur Station was basically to provide more synergy between EIL & CEIL employees, improved brand image of EIL and CEIL by working in the brand new own premises, availability of space for future growth and expansion, etc .                                                                                                                                                                                                                     |
| f)      | Date of approval by the Board                                                                                     | 16.11.2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| g)      | Amount paid as advances, if any                                                                                   | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### 2. Details of material contracts or arrangements or transactions at Arm's length basis.-NIL



## Annexure to the Directors' Report

## 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 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
- Dividend Distribution Policy
- Risk Management Policy

### 2. Board of Directors :

#### (i) Composition of the Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas.

As at the end of March 31, 2021, your Company Board comprised 8 Directors represented by 5 Whole Time (Executive) Directors including Shri R K Sabharwal, Director (Commercial) holding the additional charge of C&MD w.e.f. 01.02.2021, 2 Part-time (Ex-officio) Directors (Government Directors) and 1 Non-Official Independent Director. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs stipulate that at least 50% of the Directors should be Independent Directors, where Chairman is Executive, thus, as on the date of reporting there is shortfall of 7 Non-official Independent Directors including Woman Independent Director. EIL has taken up the matter with the Government of India for nomination of 7 additional Independent Directors with at least one woman Independent Director, to fulfill the requirements under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors/KMP of the Company are related to each other and there are no inter-se relationships between the Directors/KMP. As on March 31, 2021, none of the Non-Executive Directors hold equity shares in the Company.

None of the Directors on the Board is a Director in more than 7 listed entities. None of the Non - Executive Directors is an Independent Director in more than 7 listed entities as required under the Listing Regulations. Further, the Chairman & Managing Director and Executive Directors do not serve as Independent Directors in any listed company. None of the Directors held Directorships in more than 20 companies, with more than 10 public limited companies. None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all Public Companies, in which he/ she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

All Directors are in compliance with the limit on Directorships/ Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.



## (ii) Number of Board Meetings

The Board of Directors met 7 times during the financial year 2020-2021. The details of said meetings along with Board strength and actual in attendance is given below. Video conferencing facility is used to facilitate Directors to participate in the meetings.

| S. No. | Date of Meeting   | Place     | Board Strength | No. of Directors present |
|--------|-------------------|-----------|----------------|--------------------------|
| 1.     | June 25, 2020     | New Delhi | 11             | 11                       |
| 2.     | August 13, 2020   | New Delhi | 11             | 11                       |
| 3.     | November 12, 2020 | New Delhi | 9              | 9                        |
| 4.     | November 16, 2020 | New Delhi | 9              | 9                        |
| 5.     | January 28, 2021  | New Delhi | 9              | 9                        |
| 6.     | February 18, 2021 | New Delhi | 8              | 8                        |
| 7.     | March 11, 2021    | New Delhi | 8              | 8                        |

## (iii) Details of attendance of each Director at Board meetings and at the last year's Annual General meeting the number of Directorships and Committee Chairpersonships/Memberships held by them and Directorships held by them in other listed entities as on March 31, 2021.

| Name of the Director                                 | Attendance Particulars |                                                | Number of other Directorships / Committee Memberships / Chairmanships |                                       |                                         | Other listed entity where Directors of the Company held Directorship |                     |
|------------------------------------------------------|------------------------|------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------|-----------------------------------------|----------------------------------------------------------------------|---------------------|
|                                                      | Board Meetings         | Last Annual General Meeting held on 28.09.2020 | Other Directorships                                                   | Committee Memberships (Including EIL) | Committee Chairmanships (Including EIL) | Name of the Listed Entity                                            | Category            |
| <b>A) Chairman and Managing Director (Executive)</b> |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| Shri R. K. Sabharwal <sup>*1</sup>                   | 7                      | No                                             | 1                                                                     | -                                     | -                                       | -                                                                    | -                   |
| <b>B) Executive Directors (Functional)</b>           |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| <b>I) Present Directors</b>                          |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| Shri Sunil Bhatia                                    | 7                      | Yes                                            | 2                                                                     | 2                                     | -                                       | -                                                                    | -                   |
| Shri S. K. Handa                                     | 7                      | Yes                                            | -                                                                     | 1                                     | -                                       | -                                                                    | -                   |
| Shri A.K. Kalra                                      | 7                      | Yes                                            | -                                                                     | 2                                     | -                                       | -                                                                    | -                   |
| Smt. Vartika Shukla <sup>*2</sup>                    | 6                      | Yes                                            | -                                                                     | -                                     | -                                       | -                                                                    | -                   |
| <b>II) Directors Retired</b>                         |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| Shri J. C. Nakra <sup>*3</sup>                       | 5                      | Yes                                            | -                                                                     | -                                     | -                                       | -                                                                    | -                   |
| Shri L. K. Vijh <sup>*4</sup>                        | 1                      | NA                                             | -                                                                     | -                                     | -                                       | -                                                                    | -                   |
| <b>C) Non-Executive Directors</b>                    |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| <b>I) Present Directors</b>                          |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| Shri B.N. Reddy                                      | 7                      | No                                             | 2                                                                     | 1                                     | 1                                       | -                                                                    | -                   |
| Shri Sunil Kumar                                     | 7                      | No                                             | 1                                                                     | 1                                     | -                                       | HPCL Limited                                                         | Government Director |
| Shri M. Arulmurugan                                  | 7                      | Yes                                            | -                                                                     | 2                                     | 2                                       | -                                                                    | -                   |
| <b>II) Directors Retired</b>                         |                        |                                                |                                                                       |                                       |                                         |                                                                      |                     |
| Shri Chaman Kumar <sup>*5</sup>                      | 2                      | NA                                             | -                                                                     | -                                     | -                                       | -                                                                    | -                   |
| Shri Rajesh Kumar Gogna <sup>*5</sup>                | 2                      | NA                                             | -                                                                     | -                                     | -                                       | -                                                                    | -                   |

### Note :

\* 1 Pursuant to the Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/1/2021-PNG (36731) dated 27<sup>th</sup> January, 2021, Shri R. K. Sabharwal, Director (Commercial) has been entrusted with additional charge of Chairman & Managing Director of the Company for a period of three months w.e.f. 01.02.2021 or until further orders, whichever is earlier. Further, the Ministry of Petroleum & Natural Gas, Government of India in the subsequent letter no. CA-31018/1/2021-PNG (36731) dated 25<sup>th</sup> March, 2021 has extended the additional charge of Chairman & Managing Director to Shri R. K. Sabharwal, Director (Commercial)



for a period w.e.f. 01.05.2021 to 26.09.2021 or till the appointment of a regular incumbent to the post or until further orders, whichever is earliest.

- \*2. Smt. Vartika Shukla was appointed as Director (Technical) w.e.f. 01.08.2020 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter No. CA-31018/1/2019-PNG (28282) dated 17.04.2020.
- \*3. Shri J. C. Nakra ceased to be the Chairman & Managing Director of the Company w.e.f. 01.02.2021 due to his retirement on attaining the age of superannuation on 31.01.2021.
- \*4. Shri L. K. Vijh ceased to be the Director (Technical) of the Company w.e.f. 01.08.2020 due to his retirement on attaining the age of superannuation on 31.07.2020.
- \*5. Shri Chaman Kumar and Shri Rajesh Kumar Gogna ceased to be Non-official Independent Directors of the Company w.e.f. 08.09.2020.

**(iv) Chart/ Matrix setting out the skills/expertise/competence of the Board**

The Company 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 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 separately any such core skills or expertise or competency required by a Director and those are available as required under Listing Regulations. However, the Company has duly approved Board Diversity Policy as per Listing Regulations.

**(v) 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 any two meetings generally do not exceed three months. The agenda for the meetings are 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.

The Company Secretary tracks and monitors Board and Committee proceedings to ensure that the Terms of Reference /Charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The Terms of Reference/ Charters are reviewed and updated from time to time in order to keep the functions and role of the Board and Committees at par with the changing statutes. 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.

**(vi) 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 which includes the duties of Independent Directors as laid down in the Act. 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, 2021.

Place: New Delhi

Date: 08.06.2021

**(R. K. Sabharwal)**

Director (Commercial) and

Addl. Charge-Chairman & Managing Director

The Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large for the FY 2021-22.

**(vii) Independent Directors & Separate meeting of Independent Directors**

The Company has received declaration from the Independent Director confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Director has confirmed that he is not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The Board is of the opinion that the Independent Directors fulfill the conditions specified in the Act and the Listing Regulations and that he is independent of the management. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Director has confirmed that he has enrolled himself in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company generally conducts a separate meeting of Independent Directors in the last quarter of every financial year. During the currency of financial year, two Independent Directors were ceased on completion of their term, which eventually left with only one Independent Director on its Board. Since no fresh Independent Directors were appointed by the Govt. of India till date, in view of same, the Company could not hold the meeting of Independent Directors during FY 2020-21.

#### (viii) Familiarisation Programme for Board Members

The Company has a well defined Training Policy for training of Board Members which, inter-alia, include the various familiarisation programmes in respect of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Further, the same is also taken care during the various Strategy Meets of the Company and different presentations on the statutory Laws in the Board/Committee Meetings. 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 familiarisation programmes/ Training Policy have also been posted on the website of the Company at <http://engineersindia.com/Investors/corporate-governance>.

#### (ix) 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 31.03.2021, the Audit Committee comprises of Shri M. Arulmurugan, Non-official Independent Director as Chairman and Shri S.K. Handa, Director (Projects) and Shri A. K. Kalra, Director (HR) as members of the Committee. The Committee was reconstituted during the year due to the following:-

- Shri Chaman Kumar and Shri Rajesh Kumar Gogna, Non-official Independent Directors ceased to be members w.e.f. 08.09.2020.
- Shri M. Arulmurugan was inducted as Chairman and Shri A K Kalra, Director (HR) was inducted as member w.e.f. 08.09.2020.

As on 31.03.2021, the composition of the Committee is not in conformity as per the requirements of SEBI (LODR) Regulation, 2015/Companies Act, 2013, on account of shortfall of Independent Directors on the Board. Accordingly, on receipt of nomination from the Govt. of India, the Committee will be reconstituted after inducing requisite number of Independent Directors as Members.

The Audit Committee met four (4) times during the Financial Year 2020-21 and the gap between any two meetings did not exceed 120 days. The dates on which Audit Committee meetings were held and the attendance of the Members in these meetings are given below:

| S. No. | Date of the Meeting | Name of the Members     | Category                                     | Attendance |
|--------|---------------------|-------------------------|----------------------------------------------|------------|
| 1.     | 25.06.2020          | Shri Chaman Kumar       | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Rajesh Kumar Gogna | Non Official Independent Director            | Present    |
|        |                     | Shri S. K. Handa        | Director (Projects)                          | Present    |
| 2.     | 13.08.2020          | Shri Chaman Kumar       | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Rajesh Kumar Gogna | Non Official Independent Director            | Present    |
|        |                     | Shri S. K. Handa        | Director (Projects)                          | Present    |
| 3.     | 12.11.2020          | Shri M. Arulmurugan     | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri S. K. Handa        | Director (Projects)                          | Present    |
|        |                     | Shri A. K. Kalra        | Director (HR)                                | Present    |
| 4.     | 28.01.2021          | Shri M. Arulmurugan     | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri S. K. Handa        | Director (Projects)                          | Present    |
|        |                     | Shri A. K. Kalra        | Director (HR)                                | 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:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation to the Board, the fixation of Audit fees payable to Statutory Auditors appointed by C&AG;
3. Recommendation to the Board, the appointment of Cost Auditors of the Company and fixation of their Cost Audit Fees;
4. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;



5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgement by Management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. 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 utilisation 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. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with Internal Auditors and/or auditors of any significant findings and follow up thereon;
15. 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;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. To review the follow-up action on the audit observations of C&AG Audit;
20. To review the follow-up action taken on the recommendation of Committee on Public Undertakings (COPU) of the Parliament;
21. Provide an open avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors;
22. 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;
23. Consider and review the following with the Independent Auditor and the Management:
  - The adequacy of internal controls including computerised information system controls and security, and
  - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with the Management responses.
24. 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 Officer/Chief Financial Officer.
  - g. Statement of deviations:
    - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.
    - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.
25. Approval or any subsequent modification of transactions of the Company with related parties.
26. To grant omnibus approval for related party transactions, subject to applicable provisions under Companies Act/Listing Regulations, and to review at least on quarterly basis the details of related party transactions entered pursuant to omnibus approval.

27. 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;
28. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
29. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision
30. To perform the role as defined in the code of conduct to regulate, monitor and report trading by insiders of the Company.
31. To review the financial statements, in particular, the investments made by the unlisted subsidiary.
32. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
33. 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. **Nomination and Remuneration Committee**

The Company has a Nomination and Remuneration Committee (NRC) that 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.

##### (i) **Scope & Authority**

The scope of the Nomination and Remuneration Committee is as under:-

- a) Issues relating to pay and perks prior to consideration by the Board.
- b) Deliberate and decide on Performance Related Pay (PRP) pool and policy of distribution of PRP to employees.
- c) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- d) Formulation of criteria for evaluation of Independent Directors and the Board;
- e) Devising a policy on Board diversity;
- f) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal to enable succession planning for the Company.
- g) Recommend to the Board, all remuneration, in whatever form, payable to employees.
- h) To decide issues like ESOP schemes, Performance Incentive Schemes, Superannuation Benefits and any other Fringe Benefits which may be considered appropriate.

##### (ii) **Composition of the Committee and Attendance at meetings during the year**

As on 31.03.2021, the Nomination and Remuneration Committee comprises Shri M. Arulmurugan, Non-official Independent Director as Chairman, Shri B. N. Reddy and Shri Sunil Kumar, Directors (Government Nominee) as the members of the Committee. The Committee was reconstituted during the year due to the following reasons:

- Shri Chaman Kumar and Shri Rajesh Kumar Gogna ceased to be members w.e.f. 08.09.2020.
- Shri B. N. Reddy and Shri Sunil Kumar, Directors (Government Nominees) were inducted as members w.e.f. 08.09.2020.

As on 31.03.2021, the composition of the Committee is not in conformity as per the requirements of SEBI (LODR) Regulation, 2015/Companies Act, 2013, on account of shortfall of Independent Directors on the Board. Accordingly, on receipt of nomination from Govt. of India, Nomination and Remuneration Committee will be reconstituted after inducting the requisite number of Independent Directors as Members.

The NRC met two times during the Financial Year 2020- 21 i.e., on June 24, 2020 and August 7, 2020. The details of meetings held during the financial year 2020-2021 and the attendance of the Members is given below:

| S. No. | Date of the Meeting | Name of the Members     | Category                                     | Attendance |
|--------|---------------------|-------------------------|----------------------------------------------|------------|
| 1.     | 24.06.2020          | Shri M. Arulmurugan     | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Chaman Kumar       | Non Official Independent Director            | Present    |
|        |                     | Shri Rajesh Kumar Gogna | Non Official Independent Director            | Present    |
| 2.     | 07.08.2020          | Shri M. Arulmurugan     | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Chaman Kumar       | Non Official Independent Director            | Present    |
|        |                     | Shri Rajesh Kumar Gogna | Non Official Independent Director            | Present    |





### (iii) Performance Evaluation

EIL being a Government Company, the performance evaluation of the Directors is carried out by the Administrative Ministry (Ministry of Petroleum & Natural Gas), Government of India, as per applicable Government guidelines. However, inputs on performance of Independent Directors are being provided to administrative Ministry as well as Department of Public Enterprises (DPE) as and when called for.

### (iv) 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 details of remuneration paid to the Functional Directors during the financial year ended March 31, 2021 are as under:

(Amount in ₹)

| S. No | Name of Director                        | Gross Salary | Other Benefits | Performance Related Pay/ Productivity Linked Reward | Stock Options during the year 2020-21 | Total     |
|-------|-----------------------------------------|--------------|----------------|-----------------------------------------------------|---------------------------------------|-----------|
| 1.    | Shri J.C. Nakra (upto 31.01.2021)       | 36,85,851    | 8,89,300       | 2,98,252                                            | Nil                                   | 48,73,403 |
| 2.    | Shri Rakesh Kumar Sabharwal             | 44,84,185    | 9,54,002       | 2,51,354                                            | Nil                                   | 56,89,541 |
| 3.    | Shri L.K. Vijn (upto 31.07.2020)        | 16,80,383    | 4,52,577       | 81,508                                              | Nil                                   | 22,14,468 |
| 4.    | Shri Sunil Bhatia                       | 36,72,020    | 7,22,899       | 1,68,976                                            | Nil                                   | 45,63,895 |
| 5.    | Shri Sanjeev Kumar Handa                | 44,30,362    | 8,19,333       | 2,33,986                                            | Nil                                   | 54,83,681 |
| 6.    | Shri A. K. Kalra                        | 41,81,663    | 8,01,178       | 1,71,691                                            | Nil                                   | 51,54,532 |
| 7.    | Smt. Vartika Shukla (w.e.f. 01.08.2020) | 29,69,218    | 6,45,828       | 1,18,095                                            | Nil                                   | 37,33,141 |

Details of payments towards sitting fees to Independent Directors during the financial year 2020-21 are given below:-

(Amount in ₹)

| Name of Non-official Independent Director    | Sitting Fees*   |                   | Total           |
|----------------------------------------------|-----------------|-------------------|-----------------|
|                                              | Board Meeting   | Committee Meeting |                 |
| 1. Shri Chaman Kumar (upto 07.09.2020)       | 50,000          | 1,60,000          | 2,10,000        |
| 2. Shri Rajesh Kumar Gogna (upto 07.09.2020) | 50,000          | 1,60,000          | 2,10,000        |
| 3. Shri M. Arulmurugan                       | 1,75,000        | 3,20,000          | 4,95,000        |
| <b>Total</b>                                 | <b>2,75,000</b> | <b>6,40,000</b>   | <b>9,15,000</b> |

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

## 5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations. As on March 31, 2021 the Committee comprises Shri M. Arulmurugan, Non-official Independent Director as Chairman, Shri A K Kalra, Director (HR) and Shri Sunil Bhatia, Director (Finance) as members of the Committee.

### (i) Terms of Reference

The role 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company 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 met 3 times during the year on 24.06.2020, 07.08.2020 and 27.01.2021. Details regarding number of meetings attended by each Director is given below:-

| S. No. | Date of the Meeting | Name of the Members | Category                                     | Attendance |
|--------|---------------------|---------------------|----------------------------------------------|------------|
| 1.     | 24.06.2020          | Shri M. Arulmurugan | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Present    |
|        |                     | Shri A. K. Kalra    | Director (HR)                                | Present    |
| 2.     | 07.08.2020          | Shri M. Arulmurugan | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Present    |
|        |                     | Shri A. K. Kalra    | Director (HR)                                | Present    |
| 3.     | 27.01.2021          | Shri M. Arulmurugan | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Absent     |
|        |                     | Shri A. K. Kalra    | Director (HR)                                | Present    |

**(ii) Compliance Officer**

Shri Narendra Kumar, Manager (CS), Compliance officer of the Company, is responsible for compliance under Listing Regulations executed with Stock Exchanges.

**(iii) Status of Investor Complaints**

|                                                           |     |
|-----------------------------------------------------------|-----|
| Complaints pending on 01.04.2020                          | NIL |
| Complaints received during the financial year 2020-21     | 43  |
| Complaints disposed off during the financial year 2020-21 | 43  |
| Complaints pending as on 31.03.2021                       | NIL |

**(iv) Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund:**

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 2012-13 (Final) and 2013-14 (Interim) have accordingly been transferred to Investor Education & Protection Fund (IEPF) on 26.10.2020 and 16.05.2021 respectively. Unpaid/ Unclaimed Dividend for the financial year 2013-2014 (final) is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on 27.09.2021 (tentative). The Company sends a communication to the concerned shareholders well in advance, advising them to lodge their claim with respect to unclaimed dividend and shares before it is due for transfer to IEPF. The subsequent due dates of transfer of unpaid/unclaimed dividend to IEPF for the respective financial years have been provided herein 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<br>(Tentative Date) |
|---------------------|---------------------------------|--------------------------------------------------------|
| 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                                             |
| 2019-2020 (Interim) | 05.02.2020                      | 04.03.2027                                             |
| 2019-2020 (Final)   | 28.09.2020                      | 27.10.2027                                             |
| 2020-21 (Interim)   | 11.03.2021                      | 10.04.2028                                             |



Further, pursuant to the requirement of section 124(6) of Companies Act, 2013 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/>.

## 6. Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013. The Board of Directors of the Company in its meeting held on 13.08.2020 has approved the renaming of CSR & SD Committee as CSR Committee. As on 31.03.2021, the CSR Committee comprises C&MD as Chairman, Shri M. Arulmurugan, Non-official Independent Director, Shri A K Kalra, Director (HR) and Shri Sunil Bhatia, Director (Finance) as the members of the Committee. Director (HR) is also the convener of this Committee. The Committee was reconstituted during the year due to the following reasons:

- Shri Sunil Bhatia, Director (Finance) and Shri M Arulmurugan, Non Official Independent Director were inducted as members w.e.f. 13.08.2020 & 08.09.2020 respectively.
- Shri Rajesh Kumar Gogna ceased to be member w.e.f. 08.09.2020.

### Terms of reference

The terms of reference of the CSR Committee are:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of the Companies Act, 2013;
- (b) Recommend the amount of expenditure (Annual Budget) to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (d) Approve the contribution on any projects/ activities as indicated at (b) above, having financial implication more than ₹ 25 lakhs.
- (e) Recommend to the Board, for inclusion of any activities/project which is not covered in the broad plan as approved by the Board.
- (f) Recommend to the Board, for approval for additional budget if expenditure exceeds the allocated amount against such projects/ activities

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The Annual Report on CSR activities for the Financial Year 2020-21 forms part of the Board's Report.

The Committee met 3 times during the year on 24.06.2020, 07.08.2020 and 27.01.2021. Details regarding number of meetings attended by each Director are given below:-

| S. No. | Date of the Meeting | Name of the Members        | Category                          | Attendance |
|--------|---------------------|----------------------------|-----------------------------------|------------|
| 1.     | 24.06.2020          | Shri Jagdish Chander Nakra | C&MD-Chairman                     | Present    |
|        |                     | Shri Rajesh Kumar Gogna    | Non Official Independent Director | Present    |
|        |                     | Shri A. K. Kalra           | Director (HR)                     | Present    |
| 2.     | 07.08.2020          | Shri Jagdish Chander Nakra | C&MD -Chairman                    | Present    |
|        |                     | Shri Rajesh Kumar Gogna    | Non Official Independent Director | Present    |
|        |                     | Shri A. K. Kalra           | Director (HR)                     | Present    |
| 3.     | 27.01.2021          | Shri Jagdish Chander Nakra | C&MD -Chairman                    | Present    |
|        |                     | Shri M Arulmurugan         | Non Official Independent Director | Present    |
|        |                     | Shri Sunil Bhatia          | Director (Finance)                | Present    |
|        |                     | Shri A. K. Kalra           | Director (HR)                     | Present    |

## 7. Risk Management Committee

Risk Management Committee is a key governing body of the Risk Management function at EIL. The Risk Management Committee (RMC) of the Board comprises 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 and monitoring of Risk Management policy, Risk Management Plan and Risk Management Process from time to time.

- Approve and inform the Board about Risk Identification, Assessment, Control and Mitigation Procedures.
- Review and monitor Cyber Security Risks.
- Review of Project Risk Management Plans.
- Review Reports periodically on Risk Management compliance verification and status of implementation.

The Committee guide Corporate Risk Assurance (CRA) group (a part of Company's Risk Organisational Structure) in integration of Enterprise 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 31.03.2021, the Risk Management Committee comprises Shri M. Arulmurugan, Non-official Independent Director as Chairman, Shri S K Handa, Director (Projects), Smt. Vartika Shukla, Director (Technical) and Shri Sunil Bhatia, Director (Finance), as members of the Committee. The Committee was reconstituted during the year due to the following reasons:

- Shri Chaman Kumar ceased to be the Chairman & member w.e.f. 08.09.2020.
- Shri M. Arulmurugan, the existing member, was appointed as Chairman w.e.f. 08.09.2020.
- Smt. Vartika Shukla, Director (Technical) inducted as member w.e.f. 01.08.2020 vice Shri L K Vijn.

The Committee met 4 times during the year on 24.06.2020, 07.08.2020, 11.11.2020 and 27.01.2021. Details regarding number of meetings attended by each Director is given below:-

| S. No. | Date of the Meeting | Name of the Members | Category                                     | Attendance |
|--------|---------------------|---------------------|----------------------------------------------|------------|
| 1.     | 24.06.2020          | Shri Chaman Kumar   | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri L.K. Vijn      | Director (Technical)                         | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Present    |
|        |                     | Shri S. K. Handa    | Director (Projects)                          | Present    |
| 2.     | 07.08.2020          | Shri Chaman Kumar   | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Present    |
|        |                     | Shri S. K. Handa    | Director (Projects)                          | Present    |
|        |                     | Smt. Vartika Shukla | Director (Technical)                         | Present    |
| 3.     | 11.11.2020          | Shri M. Arulmurugan | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Absent     |
|        |                     | Shri S. K. Handa    | Director (Projects)                          | Present    |
|        |                     | Smt. Vartika Shukla | Director (Technical)                         | Present    |
| 4.     | 27.01.2021          | Shri M. Arulmurugan | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Present    |
|        |                     | Shri S. K. Handa    | Director (Projects)                          | Present    |
|        |                     | Smt. Vartika Shukla | Director (Technical)                         | Present    |

## 8. Human Resource Committee

HR Committee has been constituted to deal with some specific HR issues including revision in HR Policies and Rules. As on 31.03.2021, the HR Committee comprises Shri R.K. Sabharwal, Director (Commercial) and Addl. Charge-C&MD as Chairman, Shri M. Arulmurugan, Non-official Independent Director, Smt. Vartika Shukla, Director (Technical), Shri Sunil Bhatia, Director (Finance), Shri S. K. Handa, Director (Projects) and Shri A. K. Kalra, Director (HR), as the members of the Committee. The Committee was reconstituted during the year due to the following reasons:

- Shri Chaman Kumar ceased to be member w.e.f. 08.09.2020.
- Smt. Vartika Shukla, Director (Technical) inducted as member w.e.f. 01.08.2020 vice Shri L K Vijn.



The Committee met 2 times during the year on 24.06.2020 and 07.08.2020. Details regarding number of meetings attended by each Director are given below:-

| S. No. | Date of the Meeting | Name of the Members        | Category                          | Attendance |
|--------|---------------------|----------------------------|-----------------------------------|------------|
| 1.     | 24.06.2020          | Shri Jagdish Chander Nakra | C&MD - Chairman                   | Present    |
|        |                     | Shri Chaman Kumar          | Non Official Independent Director | Present    |
|        |                     | Shri M. Arulmurugan        | Non Official Independent Director | Present    |
|        |                     | Shri R.K. Sabharwal        | Director (Commercial)             | Present    |
|        |                     | Shri L.K. Vijh             | Director (Technical)              | Present    |
|        |                     | Shri Sunil Bhatia          | Director (Finance)                | Present    |
|        |                     | Shri S.K. Handa            | Director (Projects)               | Present    |
|        |                     | Shri A. K. Kalra           | Director (HR)                     | Present    |
| 2.     | 07.08.2020          | Shri Jagdish Chander Nakra | C&MD - Chairman                   | Present    |
|        |                     | Shri Chaman Kumar          | Non Official Independent Director | Present    |
|        |                     | Shri M. Arulmurugan        | Non Official Independent Director | Present    |
|        |                     | Shri R.K. Sabharwal        | Director (Commercial)             | Present    |
|        |                     | Shri Sunil Bhatia          | Director (Finance)                | Present    |
|        |                     | Shri S.K. Handa            | Director (Projects)               | Present    |
|        |                     | Shri A. K. Kalra           | Director (HR)                     | Present    |
|        |                     | Smt. Vartika Shukla        | Director (Technical)              | Present    |

#### 9. 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. The Board of Directors in its meeting held on 28.01.2021 decided to dissolve the Legal Advisory Committee with immediate effect. As on 28.01.2021, the Legal Advisory Committee comprises Shri M. Arulmurugan, Non-official Independent Director as Chairman, Shri A.K. Kalra, Director (HR), Shri R.K. Sabharwal, Director (Commercial), Shri S.K. Handa, Director (Projects) and Shri Sunil Bhatia, Director (Finance) as the members of the committee. Director (HR) was also the convener of this committee. The Committee was reconstituted during the year due to the following reasons:

- Shri Rajesh Kumar Gogna ceased to be the Chairman & member w.e.f. 08.09.2020.
- Shri M. Arulmurugan the existing member, was appointed as Chairman w.e.f. 08.09.2020.

The Committee met 4 times during the year on 24.06.2020, 07.08.2020, 11.11.2020, and 27.01.2021. Details regarding number of meetings attended by each Director are given below:-

| S. No. | Date of the Meeting | Name of the Members     | Category                                     | Attendance |
|--------|---------------------|-------------------------|----------------------------------------------|------------|
| 1.     | 24.06.2020          | Shri Rajesh Kumar Gogna | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri M. Arulmurugan     | Non Official Independent Director            | Present    |
|        |                     | Shri R.K. Sabharwal     | Director (Commercial)                        | Present    |
|        |                     | Shri Sunil Bhatia       | Director (Finance)                           | Present    |
|        |                     | Shri S. K. Handa        | Director (Projects)                          | Present    |
|        |                     | Shri A. K. Kalra        | Director (HR)                                | Present    |
| 2.     | 07.08.2020          | Shri Rajesh Kumar Gogna | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri M. Arulmurugan     | Non Official Independent Director            | Present    |
|        |                     | Shri R.K. Sabharwal     | Director (Commercial)                        | Present    |
|        |                     | Shri Sunil Bhatia       | Director (Finance)                           | Present    |
|        |                     | Shri S. K. Handa        | Director (Projects)                          | Present    |
|        |                     | Shri A. K. Kalra        | Director (HR)                                | Present    |
| 3.     | 11.11.2020          | Shri M. Arulmurugan     | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri R.K. Sabharwal     | Director (Commercial)                        | Present    |



| S. No. | Date of the Meeting | Name of the Members | Category                                     | Attendance |
|--------|---------------------|---------------------|----------------------------------------------|------------|
| 4.     | 27.01.2021          | Shri Sunil Bhatia   | Director (Finance)                           | Absent     |
|        |                     | Shri S. K. Handa    | Director (Projects)                          | Present    |
|        |                     | Shri A. K. Kalra    | Director (HR)                                | Present    |
|        |                     | Shri M. Arulmurugan | Non Official Independent Director - Chairman | Present    |
|        |                     | Shri R.K. Sabharwal | Director (Commercial)                        | Present    |
|        |                     | Shri Sunil Bhatia   | Director (Finance)                           | Absent     |
|        |                     | Shri S. K. Handa    | Director (Projects)                          | Present    |
|        |                     | Shri A. K. Kalra    | Director (HR)                                | Present    |
|        |                     |                     |                                              |            |

#### 10. Share Transfer Committee

The Company has a Share Transfer Committee in place. Presently, the Share Transfer Committee comprises three Directors viz. Director (HR) as Chairman, Director (Technical) and Director (Commercial) as the members of the Committee. The Committee met 7 times during the Financial Year 2020-21.

Pursuant to the 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. In view of above, the scope of the Committee, inter-alia, includes transmission, transposition, consolidation and issue of duplicate share certificate.

#### 11. 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 31.03.2021, the Committee comprises 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 31 times during the Financial Year 2020-21.

#### 12. Buyback Committee

The Board, in order to execute the buyback procedures, on November 12, 2020, formed the Buyback Committee comprising Chairman & Managing Director as Chairman, Director (Commercial), Director (Finance), Director (Projects), Director (HR), and Director (Technical) as members. Company Secretary acts as Secretary of this Committee.

During the year, the Committee met 6 times on 13.11.2020, 21.12.2020, 24.12.2020, 13.01.2021, 11.02.2021 and 15.02.2021 and executed buyback procedures as required under the SEBI (Buy-Back of Securities) Regulations, 2018. The details regarding number of meetings attended by each Director are given below:-

| S.No. | Name of the Members                          | Number of Meetings attended |
|-------|----------------------------------------------|-----------------------------|
| 1.    | Shri Jagdish Chander Nakra (upto 31.01.2021) | 5                           |
| 2.    | Shri R.K. Sabharwal*                         | 5                           |
| 3.    | Shri Sunil Bhatia                            | 6                           |
| 4.    | Shri S.K. Handa                              | 6                           |
| 5.    | Shri A. K. Kalra                             | 6                           |
| 6.    | Smt. Vartika Shukla                          | 5                           |

\*Acted as Chairman in last Buyback Committee held on 15.02.2021, on account of holding additional Chairman of Chairman and Managing Director after superannuation of Shri J.C.Nakra on 31.01.2021.

The Buyback Committee ceases to exist after completion of Buyback process during the Financial year 2020-21.

#### 13. 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>.



#### 14. General Body Meetings

##### (i) Annual General Meeting (AGM)

The details of Annual General Meetings held during the last three years are as under:

| AGM              | Year      | Venue                                                                                                                                                                             | Date & Time             | Whether Special Resolution Passed or not                                                                                                                                                                                                                                                                                                                                      |
|------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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<br>NH-8, Sector-16,<br>Gurugram-122001(Haryana)                                                                                                           | 26.09.2019<br>3.00 P.M. | Yes.<br>Re-appointment Dr. (Prof.) Mukesh Khare,<br>Mrs. Arusha Vasudev, Shri V.K. Deshpande<br>and Shri Umesh Chander Pandey as Non<br>Official Independent Directors for 2nd<br>Terms of one year (w.e.f. 20.11.2018)<br>pursuant to MoP&NG letter no. C<br>31033/5/2018-CA/FTS:26192 dated<br>20.11.2018.<br><br>Adoption of new Articles of Association of<br>the Company |
| 55 <sup>th</sup> | 2019-2020 | Through Video Conferencing (VC)/ Other<br>Audio Visual Means (OAVM)<br>(Deemed Venue for Meeting: Registered<br>Office: El Bhawan, 1, Bhikaji Cama Place,<br>New Delhi – 110 066) | 28.09.2020<br>3.00 P.M. | No                                                                                                                                                                                                                                                                                                                                                                            |

##### ii) No Extra-ordinary General Meeting of the members was held during the financial year 2020-21.

##### iii) Postal Ballot:

During the year, approval of the members by means of special resolution was sought through Postal Ballot for approval of Buyback of Shares. In terms of Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs ("MCA"), the Postal Ballot Notice was sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The facility of remote e-voting period was commenced from 9.00 a.m. (IST) on Saturday, November 21, 2020 and ended at 5.00 p.m. (IST) on Sunday, December 20, 2020. The resolution was passed with requisite majority and the result was announced on 21<sup>st</sup> December, 2020. The Postal Ballot exercise was conducted by Shri Santosh Kumar Pradhan, Practising Company Secretary (C.P. No. 7647). The procedure prescribed under the Companies Act, 2013 and the rules made there under has been duly complied.

#### 15. Means of Communication

|                                                                                                                     |                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quarterly, Half Yearly Results and Yearly Results                                                                   | Quarterly/ Annual results ordinarily published in Economic Times (all editions), Mint (All editions), Business Standard (All editions), & Times of India (Delhi) in English and Nav Bharat Times (Delhi) & Hindustan (Delhi) in Hindi.                                        |
| 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. Presentations made to media, analysts, institutional investors etc. are posted on Company's website and simultaneously posted on the stock exchange site.     |
| 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 | eil.annualreport@eil.co.in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 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 others entitled thereto. The Management Discussion &amp; Analysis Report, Corporate Governance Report also form 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. Companies have been dispensed with the printing and despatch of Annual Reports to Shareholders. We would greatly appreciate and encourage more Members to register their email addresses with their Depository Participant or the Registrar and Share Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company.</p> |

As a part of Green initiative in Corporate Governance, the Company has sent the Annual Reports for the financial year 2019-20 and other communications like NECS/ECS credit information for final and interim dividend to large number of shareholders for the financial years 2019-20 & 2020-21 respectively through e-mail ids of the shareholders registered with NSDL/ CDSL/Company/RTA.

## 16. General Shareholders Information

### i) 56<sup>th</sup> Annual General Meeting

|       |                                                                                                                                                                                                                                                                  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date  | Wednesday, 29 <sup>th</sup> September, 2021                                                                                                                                                                                                                      |
| Time  | 3:00 PM (IST)                                                                                                                                                                                                                                                    |
| Venue | Annual General Meeting through Video Conferencing /Other Audio Visual Means (VC/OAVM facility).<br>[Deemed Venue for Meeting: Registered Office: El Bhawan, 1, Bhikaji Cama Place, New Delhi – 110 066].<br>For details, please refer to the Notice of this AGM. |


**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, 2021 is Tuesday, 7<sup>th</sup> September, 2021.

**iv) Dividend**

The Board of Directors of the Company have recommended payment of Final Dividend of ₹0.60 per share (on the face value of ₹5/- each) for the Financial Year ended 31<sup>st</sup> March, 2021 subject to approval of the shareholders in the ensuing AGM. This was in addition to the Interim Dividend of ₹1.40 per share (on the face value of ₹5/- each). With this, the total dividend for the financial year 2020-21 works out to ₹2/- per share.

Date of Payment of Final Dividend, if approved, will be 8<sup>th</sup> October, 2021.

**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 2020-21 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 2020-21.

**vi) Stock Code**

ISIN INE510A01028

Scrip Code 532178

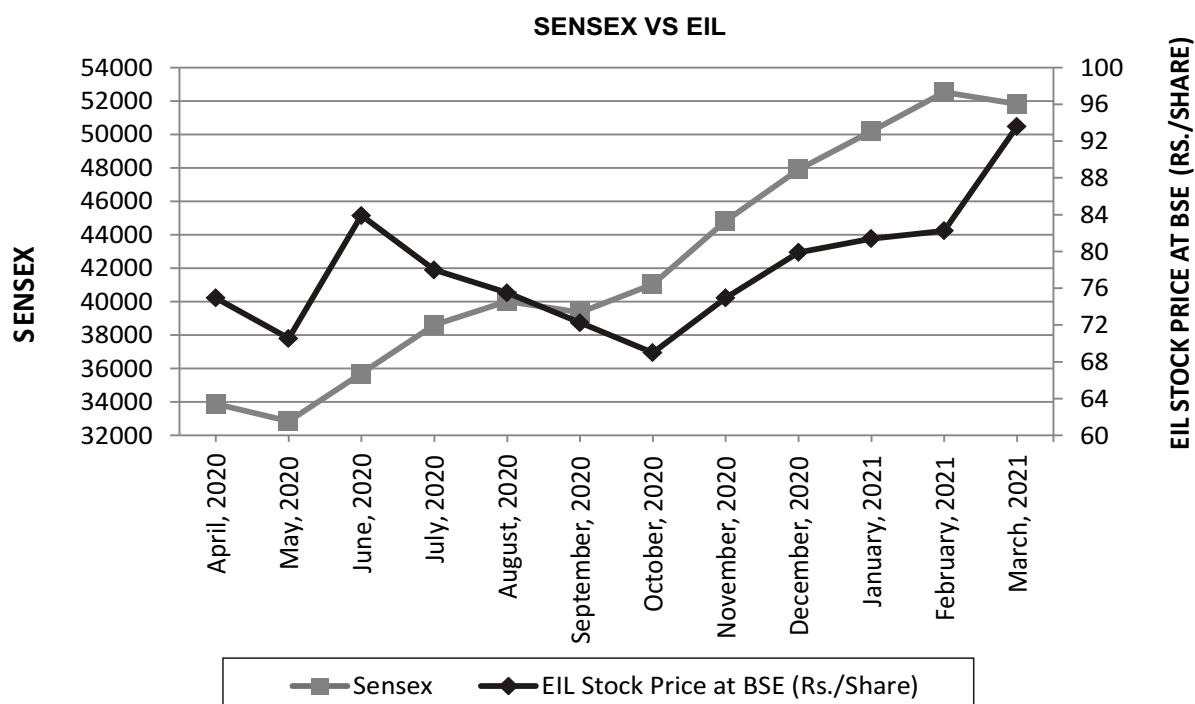
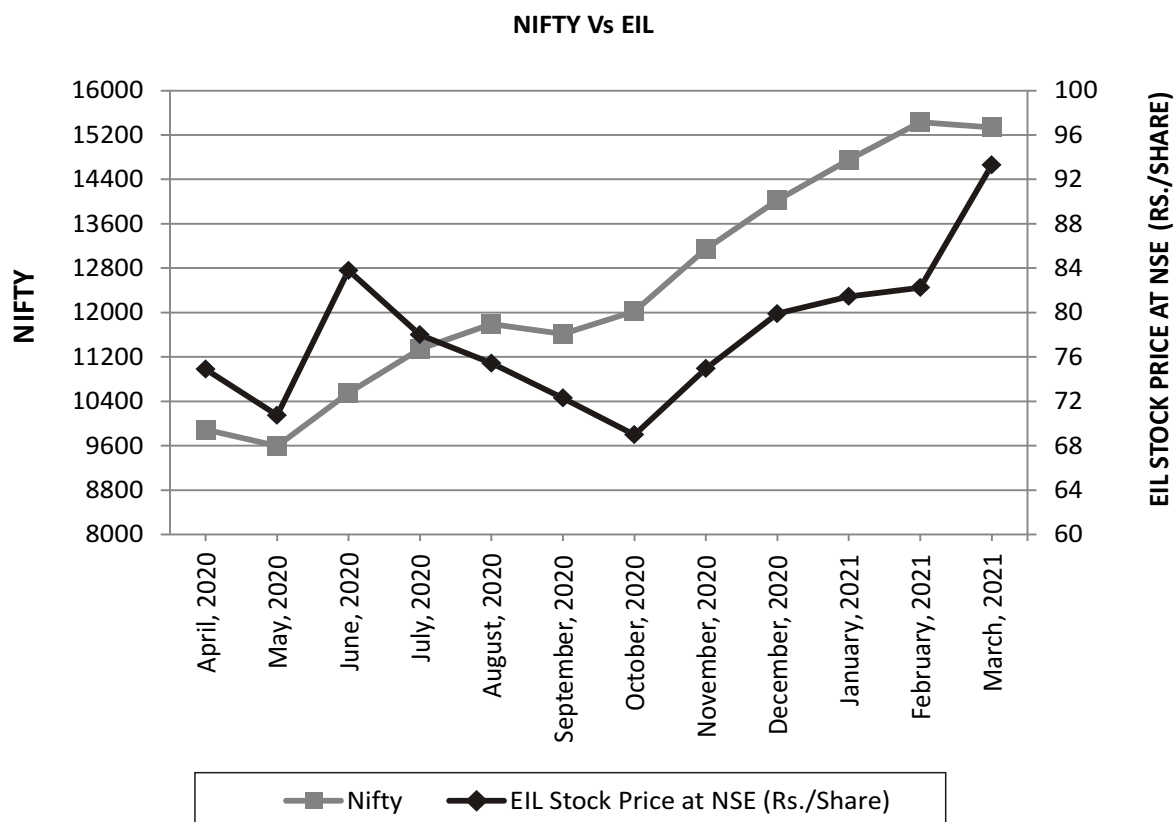
Scrip Symbol ENGINEERSIN

**vii) Monthly Share Price Data**

(Amount in ₹)

| Month & Year    | Bombay Stock Exchange |       | National Stock Exchange |       |
|-----------------|-----------------------|-------|-------------------------|-------|
|                 | High                  | Low   | High                    | Low   |
| April, 2020     | 74.95                 | 57.60 | 74.90                   | 57.65 |
| May, 2020       | 70.55                 | 59.55 | 70.75                   | 59.50 |
| June, 2020      | 83.90                 | 63.60 | 83.80                   | 63.60 |
| July, 2020      | 78.00                 | 63.90 | 78.00                   | 63.95 |
| August, 2020    | 75.50                 | 63.80 | 75.45                   | 63.70 |
| September, 2020 | 72.25                 | 63.45 | 72.30                   | 63.50 |
| October, 2020   | 69.00                 | 60.50 | 69.00                   | 60.40 |
| November, 2020  | 74.95                 | 63.90 | 74.95                   | 63.80 |
| December, 2020  | 79.90                 | 71.80 | 79.90                   | 72.00 |
| January, 2021   | 81.40                 | 72.30 | 81.45                   | 72.05 |
| February, 2021  | 82.25                 | 70.80 | 82.25                   | 70.20 |
| March, 2021     | 93.60                 | 72.75 | 93.30                   | 72.75 |

viii) Performance of EIL's Share price in comparison to NIFTY/Sensex Index during the financial year 2020-21.







**ix) Liquidity**

EIL shares are actively traded on National Stock Exchange of India Limited and BSE Limited.

**(x) Dematerialisation/ Rematerialisation of Shares**

**Shareholding in Demat Mode as on 31.03.2021**

| Depository   | No. of Shares    | Percentage   |
|--------------|------------------|--------------|
| NSDL         | 215155181        | 38.28        |
| CDSL         | 346343200        | 61.62        |
| <b>Total</b> | <b>561498381</b> | <b>99.90</b> |

President of India has held 51.32% of the total shares, all in dematerialised form. Out of the balance 48.68% shares held by others, 48.58% have been held in dematerialised form as on March 31, 2021. The trading in the equity shares of the Company is compulsory in dematerialised segment as per Notification issued by the Securities and Exchange Board of India.

**Dematerialised/Rematerialised for the period from 01.04.2020 to 31.03.2021.**

|                | NSDL          |              | CDSL          |              |
|----------------|---------------|--------------|---------------|--------------|
|                | No. of Shares | Percentage   | No. of Shares | Percentage   |
| Dematerialised | 19650         | 0.003        | 7442          | 0.001        |
| Rematerialised | NIL           | -            | NIL           | -            |
| <b>Total</b>   | <b>19650</b>  | <b>0.003</b> | <b>7442</b>   | <b>0.001</b> |

**(xi) Distribution of Shareholding as on March 31, 2021.**

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2021 is presented hereunder:

**a. Shareholding Pattern**

| S. No. | Category of Shareholders                                          | No. of Shares held | % of Total |
|--------|-------------------------------------------------------------------|--------------------|------------|
| 1      | PROMOTERS                                                         | 288458584          | 51.32      |
| 2      | MUTUAL FUND                                                       | 42994985           | 7.65       |
| 3      | INDIVIDUALS                                                       | 120962169          | 21.52      |
| 4      | FOREIGN PORTFOLIO - CORP.                                         | 39351358           | 7.00       |
| 5      | FINANCIAL INSTITUTIONS                                            | 3333015            | 0.59       |
| 6      | INSURANCE COMPANIES                                               | 40831304           | 7.27       |
| 7      | DOMESTIC COMPANIES                                                | 8155479            | 1.45       |
| 8      | NON RESIDENT INDIAN                                               | 8113054            | 1.45       |
| 9      | NATIONALISED BANKS                                                | 1020038            | 0.18       |
| 10     | ALTERNATIVE INVESTMENT FUND                                       | 48402              | 0.01       |
| 11     | CENTRAL GOVERNMENT                                                | 476                | 0.00       |
| 12     | HUF/ CLEARING MEMBERS/ TRUSTS/ OTHER BANK/ IEPF/ FOREIGN NATIONAL | 8773509            | 1.56       |
|        | <b>Total</b>                                                      | <b>562042373</b>   | <b>100</b> |

**b) Distribution Schedule**

| S.No. | Category        | No. of Shareholders | % to Total Shareholders | No. of Shares    | % of Total Shares |
|-------|-----------------|---------------------|-------------------------|------------------|-------------------|
| 1     | Up to 500       | 224892              | 83.43                   | 31724622         | 5.64              |
| 2     | 501 - 1000      | 23504               | 8.72                    | 18425433         | 3.28              |
| 3     | 1001 - 2000     | 11083               | 4.11                    | 16569660         | 2.95              |
| 4     | 2001 - 3000     | 3835                | 1.42                    | 9773041          | 1.74              |
| 5     | 3001 - 4000     | 1703                | 0.63                    | 6115969          | 1.09              |
| 6     | 4001 - 5000     | 1329                | 0.49                    | 6273399          | 1.12              |
| 7     | 5001 - 10000    | 1990                | 0.74                    | 14534018         | 2.59              |
| 8     | 10001 and above | 1229                | 0.46                    | 458626231        | 81.60             |
|       | <b>Total</b>    | <b>269565</b>       | <b>100.00</b>           | <b>562042373</b> | <b>100.00</b>     |

**(xii) Registrar & Share Transfer Agent (RTA)**

The Company has appointed M/s Alankit Assignments Limited as its Registrar and Share Transfer Agent (RTA) for handling all matters relating to the shares of EIL (both physical as well as demat mode). All matters relating to the shares of Engineers India Limited such as transfer, transmission, dematerialisation, 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 : virenders@alankit.com

Website: www.alankit.com

**(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. Further SEBI vide Circulars No SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut off date for re-lodgement of transfer deeds and the Shares that are re-lodged for transfer shall be issued only in demat mode. 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 1.4.2020 |        | Shareholders approached for Transfer of shares from Suspense Account during 2020-2021 |        | Shareholders to whom shares were transferred from Suspense Account during 2020-21 |        | Closing Balance as on 31.03.2021 |        |
|--------------------------------|--------|---------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------|--------|----------------------------------|--------|
| Cases                          | Shares | Cases                                                                                 | Shares | Cases                                                                             | Shares | Cases                            | Shares |
| 7                              | 1154   | 0                                                                                     | 0      | 0                                                                                 | 0      | 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) 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](http://www.engineersindia.com)

**(xvi) Regional Offices / Branch Office / Overseas Offices**

List of Regional Offices / Branch Office / Overseas Offices are given in back cover of Annual Report.

**(xvii) 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

**xviii) 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 16 (xii) till further communication from the Company.

**17. Other Disclosures :**

- a) 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 Policy 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.
- b) Accounting Treatment : The Financial statements have been prepared in accordance with the Indian Accounting Standards and as per generally accepted accounting principles.
- c) Proceeds from Public Issues, Right Issues and Preferential Issues : The Company has not raised any money through Public Issue, Right Issues or any Preferential Issues during the financial year 2020-21.
- d) Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2020-2021 are given in Note No.38 to the Annual Accounts for the year ended 31<sup>st</sup> March, 2021. These transactions do not have any potential conflict with the interests of the Company at large.
- e) There were no penalties or strictures imposed on the Company by any Statutory authorities for non-compliance on any matter related to capital markets, during the last three years. However, NSE and BSE has imposed fines as per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for non-compliance of certain provisions of Listing Regulations. As the non-compliance was purely beyond the control of the Company, accordingly, representation were made to stock exchanges for waiver of fines. At the same time the same was informed to the Board and communicated to the Administrative Ministry. The details of fine imposed during FY 2020-21 and status of waiver as per the details given below:

| NSE           |                                       |                     |                                | BSE           |                                       |                     |                                |
|---------------|---------------------------------------|---------------------|--------------------------------|---------------|---------------------------------------|---------------------|--------------------------------|
| Quarter ended | Regulation under Non-Compliances made | Amount of Fine in ₹ | Whether waiver received or not | Quarter ended | Regulation under Non-Compliances made | Amount of Fine in ₹ | Whether waiver received or not |
| June, 2020    | Regulation 17(1)                      | 536900              | Pending                        | June, 2020    | Regulation 17(1)                      | 536900              | Yes                            |
| Sept., 2020   | Regulation 17(1)                      | 542800              | Pending                        | Sept., 2020   | Regulation 17(1)                      | 542800              | Yes                            |
| Dec., 2020    | Regulation 17(1), 18 & 19             | 656080              | Pending                        | Dec., 2020    | Regulation 17(1), 18 & 19             | 656080              | Yes                            |
| March, 2021   | Regulation 17(1), 18 & 19             | 955800              | Pending                        | March, 2021   | Regulation 17(1), 18 & 19             | 955800              | Pending                        |



- f) 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.
- g) 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 / Committee with respect to Independent Directors and Performance Evaluation of Independent Directors as required by Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) No Presidential Directives have been received by the Company during the FY 2020-21. The Company has complied with all the presidential directives received in the past 3 years.
- i) Director(s) are nominated on training programmes and they have also attended various seminars/conferences from time to time.
- j) No Expenditures were debited in the Books of Accounts during the financial year 2020-21 which are not for the purposes of the Business.
- k) No expenses had been incurred which were personal in nature and incurred for the Board of Directors and the top Management.
- l) The administrative and office expenses are 3.00 % of the total expenses in the Financial year 2020-21 as against 3.24 % during the Financial year 2019-20.
- m) It is always Company's endeavour to present unqualified financial statements.
- n) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations-N.A.
- o) List of all credit ratings obtained by the Company for mobilisation of funds -N.A
- p) The Board of Directors have also confirmed that in the opinion of the Board, the Independent Director(s) fulfill the conditions specified in the listing regulations and are independent of the management.
- q) 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.
- r) 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.
- s) Certificate on Corporate Governance: All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority from being appointed or continuing as Directors of Companies. M/s Agarwal S. Associates, Practicing Company Secretaries, has submitted a certificate to this effect.
- t) A compliance certificate from M/s N. K. Bhargava & Co., Statutory Auditors, pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.
- u) In the Current Financial Year, there has been no instance where Board has not accepted the recommendation of any Committee which is mandatorily required.
- v) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - (i) Number of complaints filed during the financial year : Nil
  - (ii) Number of complaints disposed of during the financial year : 1 (Pertaining to FY 2019-20)
  - (iii) Number of complaints pending as on end of the financial year: Nil
- w) 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, 2021.



- x) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor is as under:

| Particulars   | 2020-21      | 2019-20      |
|---------------|--------------|--------------|
| For Audit     | 17.75        | 15.94        |
| For Tax Audit | 3.20         | 3.20         |
| Others        | 10.10*       | 12.70        |
| <b>Total</b>  | <b>31.05</b> | <b>31.84</b> |

Note: Excluding remuneration for buy back amounting to ₹ 3.00 lakhs

- y) The Company has not adopted any discretionary requirement as specified under Schedule II (Part E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- z) Particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

Place: New Delhi  
Date: 08.06.2021





## 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<sup>st</sup> March 2021 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 2020-21.
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 Independent Woman Director during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 and a Woman Director during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> July, 2020.
3. Performance evaluation of Independent Directors, as required by regulation 17(10) of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, 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 clause 3.1.2 of DPE Guidelines, the number of Functional Directors is exceeded 50% of the actual strength of the Board during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.
6. The composition of Audit Committee and Nomination & Remuneration committee were not complying with Regulation 18 & 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Chapter 4 & 5 of DPE Guidelines during the period from 09<sup>th</sup> September, 2020 to 31<sup>st</sup> March 2021.
7. The independent directors has not hold a separate meeting and carry out the performance evaluation of other than independent directors during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 as per Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

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: 21080624AAAAEW7544

Place: Delhi  
Date: 08.06.2021



## Annexure to the Directors' Report

## Secretarial Audit Report

For the financial year ended 31<sup>st</sup> March, 2021

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

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, 2021 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, 2021 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;
- (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;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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
  - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (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.
- (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 an Independent Woman



Director during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 and a Women Director during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> July, 2020.

2. Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Clause 3.1.4 of DPE Guidelines and as per the Section 149(4) of the Companies Act, 2013, Company did not have requisite number of Independent Directors on the Board of the Company during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.
3. Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and as per Section 149(8) of the Companies Act, 2013, the Independent Directors shall hold a separate meeting and carried out the performance evaluation of other than independent directors during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.
4. Regulation 18 & 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Chapter 4 & 5 of DPE Guidelines and as per Section 177 & 178 of the Companies Act, 2013, the composition of Audit Committee and Nomination and Remuneration Committee were not complying with the statutory requirements during the period from 09<sup>th</sup> September, 2020 to 31<sup>st</sup> March, 2021.
5. Regulation 17 (10) 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.
6. 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.
7. Clause 3.1.2 of DPE Guidelines, the number of Functional Directors should not exceed 50% of the actual strength of the Board during the period from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

**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 2020-21 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 **except bought back of 6,98,69,047 numbers of equity shares for Rs. 586.90 crores plus applicable taxes and duties.**

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 17, 18 & 19 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. BSE vide letters dated 24<sup>th</sup> September 2020 and 19<sup>th</sup> April 2021 communicated waiver of fine for the quarter ended 30<sup>th</sup> June, 2020, 30<sup>th</sup> September, 2020 and 31<sup>st</sup> December, 2020.

**For Agarwal S. & Associates**

Company Secretaries

ICSI Unique Code: P2003DE049100

Peer Review Cert. No.: 626/2019

Place: New Delhi

Date: 04.06.2021

CS Anuradha Jain

Partner

ACS No.: 36639

CP No.: 14180

UDIN: A036639C000419549

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

**"Annexure A"**

To,  
The Members,  
Engineers India Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 626/2019

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

Place: New Delhi  
Date: 04.06.2021

## 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 2021, 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 2021, 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 for ₹ 12,907.15 Lakhs 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. During the previous 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 during the year Company has filed an impleadment application before the Hon'ble Supreme Court. Refer Note 50 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 51 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)

Place: New Delhi  
Date: 08 June 2021

Sd/-  
**N. K. Bhargava**  
(Partner)  
M. No. 080624  
UDIN:21080624AAAAEU1939

## Annexure A to Independent Auditors' Report

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year and according to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:

(₹ in Lakhs)

| PARTICULARS                        | GROSS BLOCK | NET BLOCK |
|------------------------------------|-------------|-----------|
| Four Flats at Naranpura, Ahmedabad | 10.31       | 2.80      |
| Two Flats at Viman Nagar, Pune     | 8.45        | 2.43      |
| Six Flats in Andheri East, Mumbai  | 9.93        | 0.16      |

- 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, Income Tax, GST, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other Statutory dues have been regularly deposited during the year by the company with appropriate authorities, as applicable.

According to the information and explanation given to us and on the basis of our examination of the books of accounts, no undisputed amounts payable in respect of Provident Fund, Income Tax, GST, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other Statutory dues were in arrears as at 31 March 2021 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:



| S. No. | Name of Statute | 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        | 255.91                                 |
| 3      | Sales Tax       | VAT            | Karnataka High Court           | F.Y. 2009-10                   | 4064.57                                |
| 4      | Sales Tax       | VAT            | Karnataka High Court           | F.Y. 2010-11                   | 32,532.56                              |
| 5      | Sales Tax       | VAT            | Karnataka High Court           | F.Y. 2013-14                   | 687.68                                 |
| 6      | Sales Tax       | VAT            | Karnataka High Court           | F.Y. 2014-15                   | 855.20                                 |
| 7      | Sales Tax       | VAT            | Karnataka High Court           | F.Y. 2015-16                   | 611.09                                 |

- 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)

Sd/-  
**N. K. Bhargava**  
(Partner)

M. No. 080624  
UDIN:21080624AAAAEU1939

Place: New Delhi  
Date: 08 June 2021





## Annexure B to Independent Auditors' Report

Referred to Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

According to the information and explanations given to us we report as under:

| S. No. | Areas Examined                                                                                                                                                                                                                                                                                 | Observations/Findings                                                                                                                                                                                                          |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.       | The Company has in-house developed IT software and systems in place to process all the accounting transactions. The Company has adequate internal control system to process all the accounting transactions through IT system. |
| 2.     | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? | There is no restructuring of loan or cases of waiver/write off of debts/loans/interest etc. taken by the Company.                                                                                                              |
| 3.     | Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its 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:21080624AAAAEU1939

Place: New Delhi  
Date: 08 June 2021



## 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 2021 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 2021, 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)

Place: New Delhi  
Date: 08 June 2021

M. No. 080624  
UDIN:21080624AAAAEU1939

**Standalone Balance Sheet**

AS AT 31 MARCH, 2021

(₹ in Lakhs)

| Particulars                                                                            | Note No. | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------------------------------------------------------------|----------|------------------------|------------------------|
| <b>I Assets</b>                                                                        |          |                        |                        |
| <b>Non-Current Assets</b>                                                              |          |                        |                        |
| (a) Property, Plant and Equipment                                                      | 4        | 20,560.65              | 20,850.95              |
| (b) Right-of-Use Assets                                                                | 39       | 1,187.77               | 1,327.07               |
| (c) Capital work-in-progress                                                           | 4        | 108.55                 | 213.60                 |
| (d) Investment Property                                                                | 5        | 4,078.42               | 4,764.04               |
| (e) Other Intangibles Assets                                                           | 6 A      | 232.00                 | 232.85                 |
| (f) Intangible Assets under development                                                | 6 B      | 27.37                  | 96.36                  |
| (g) Financial Assets                                                                   |          |                        |                        |
| (i) Investments                                                                        | 7 A      | 1,14,793.32            | 42,681.45              |
| (ii) Loans                                                                             | 8A       | 5,731.43               | 4,679.45               |
| (iii) Other Financial Assets                                                           | 9 A      | 9.71                   | 9.97                   |
| (h) Deferred Tax Assets (net)                                                          | 10       | 33,364.04              | 26,945.73              |
| (i) Non-Current Tax Assets (net)                                                       | 11       | 4,966.12               | 3,414.50               |
| (j) Other Non-Current Assets                                                           | 12 A     | 1,185.46               | 1,097.24               |
| <b>Total Non-Current Assets</b>                                                        |          | <b>1,86,244.84</b>     | <b>1,06,313.21</b>     |
| <b>Current Assets</b>                                                                  |          |                        |                        |
| (a) Inventories                                                                        | 13       | 185.94                 | 661.89                 |
| (b) Financial Assets                                                                   |          |                        |                        |
| (i) Investments                                                                        | 7 B      | 20,707.70              | 5,000.12               |
| (ii) Trade receivables                                                                 | 14       | 51,844.20              | 66,614.60              |
| (iii) Cash and cash equivalents                                                        | 15       | 6,781.66               | 2,445.55               |
| (iv) Other Bank balances                                                               | 16       | 1,19,072.06            | 2,69,805.32            |
| (v) Loans                                                                              | 8 B      | 1,587.61               | 1,430.86               |
| (vi) Other Financial Assets                                                            | 9 B      | 31,779.91              | 29,323.82              |
| (c) Other Current Assets                                                               | 12 B     | 19,619.27              | 21,285.59              |
| <b>Total Current Assets</b>                                                            |          | <b>2,51,578.35</b>     | <b>3,96,567.75</b>     |
| <b>Total Assets</b>                                                                    |          | <b>4,37,823.19</b>     | <b>5,02,880.96</b>     |
| <b>II Equity and Liabilities</b>                                                       |          |                        |                        |
| <b>Equity</b>                                                                          |          |                        |                        |
| (a) Equity Share capital                                                               | 17       | 28,102.13              | 31,595.58              |
| (b) Other Equity                                                                       | 18       | 1,41,998.73            | 2,02,950.16            |
| <b>Total Equity</b>                                                                    |          | <b>1,70,100.86</b>     | <b>2,34,545.74</b>     |
| <b>Liabilities</b>                                                                     |          |                        |                        |
| <b>Non-Current Liabilities</b>                                                         |          |                        |                        |
| (a) Financial Liabilities                                                              |          |                        |                        |
| (i) Lease Liabilities                                                                  | 39       | 201.90                 | 244.53                 |
| (ii) Other Financial Liabilities                                                       | 19 A     | 124.44                 | 669.05                 |
| (b) Provisions                                                                         | 20 A     | 341.34                 | 326.87                 |
| (c) Other Non-Current Liabilities                                                      | 21 A     | 163.70                 | 201.83                 |
| <b>Total Non-Current Liabilities</b>                                                   |          | <b>831.38</b>          | <b>1,442.28</b>        |
| <b>Current Liabilities</b>                                                             |          |                        |                        |
| (a) Financial Liabilities                                                              |          |                        |                        |
| (i) Trade payables                                                                     | 22       |                        |                        |
| Total outstanding dues of Micro Enterprises and Small Enterprises                      |          | 9,021.11               | 6,879.42               |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |          | 32,326.38              | 21,086.64              |
| (ii) Lease Liabilities                                                                 | 39       | 165.66                 | 247.91                 |
| (iii) Other Financial Liabilities                                                      | 19 B     | 36,174.54              | 36,510.03              |
| (b) Other Current Liabilities                                                          | 21 B     | 1,10,580.43            | 1,41,698.73            |
| (c) Provisions                                                                         | 20 B     | 76,286.58              | 59,182.89              |
| (d) Current Tax Liabilities (net)                                                      | 23       | 2,336.25               | 1,287.32               |
| <b>Total Current Liabilities</b>                                                       |          | <b>2,66,890.95</b>     | <b>2,66,892.94</b>     |
| <b>Total Equity and Liabilities</b>                                                    |          | <b>4,37,823.19</b>     | <b>5,02,880.96</b>     |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 65

This is the balance sheet 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/-                                                               |
| N. K. Bhargava             | Suvendu Kumar Padhi      | Sanjay Jindal           | Sunil Bhatia                                                       |
| <b>Partner</b>             | <b>Company Secretary</b> | <b>G.G.M. [F&amp;A]</b> | <b>Director (Finance) &amp; CFO</b>                                |
| Membership No. 080624      | PAN : AHYPP2198P         | PAN : AAIPJ4986E        | DIN : 08259936                                                     |
| <b>Place : New Delhi</b>   |                          |                         | <b>Director (Commercial) &amp; CEO and C&amp;MD (Addl. Charge)</b> |
| <b>Date : 08 June 2021</b> |                          |                         | DIN : 07484946                                                     |



# Standalone Statement of Profit and Loss

FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

| Particulars                                                                | Note No | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|----------------------------------------------------------------------------|---------|-----------------------------|-----------------------------|
| <b>Revenue</b>                                                             |         |                             |                             |
| I Revenue From Operations                                                  | 24      | 3,10,468.78                 | 3,20,305.08                 |
| II Other Income                                                            | 25      | 19,487.87                   | 25,803.46                   |
| III <b>Total Income (I+II)</b>                                             |         | <b>3,29,956.65</b>          | <b>3,46,108.54</b>          |
| <b>Expenses</b>                                                            |         |                             |                             |
| Technical assistance/sub-contracts                                         | 26      | 1,14,472.31                 | 1,08,953.44                 |
| Construction materials and equipments                                      | 27      | 51,834.26                   | 46,805.34                   |
| Employee benefits expenses                                                 | 28      | 85,825.52                   | 84,435.56                   |
| Finance costs                                                              | 29      | 366.33                      | 173.67                      |
| Depreciation and amortisation expense                                      | 30      | 2,342.98                    | 2,383.44                    |
| Other expenses                                                             | 31      | 24,562.00                   | 35,806.19                   |
| IV <b>Total expenses</b>                                                   |         | <b>2,79,403.40</b>          | <b>2,78,557.64</b>          |
| V <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>           |         | <b>50,553.25</b>            | <b>67,550.90</b>            |
| VI Exceptional Items                                                       | 55      | 15,496.48                   | -                           |
| VII <b>Profit before tax (V-VI)</b>                                        |         | <b>35,056.77</b>            | <b>67,550.90</b>            |
| VIII Less: Tax expense                                                     | 32      |                             |                             |
| (1) Current tax                                                            |         |                             |                             |
| - For the year                                                             |         | 15,335.64                   | 21,936.32                   |
| - For earlier years tax adjustments (net)                                  |         | 2.46                        | (49.35)                     |
| (2) Deferred tax                                                           |         | (6,231.06)                  | 2,639.56                    |
| IX <b>Profit for the year from continuing operations (VII-VIII)</b>        |         | <b>25,949.73</b>            | <b>43,024.37</b>            |
| X Profit/(Loss) from discontinued operations (After Tax)                   |         | -                           | -                           |
| XI Profit for the year (IX+X)                                              |         | 25,949.73                   | 43,024.37                   |
| XII <b>Other Comprehensive Income</b>                                      |         |                             |                             |
| Items that will not be reclassified to profit and loss                     |         |                             |                             |
| - Re-measurement gains (losses) on defined benefit plans                   |         | (32.26)                     | (3,163.61)                  |
| Income tax effect thereon that will not be reclassified to profit and loss |         | 8.12                        | 33.89                       |
| - Net gain / (loss) on Equity Shares Carried at Fair value through OCI     |         | -                           | -                           |
| Income tax effect thereon that will not be reclassified to profit and loss |         | -                           | -                           |
| Items that will be reclassified to profit and loss                         |         |                             |                             |
| - Exchange differences on translation of foreign operations                |         | (80.25)                     | 96.49                       |
| Income tax effect thereon that will be reclassified to profit and loss     |         | 20.20                       | (24.50)                     |
| XIII <b>Total Comprehensive Income for the year (XI+XII)</b>               |         | <b>25,865.54</b>            | <b>39,966.64</b>            |
| XIV <b>Earnings per equity share (Face value ₹ 5 per share)</b>            | 33      |                             |                             |
| (for continuing and discontinued operations)                               |         |                             |                             |
| Basic (₹)                                                                  |         | 4.16                        | 6.81                        |
| Diluted (₹)                                                                |         | 4.16                        | 6.81                        |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 65

This is the statement of profit and loss 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/-

N. K. Bhargava

Partner

Membership No. 080624

Place : New Delhi

Date : 08 June 2021

Sd/-

Suvendu Kumar Padhi

Company Secretary

PAN : AHYPP2198P

Sd/-

Sanjay Jindal

G.G.M. [F&amp;A]

PAN : AAIPJ4986E

Sd/-

Sunil Bhatia

Director (Finance) &amp; CFO

DIN : 08259936

Sd/-

R.K. Sabharwal

Director (Commercial) &  
CEO and C&MD (Addl. Charge)

DIN : 07484946

**Standalone Statement of Changes in Equity**

FOR THE YEAR ENDED 31 MARCH, 2021

**A Equity Share Capital\***

(₹ in Lakhs)

| Particulars                                                             | 2020-21   | 2019-20   |
|-------------------------------------------------------------------------|-----------|-----------|
| Balance at the beginning of the year                                    | 31,595.58 | 31,595.58 |
| Changes in equity share capital during the year :                       |           |           |
| Addition of equity share capital during the year                        | -         | -         |
| Redemption of equity share capital during the year (Buy Back of Shares) | 3,493.45  | -         |
| Balance at the end of the year                                          | 28,102.13 | 31,595.58 |

During the year, pursuant to Public Announcement dated December 21, 2020, published on December 22, 2020 and letter of offer dated January 13, 2021, the company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the company, through tender offer route under Stock Exchange Mechanism and these shares extinguished on February 19, 2021. Post buyback the company's equity share capital as on 31 March 2021 is ₹ 28,102.13 lakhs comprising of fully paid up 56,20,42,373 equity share having face value of ₹ 5/- each. The company has funded the buyback from its General Reserve. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹ 3,493.45 lakhs equal to the nominal value of the shares bought back as an appropriation from general reserve.

**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 | Net gain / (loss) on Equity Shares carried at Fair Value through OCI |                    |
| <b>Balance as at 1 April 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>-</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>-</b>                                                             | <b>2,02,950.16</b> |
| Profit for the year                                       | -                    | -                          | 25,949.73         | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | 25,949.73          |
| Other comprehensive income                                | -                    | -                          | -                 | -                    | -                                                                     | (80.25)                                                 | (32.26)                                | -                                                                    | (112.51)           |
| Income tax related to items of other comprehensive income | -                    | -                          | -                 | -                    | -                                                                     | 20.20                                                   | 8.12                                   | -                                                                    | 28.32              |
| Buy Back of equity shares                                 | (58,690.00)          | 3,493.45                   | -                 | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | (55,196.55)        |
| Expenses for Buy Back of equity shares                    | -                    | -                          | (284.78)          | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | (284.78)           |
| Tax on Buy Back of equity shares                          | (13,672.42)          | -                          | -                 | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | (13,672.42)        |
| Dividend (refer note 37)                                  | -                    | -                          | (17,663.22)       | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | (17,663.22)        |
| Transfer from retained earnings                           | 6,292.51             | -                          | (8,012.46)        | 1,194.10             | 525.85                                                                | -                                                       | -                                      | -                                                                    | -                  |
| Transfer to retained earnings                             | -                    | -                          | 1,430.67          | (1,264.64)           | (166.03)                                                              | -                                                       | -                                      | -                                                                    | -                  |
| <b>Balance as at 31 March 2021</b>                        | <b>1,21,023.96</b>   | <b>5,591.54</b>            | <b>17,507.08</b>  | <b>1,981.03</b>      | <b>1,283.77</b>                                                       | <b>64.62</b>                                            | <b>(5,453.27)</b>                      | <b>-</b>                                                             | <b>1,41,998.73</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

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

Place : New Delhi

Date : 08 June 2021

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN : AHYPP2198P

Sd/-

Sanjay Jindal

**G.G.M. [F&A]**

PAN : AAIPJ4986E

Sd/-

Sunil Bhatia

**Director (Finance) & CFO**

DIN : 08259936

Sd/-

R.K. Sabharwal

**Director (Commercial) & CEO and C&MD (Addl. Charge)**

DIN : 07484946





# Standalone Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

|                                                                             | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|-----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                             |                             |
| Profit before tax                                                           | 35,056.77                   | 67,550.90                   |
| <b>Adjustments for:</b>                                                     |                             |                             |
| Depreciation and amortisation expense                                       | 2,342.98                    | 2,383.44                    |
| Fixed assets written off                                                    | 2.67                        | 2.49                        |
| (Reversal of impairment)/impairment in value of investments                 | 0.24                        | 0.37                        |
| Bad debts written off                                                       | 342.13                      | 159.15                      |
| Allowance for expected credit losses - trade receivables and advances (Net) | 333.80                      | 3,920.84                    |
| Provision for Impairment of Exploration Expenditure                         | 119.17                      | 2,839.20                    |
| Provision Employees' post retirement/long-term benefits                     | 11,750.22                   | (217.87)                    |
| Provision for Corporate Social Responsibility                               | (29.39)                     | (121.37)                    |
| (Reversal of provision)/provision for contractual obligations (Net)         | 5,385.91                    | 9,534.85                    |
| (Reversal of provision)/provision for expected losses (Net)                 | (20.84)                     | (771.03)                    |
| Interest expense                                                            | 366.33                      | 173.67                      |
| (Profit)/loss on sale of fixed assets                                       | 2.78                        | 11.22                       |
| Interest income                                                             | (15,443.48)                 | (20,951.89)                 |
| Loss/(gain) on modification of employee advances                            | 139.95                      | (68.53)                     |
| Loss/(gain) on modification of Leases                                       | (0.45)                      | -                           |
| Amortization of deferred income                                             | (135.07)                    | (136.99)                    |
| Capital gain on redemption of investments in mutual funds                   | (531.40)                    | (261.02)                    |
| Dividend income                                                             | (927.00)                    | (824.92)                    |
| <b>Operating profit before changes in Assets &amp; Liabilities</b>          | <b>38,755.32</b>            | <b>63,222.51</b>            |
| <b>Movement in Assets and Liabilities</b>                                   |                             |                             |
| (Increase)/decrease in Trade and Other Receivables                          | 11,949.07                   | (20,705.01)                 |
| (Increase)/decrease in Inventories                                          | 475.95                      | 27.76                       |
| Increase/(decrease) in Trade and Other Payables                             | (18,994.69)                 | 16,830.70                   |
| <b>Cash flow from operations</b>                                            | <b>32,185.65</b>            | <b>59,375.96</b>            |
| Income tax paid (Net)                                                       | (16,207.22)                 | (22,201.88)                 |
| <b>Net cash flow from operating activities (A)</b>                          | <b>15,978.43</b>            | <b>37,174.08</b>            |

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

FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

|                                                                                                                                                                 | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <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) | (1,153.61)                  | (1,777.81)                  |
| Sale of fixed assets                                                                                                                                            | 27.01                       | 27.14                       |
| Interest received                                                                                                                                               | 17,692.84                   | 19,871.36                   |
| Dividend received                                                                                                                                               | 927.00                      | 824.92                      |
| Receipt of Capital Grant                                                                                                                                        | 25.88                       | 32.66                       |
| Investment in liquid plans of mutual funds (Net)                                                                                                                | (15,176.18)                 | (132.66)                    |
| Fixed deposit placed with banks having original maturity of more than three months                                                                              | (1,33,093.00)               | (2,69,331.00)               |
| Fixed deposit with banks matured having original maturity of more than three months                                                                             | 2,81,587.26                 | 2,43,021.73                 |
| Receipt of Part Capital of Joint Venture                                                                                                                        | 8.39                        | -                           |
| Investment in Joint Venture                                                                                                                                     | (2,110.00)                  | (15,283.82)                 |
| Other Investment (unquoted Equity Shares)                                                                                                                       | (70,010.50)                 | -                           |
| <b>Net cash flows from investing activities (B)</b>                                                                                                             | <b>78,725.09</b>            | <b>(22,747.48)</b>          |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                                                   |                             |                             |
| Dividend paid                                                                                                                                                   | (17,437.24)                 | (33,005.42)                 |
| Payment of Lease Liabilities                                                                                                                                    | (282.97)                    | (272.03)                    |
| Buy Back of equity shares (including transaction cost & tax)                                                                                                    | (72,647.20)                 | -                           |
| <b>Net cash used in financing activities (C)</b>                                                                                                                | <b>(90,367.41)</b>          | <b>(33,277.45)</b>          |
| Increase/(decrease) in cash and cash equivalents (A+B+C)                                                                                                        | 4,336.11                    | (18,850.85)                 |
| Cash and cash equivalents at the beginning of the year (refer note 15)                                                                                          | 2,445.55                    | 21,296.40                   |
| <b>Cash and cash equivalents at the end of the year (refer note 15)</b>                                                                                         | <b>6,781.66</b>             | <b>2,445.55</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

Sd/-

N. K. Bhargava

**Partner**

Membership No. 080624

**Place :** New Delhi**Date :** 08 June 2021

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN : AHYP2198P

Sd/-

Sanjay Jindal

**G.G.M. [F&A]**

PAN : AAIPJ4986E

Sd/-

Sunil Bhatia

**Director (Finance) & CFO**

DIN : 08259936

Sd/-

R.K. Sabharwal

**Director (Commercial) &  
CEO and C&MD (Addl. Charge)**

DIN : 07484946



## Summary of significant accounting policies for the year ended 31 March 2021

### 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 2021 were authorized and approved for issue by the Board of Directors on 8 June, 2021.

### 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 (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

#### **Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto ₹ 500,000 is fully amortized during the year of its acquisition.

### **D. PROPERTY, PLANT AND EQUIPMENT**

#### **Recognition**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged. Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

#### **Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

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 include the option 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 Sub Lease 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.

#### **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 operations 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 operations 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 INSTRUMENT**

#### **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 2021 | 31 March 2020 |
|---------|---------------------|--------------------------|-----------------|---------------|---------------|
| 1       | CB-ONN-2010/11      | India                    | Joint Operation | 23.53%        | 23.53%        |
| 2       | CB-ONN-2010/08      | India                    | Joint Operation | 22.22%        | 22.22%        |

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, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

#### **X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

##### **Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The 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. The Company will continue to closely monitor the situation of Covid-19 and take steps, wherever required to optimize the business operations.

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 2021

**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 2019                                                       | 297.91        | 1,287.25        | 21,107.35        | 346.44              | 3,798.16          | 1,977.37                                               | 0.44        | 5.74          | <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>-</b>                 |
| Additions                                                             | -             | -               | 152.69           | 48.73               | 256.73            | 178.83                                                 | -           | 65.43         | <b>702.41</b>     | -                        |
| Reclassification from/to Investment Property due to change in use     | 0.17          | -               | 721.98           | -                   | -                 | 18.74                                                  | -           | -             | <b>740.89</b>     | -                        |
| Exchange difference on translation of Foreign Operation               | -             | -               | (0.31)           | -                   | (4.05)            | (9.80)                                                 | -           | -             | <b>(14.16)</b>    | -                        |
| Disposals/assets written off/Adjustment                               | -             | -               | (45.48)          | -                   | (21.55)           | (20.99)                                                | -           | (0.22)        | <b>(88.24)</b>    | -                        |
| <b>Balance as at 31 March 2021</b>                                    | <b>298.08</b> | <b>-</b>        | <b>23,810.88</b> | <b>415.97</b>       | <b>4,092.87</b>   | <b>2,284.65</b>                                        | <b>0.41</b> | <b>70.92</b>  | <b>30,973.78</b>  | <b>-</b>                 |
| <b>Accumulated depreciation</b>                                       |               |                 |                  |                     |                   |                                                        |             |               |                   |                          |
| At 1 April 2019                                                       | -             | 70.29           | 3,447.56         | 21.25               | 2,735.00          | 952.44                                                 | 0.14        | 5.74          | <b>7,232.42</b>   | -                        |
| Charge for the year                                                   | -             | -               | 912.00           | 29.97               | 489.52            | 226.55                                                 | 0.02        | -             | <b>1,658.06</b>   | -                        |
| Reclassification from/to Investment Property due to change in use     | -             | -               | (30.61)          | -                   | -                 | (0.59)                                                 | -           | -             | <b>(31.20)</b>    | -                        |
| Reclassified on account of adoption of Ind AS 116 (Refer Note No. 39) | -             | (70.29)         | -                | -                   | -                 | -                                                      | -           | -             | <b>(70.29)</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)        | <b>(36.18)</b>    | -                        |
| <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>                 |



(₹ 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                                               | -             | -               | 927.79           | 34.12               | 282.37            | 209.16                                                 | 0.02        | 65.43         | 1,518.89         | -                        |
| Reclassification from/to Investment Property due to change in use | -             | -               | 155.11           | -                   | -                 | 12.25                                                  | -           | -             | 167.36           | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | (0.05)           | -                   | (2.75)            | (0.92)                                                 | -           | -             | (3.72)           | -                        |
| Adjustments for disposals                                         | -             | -               | (24.94)          | -                   | (15.43)           | (10.74)                                                | -           | (0.22)        | (51.33)          | -                        |
| <b>Balance as at 31 March 2021</b>                                | <b>-</b>      | <b>-</b>        | <b>5,372.08</b>  | <b>85.34</b>        | <b>3,483.97</b>   | <b>1,400.64</b>                                        | <b>0.18</b> | <b>70.92</b>  | <b>10,413.13</b> | <b>-</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>            |
| <b>Net book value as at 31 March 2021</b>                         | <b>298.08</b> | <b>-</b>        | <b>18,438.80</b> | <b>330.63</b>       | <b>608.90</b>     | <b>884.01</b>                                          | <b>0.23</b> | <b>-</b>      | <b>20,560.65</b> | <b>108.55</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) 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 2019                                                             | 0.17          | 264.53          | 2,924.12                              | 3,188.82        |
| Additions                                                                   | -             | -               | 2.09                                  | 2.09            |
| Reclassification from/to Property, Plant and Equipment due to change in use | -             | -               | 1,846.22                              | 1,846.22        |
| Reclassification from/to Right of use Assets due to change in use           | -             | 350.84          | -                                     | 350.84          |
| Disposals/Assets written off                                                | -             | -               | (5.92)                                | (5.92)          |
| <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> |
| Additions                                                                   | -             | -               | 84.89                                 | 84.89           |
| Reclassification from/to Property, Plant and Equipment due to change in use | (0.17)        | -               | (740.72)                              | (740.89)        |
| Disposals/Assets written off                                                | -             | -               | (4.63)                                | (4.63)          |
| <b>Balance as at 31 March 2021</b>                                          | <b>-</b>      | <b>615.37</b>   | <b>4,106.05</b>                       | <b>4,721.42</b> |
| <b>Accumulated Depreciation</b>                                             |               |                 |                                       |                 |
| At 1 April 2019                                                             | -             | 2.84            | 446.21                                | 449.05          |
| Charge for the year                                                         | -             | 2.41            | 139.10                                | 141.51          |
| Reclassification from/to Property, Plant and Equipment due to change in use | -             | -               | 31.20                                 | 31.20           |
| Adjustments for disposals                                                   | -             | -               | (3.75)                                | (3.75)          |
| <b>Balance as at 31 March 2020</b>                                          | <b>-</b>      | <b>5.25</b>     | <b>612.76</b>                         | <b>618.01</b>   |
| Charge for the year                                                         | -             | 7.55            | 186.04                                | 193.59          |
| Reclassification from/to Property, Plant and Equipment due to change in use | -             | -               | (167.36)                              | (167.36)        |
| Adjustments for Disposals                                                   | -             | -               | (1.24)                                | (1.24)          |
| <b>Balance as at 31 March 2021</b>                                          | <b>-</b>      | <b>12.80</b>    | <b>630.20</b>                         | <b>643.00</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> |
| <b>Net Book Value as at 31 March 2021</b>                                   | <b>-</b>      | <b>602.57</b>   | <b>3,475.85</b>                       | <b>4,078.42</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)

|                                                               | 31 March 2021   | 31 March 2020   |
|---------------------------------------------------------------|-----------------|-----------------|
| Rental income                                                 | 2,119.31        | 2,330.37        |
| Less:                                                         |                 |                 |
| Direct Operating Expenses generating Rental Income            | 480.61          | 670.70          |
| Direct Operating Expenses that did not generate Rental Income | 258.06          | 136.52          |
| <b>Profit/(Loss) from Leasing of Investment Properties</b>    | <b>1,380.64</b> | <b>1,523.15</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 2021           | 31 March 2020 |
| Residential Flats | 6,093.86                | 6,184.01      |
| Land and Building | 32,120.02               | 36,068.77     |
| Office Premises   | 1,959.76                | 1,985.12      |

**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 2019                                         | 1,797.90          | <b>1,797.90</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>2,144.50</b>   | <b>2,144.50</b> |
| Additions                                               | 364.74            | <b>364.74</b>   |
| Exchange difference on translation of Foreign Operation | (5.06)            | <b>(5.06)</b>   |
| Disposals/Assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2021</b>                      | <b>2,504.18</b>   | <b>2,504.18</b> |
| <b>Accumulated amortisation</b>                         |                   |                 |
| At 1 April 2019                                         | 1,565.15          | <b>1,565.15</b> |
| Amortisation charge for the year                        | 332.55            | <b>332.55</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>1,911.65</b>   | <b>1,911.65</b> |
| Amortisation charge for the year                        | 365.30            | <b>365.30</b>   |
| Exchange difference on translation of Foreign Operation | (4.77)            | <b>(4.77)</b>   |
| Adjustments for Disposals                               | -                 | -               |
| <b>Balance as at 31 March 2021</b>                      | <b>2,272.18</b>   | <b>2,272.18</b> |
| <b>Net Book Value as at 31 March 2020</b>               | <b>232.85</b>     | <b>232.85</b>   |
| <b>Net Book Value as at 31 March 2021</b>               | <b>232.00</b>     | <b>232.00</b>   |



## Note : 6B

### Intangible Assets under development

(₹ in Lakhs)

| Particulars                        | Exploration and evaluation assets | Total             |
|------------------------------------|-----------------------------------|-------------------|
| <b>Gross carrying amount</b>       |                                   |                   |
| At 1 April 2019                    | 1,833.94                          | <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>      |
| Additions                          | 50.18                             | <b>50.18</b>      |
| Transfer/adjustment                | -                                 | -                 |
| Provision for Impairment           | (119.17)                          | <b>(119.17)</b>   |
| Disposals/Assets written off       | -                                 | -                 |
| <b>Balance as at 31 March 2021</b> | <b>27.37</b>                      | <b>27.37</b>      |

(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

## Note : 7

### A Investments - Non-Current

#### Equity Instruments

##### Investment in Subsidiary Companies (unquoted)

|                                                                                                                                                                                                |              |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Certification Engineers International Limited                                                                                                                                                  | 20.00        | 20.00        |
| 9,00,000 (previous year 31 March 2020: 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> |

##### Investment in joint venture companies (unquoted)

|                                                                                              |          |             |
|----------------------------------------------------------------------------------------------|----------|-------------|
| TEIL Projects Limited                                                                        | 550.00   | 550.00      |
| 5,500,000 (previous year 31 March 2020 : 5,500,000) equity shares of ₹ 10 each fully paid up |          |             |
| Less: Receipt of Part Capital                                                                | (8.39)   | -           |
| Less: Impairment in value of Investments                                                     | (541.61) | (541.37)    |
| <b>Sub-total (B)</b>                                                                         | <b>-</b> | <b>8.63</b> |

|                                                                                                 |                  |                  |
|-------------------------------------------------------------------------------------------------|------------------|------------------|
| Ramagundam Fertilizers and Chemicals Limited*                                                   | 44,762.82        | 42,652.82        |
| 447,628,200 (previous year 31 March 2020: 341,528,200) equity shares of ₹ 10 each fully paid up |                  |                  |
| <b>Sub-total (C)</b>                                                                            | <b>44,762.82</b> | <b>42,652.82</b> |

##### Other Investment (unquoted)

|                                                                                                                                               |                  |          |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------|
| Unquoted Equity Shares (Fair Value) through OCI                                                                                               |                  |          |
| Numaligarh Refinery Limited #                                                                                                                 | 70,010.50        | -        |
| 3,21,46,957 (previous year 31 March 2020: Nil) equity shares of ₹ 10 each fully paid up purchased at ₹ 217.75 per share during the FY 2020-21 |                  |          |
| <b>Sub-total (D)</b>                                                                                                                          | <b>70,010.50</b> | <b>-</b> |

|                                                                 |                    |                  |
|-----------------------------------------------------------------|--------------------|------------------|
| <b>Grand total (A+B+C+D)</b>                                    | <b>1,14,793.32</b> | <b>42,681.45</b> |
| Aggregate Book value of unquoted investments - Gross Book Value | 1,15,334.93        | 43,222.82        |
| Aggregate amount of Impairment in value of Investments          | 541.61             | 541.37           |





| 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                     |
| Ramagundam Fertilizers and Chemicals Limited  | India                       | 26.70%<br>(Previous year 31 March 2020 : 26.29%) | Ind AS 27<br>'Separate Financial Statements' |

\* Called Capital Commitments outstanding as of 31 March 2021 is Nil (previous year 31 March 2020: ₹ 2,110.00 Lakhs paid on 24 April 2020 against which equity shares has been allotted on 27 April 2020).

\* Includes share application money as of 31 March 2021 is Nil (Previous Year 31 March 2020 : 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).

# During the FY 2020-21 Company Has acquired 4.37% Equity Share Capital in Numaligarh Refinery Limited

(₹ in Lakhs)

| Particulars                                                                    | 31 March 2021    | 31 March 2020   |
|--------------------------------------------------------------------------------|------------------|-----------------|
| <b>B Investments - Current</b>                                                 |                  |                 |
| <b>Liquid plan of Mutual Funds (quoted)</b>                                    |                  |                 |
| UTI Overnight Fund Nil units (Previous year 31 March 20: 1,82,880.344 units)   | -                | 5,000.12        |
| -Direct Growth Plan (31 March 2020: NAV - ₹ 2,734.0948)                        |                  |                 |
| Baroda Liquid Fund 8,74,006.333 units (Previous year 31 March 2020: Nil units) | 20,707.70        | -               |
| -Direct Growth Plan B (31 March 2021 NAV - ₹ 2,369.2850)                       |                  |                 |
|                                                                                | <b>20,707.70</b> | <b>5,000.12</b> |
| Aggregate Book Value of quoted Investments                                     | 20,707.70        | 5,000.12        |
| Aggregate Market Value of quoted Investments                                   | 20,707.70        | 5,000.12        |

## Note : 8

### A Loans - Non-Current

(Considered good unless otherwise stated)

#### Secured

Loans to employees

2,886.25 2,145.39

#### Unsecured

Security Deposits

111.86 104.41

Loans to related parties:

Loans to Directors

1.05 -

Loans to Employees

2,732.27 2,429.65

**5,731.43 4,679.45**

### B Loans - Current

(Considered good unless otherwise stated)

#### Secured

Loans to Employees

416.85 296.83

#### Unsecured

Loans to related parties:

Loans to Directors

0.45 -

Loans to Employees

735.07 683.44

Security deposits :

Considered good

435.24 450.59

Considered doubtful

4.23 4.23

**1,591.84 1,435.09**

Less: Allowance for expected Credit Losses

(4.23) (4.23)

**1,587.61 1,430.86**



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 9****A Other Financial Asset - Non-Current**

|                                                 |             |             |
|-------------------------------------------------|-------------|-------------|
| Bank Deposits with maturity more than 12 months | 9.71        | 9.97        |
|                                                 | <u>9.71</u> | <u>9.97</u> |

The above includes Bank Deposits ₹ 9.71 lakhs (previous year as at 31 March 2020: ₹ 9.97 lakhs) held as Margin Money/Security against Bank Guarantees.

**B Other Financial Asset - Current****(Unsecured, considered good unless otherwise stated)**

|                                            |                  |                  |
|--------------------------------------------|------------------|------------------|
| Retention against Contracts                | 14.65            | 0.02             |
| Work-in-progress*:                         |                  |                  |
| Considered good                            | -                | 2.28             |
| Considered doubtful                        | 201.67           | 220.92           |
| Unbilled Revenue :                         |                  |                  |
| Considered good                            | 29,811.17        | 26,647.08        |
| Considered doubtful                        | 378.22           | 309.01           |
| Others                                     | 1,954.09         | 2,674.44         |
|                                            | <u>32,359.80</u> | <u>29,853.75</u> |
| Less: Allowance for expected credit losses | (579.89)         | (529.93)         |
|                                            | <u>31,779.91</u> | <u>29,323.82</u> |

\*As taken, valued and certified by the Management

**Note : 10****Deferred Tax Assets (net)****Deferred Tax Assets arising on:****Employee benefits:**

|                                                                  |           |           |
|------------------------------------------------------------------|-----------|-----------|
| Provision for Leave Encashment                                   | 6,475.91  | 5,662.96  |
| Provision for Post Retirement Medical Benefits                   | 6,295.35  | 6,001.56  |
| Provision for other benefits on Retirement                       | 63.37     | 65.35     |
| Provision for Long Service Awards                                | 30.38     | 27.74     |
| Provision for Employee related Expenses allowed on payment basis | 384.76    | 416.70    |
| Provision for Provident Fund Liability                           | 3,900.15  | -         |
| Provision for Contractual obligations                            | 13,626.48 | 12,270.96 |
| Provision for Estimated Losses                                   | 56.43     | 61.68     |
| Provision for doubtful Debts and Advances                        | 3,647.30  | 3,563.30  |
| Provision for Impairment of Oil Blocks                           | 744.56    | 714.57    |
| Others:                                                          |           |           |
| Provision for loss in Joint Venture                              | 126.17    | 126.12    |
| Amortised cost Financial Instruments                             | 111.44    | 59.09     |
| Leases                                                           | 4.86      | 3.93      |
| Capital Grant                                                    | 5.01      | -         |

**Deferred tax liabilities arising on:**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Depreciation                         | (2,106.01)       | (2,020.58)       |
| Others:                              |                  |                  |
| Foreign Currency Translation Reserve | (2.12)           | (7.65)           |
|                                      | <u>33,364.04</u> | <u>26,945.73</u> |

**Movement in above mentioned Deferred Tax Assets and Liabilities**

(₹ in Lakhs)

| Particulars                                 | 1 April 2019     | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2020    | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2021    |
|---------------------------------------------|------------------|------------------------------------------|--------------------------------------------|------------------|------------------------------------------|--------------------------------------------|------------------|
| <b>Deferred tax assets arising on:</b>      |                  |                                          |                                            |                  |                                          |                                            |                  |
| Employee Benefits                           | 14,461.57        | (97.81)                                  | (2,189.45)                                 | 12,174.31        | 181.72                                   | 4,793.89                                   | 17,149.92        |
| Provision for Contractual Obligations       | 13,705.51        | -                                        | (1,434.55)                                 | 12,270.96        | -                                        | 1,355.52                                   | 13,626.48        |
| Provision for Estimated Losses              | 355.06           | -                                        | (293.38)                                   | 61.68            | -                                        | (5.25)                                     | 56.43            |
| Provision for Impairment of Oil Blocks      | -                | -                                        | 714.57                                     | 714.57           | -                                        | 29.99                                      | 744.56           |
| Provision for doubtful Debts and Advances   | 3,577.29         | -                                        | (13.99)                                    | 3,563.30         | -                                        | 84.00                                      | 3,647.30         |
| Others                                      | 199.96           | (0.78)                                   | (10.04)                                    | 189.14           | -                                        | 58.34                                      | 247.48           |
| <b>Deferred tax liabilities arising on:</b> |                  |                                          |                                            |                  |                                          |                                            |                  |
| Depreciation                                | (2,607.86)       | -                                        | 587.28                                     | (2,020.58)       | -                                        | (85.43)                                    | (2,106.01)       |
| Others                                      | -                | (7.65)                                   | -                                          | (7.65)           | 5.53                                     | -                                          | (2.12)           |
| <b>Total</b>                                | <b>29,691.53</b> | <b>(106.24)</b>                          | <b>(2,639.56)</b>                          | <b>26,945.73</b> | <b>187.25</b>                            | <b>6,231.06</b>                            | <b>33,364.04</b> |

-During the year 2019-20, 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 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 11**
**Non-current Tax Assets (net)**

|                                                                                                                                   |                        |                        |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Advance income tax (net of provision for taxation amounting to ₹ 63,392.37 lakhs (previous year 31 March 2020: ₹ 41,621.08 lakhs) | 4,966.12               | 3,414.50               |
|                                                                                                                                   | <u><b>4,966.12</b></u> | <u><b>3,414.50</b></u> |

**Note : 12**
**A Other Non-Current Assets**
**(Unsecured, considered good unless otherwise stated)**

|                                  |                        |                        |
|----------------------------------|------------------------|------------------------|
| Capital Advances                 | 23.34                  | 32.77                  |
| Prepaid expense and rent advance | 1,162.12               | 1,064.47               |
|                                  | <u><b>1,185.46</b></u> | <u><b>1,097.24</b></u> |

**B. Other Current Assets**
**(Unsecured, considered good unless otherwise stated)**

|                                          |                         |                         |
|------------------------------------------|-------------------------|-------------------------|
| Advances to Vendors/Contractors:         |                         |                         |
| Considered good                          | 9,697.62                | 10,807.26               |
| Considered doubtful                      | 5.02                    | 5.04                    |
| Prepaid Expenses                         | 612.07                  | 698.68                  |
| Deposit with Statutory Authorities       | 8,825.23                | 7,210.50                |
| Claims Receivable :                      |                         |                         |
| Considered good                          | 0.60                    | 0.60                    |
| Considered doubtful                      | 1.79                    | 1.79                    |
| Advances to Employees :                  |                         |                         |
| Considered good                          | 478.01                  | 2,554.43                |
| Considered doubtful                      | 0.09                    | 0.08                    |
| Other Advances                           | 5.74                    | 14.12                   |
|                                          | <u><b>19,626.17</b></u> | <u><b>21,292.50</b></u> |
| Less: Impairment of non-financial Assets | (6.90)                  | (6.91)                  |
|                                          | <u><b>19,619.27</b></u> | <u><b>21,285.59</b></u> |



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 13****Inventories****(Lower of Cost or Net Realizable Value)**

Stores, Spares and Chemicals in hand\*

|               |               |
|---------------|---------------|
| 185.94        | 661.89        |
| <b>185.94</b> | <b>661.89</b> |

\* Includes Projects Inventory to the tune of ₹ 100.99 lakhs (previous year 31 March 2020: ₹ 568.95 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

51,844.20 66,614.60

Considered doubtful

13,911.46 13,627.62

**65,755.66 80,242.22**

Less: Allowance for expected Credit Losses

(13,911.46) (13,627.62)

**51,844.20 66,614.60****Note : 15****Cash and Cash equivalents**

Balances with Banks in Current Account\*

2,415.86 1,535.78

Remittance in transit

- 67.23

Banks Deposits having maturity of less than three months\*\*

4,357.84 830.59

Cash and stamps on hand\*

7.96 11.95

**6,781.66 2,445.55**

\* Includes ₹ 95.30 lakhs (previous year 31 March 2020: ₹ 94.80 lakhs) in currencies which are not repatriable.

\*\* Includes interest accrued on bank deposits ₹ 0.94 lakhs (previous year 31 March 2020: ₹ 0.07 lakhs)

**Note : 16****Other Bank balances**

Unpaid dividend account #

458.31 180.56

Amount held on behalf of clients

945.72 1,053.17

Banks deposits having maturity of more than three months but are due for maturity within twelve months from Balance Sheet date (refer Notes below)

1,17,668.03 2,68,571.59

**1,19,072.06 2,69,805.32**

# Includes TDS on Dividend ₹ 225.98 lakhs (previous year 31 March 2020: Nil)

**Notes:**

(i) Includes bank deposits having more than twelve months original maturity of ₹ 5,602.00 lakhs (previous year 31 March 2020: ₹ 42,055.50 lakhs)

(ii) Includes interest accrued on bank deposits ₹ 2,531.03 lakhs (previous year 31 March 2020: ₹ 4,940.59 lakhs)



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 17****Equity Share Capital****Authorised Share Capital**

|                                                                                               |                  |                  |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
| 800,000,000 (previous year 31 March 2020: 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**

|                                                                                               |                  |                  |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
| 562,123,373 (previous year 31 March 2020: 631,992,420) equity shares of par value of ₹ 5 each | 28,106.17        | 31,599.62        |
|                                                                                               | <b>28,106.17</b> | <b>31,599.62</b> |

**Subscribed and paid up**

|                                                                                               |           |           |
|-----------------------------------------------------------------------------------------------|-----------|-----------|
| 562,042,373 (previous year 31 March 2020: 631,911,420) equity shares of par value of ₹ 5 each | 28,102.12 | 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 2020: 2,600 equity shares of par value of ₹ 5 each )

|                  |                  |
|------------------|------------------|
| <b>28,102.13</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        |
| Less : Buy back of shares during the year        | 6,98,69,047         | -                   |
| <b>Shares outstanding at the end of the year</b> | <b>56,20,42,373</b> | <b>63,19,11,420</b> |

**b) Details of shareholders holding more than 5% equity shares in the Company****Name of shareholders**

|                                                                                                                                           | Number       | Number       |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| President of India                                                                                                                        | 28,84,58,584 | 32,54,04,724 |
|                                                                                                                                           | 51.32%       | 51.50%       |
| Life Insurance Corporation of India (Previous year 31 March 2020 :<br>Life Insurance Corporation of India)                                | 2,89,68,343  | 2,29,70,343  |
|                                                                                                                                           | 5.15%        | 3.64%        |
| ICICI Prudential Value Fund- Series 20 (Previous year 31 March 2020 :<br>ICICI Prudential Value Fund- Series 20)                          | -            | 4,18,69,388  |
|                                                                                                                                           | 0.00%        | 6.63%        |
| L&T Mutual Fund Trustee Limited - L&T Emerging Fund (Previous Year 31 March 2020:<br>L&T Mutual Fund Trustee Limited - L&T Emerging Fund) | -            | 3,22,52,280  |
|                                                                                                                                           | 0.00%        | 5.10%        |

**c) Other disclosures**

|                                                                                                                                                                                             |              |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Aggregate number of Equity Shares having par value of ₹ 5 each allotted as fully paid up by way of Bonus Share during the period of five years immediately preceding the Balance Sheet date | 33,69,36,600 | 33,69,36,600 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|

|                                                                                                                                                                                     |              |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
| Aggregate number of equity shares having par value of ₹ 5 each has been bought back by way of buy back during the period of five years immediately preceding the Balance Sheet date | 11,18,30,827 | 4,19,61,780 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|

**d) Terms and rights attached to equity shares**

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, gain/(loss) booked on re measurement of Defined Benefit Plans and gains/(loss) from Investments in Equity Instruments designated at fair value.

(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

## Note : 19

### A Other Financial Liabilities - non-current

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security Deposits and Retentions | 124.44        | 669.05        |
|                                  | <b>124.44</b> | <b>669.05</b> |

### B Other Financial Liabilities - Current

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Security Deposits and Retentions | 29,316.83        | 28,543.80        |
| Capital creditors                | 851.99           | 925.69           |
| Accrued Employees Benefits       | 4,827.67         | 5,806.81         |
| Unpaid Dividend*                 | 232.33           | 180.56           |
| Amount held on behalf of clients | 945.72           | 1,053.17         |
|                                  | <b>36,174.54</b> | <b>36,510.03</b> |

\*Excluding amount due for payment to Investor Education And Protection Fund

## Note : 20

### A Provisions - Non-Current

|                                               |               |               |
|-----------------------------------------------|---------------|---------------|
| Employees' post Retirement/Long-Term benefits | 341.34        | 326.87        |
|                                               | <b>341.34</b> | <b>326.87</b> |

### B Provisions - current

|                                                                 |                  |                  |
|-----------------------------------------------------------------|------------------|------------------|
| Employees' Post Retirement/Long-Term benefits                   | 6,192.28         | 9,920.75         |
| Provision for Contractual Obligations                           | 54,288.90        | 48,902.99        |
| Provision for Expected Losses                                   | 224.22           | 245.06           |
| Provision for Corporate Social Responsibility                   | 84.70            | 114.09           |
| Provision for Impairment in PF Trust Investment (refer note 55) | 15,496.48        | -                |
|                                                                 | <b>76,286.58</b> | <b>59,182.89</b> |



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 21****A Other Non-Current Liabilities**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Advances received from clients | 123.16        | 142.64        |
| Deferred Income                | 40.54         | 59.19         |
|                                | <b>163.70</b> | <b>201.83</b> |

**B Other current liabilities**

|                                                            |                    |                    |
|------------------------------------------------------------|--------------------|--------------------|
| Advances received from Clients*                            | 11,048.58          | 10,784.96          |
| Income received in advance                                 | 87,068.21          | 1,18,204.10        |
| Service tax/GST payable                                    | 6,451.86           | 6,911.74           |
| Withholding for employees including Employers Contribution | 1,796.07           | 1,620.69           |
| Withholding for Income Taxes                               | 2,048.52           | 2,094.78           |
| Deferred Income                                            | 62.56              | 120.93             |
| Accrued Provident Fund Liability**                         | 1,725.17           | 1,630.10           |
| Other liabilities                                          | 379.46             | 331.43             |
|                                                            | <b>1,10,580.43</b> | <b>1,41,698.73</b> |

\* Includes ₹ 7,114.09 lakhs (previous year 31 March 2020 : ₹ 7,114.09 lakhs) received pursuant to the order of Hon'able court against which appeal has been filed by the client.

\*\* Represents ₹ 1,725.17 Lakhs (previous year 31 March 2020: ₹ 1,630.10 Lakhs) of accrued provident fund liability for default on account of Provident Fund Trust investment.

**Note : 22****Trade Payables**

|                                                                                        |                  |                  |
|----------------------------------------------------------------------------------------|------------------|------------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note 53)      | 9,021.11         | 6,879.42         |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 32,326.38        | 21,086.64        |
|                                                                                        | <b>41,347.49</b> | <b>27,966.06</b> |

**Note : 23****Current Tax Liabilities (Net)**

|                                                                                                                             |                 |                 |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Provision for taxation (net of advance tax amounting to ₹ 13,495.29 Lakhs (previous year 31 March 2020: ₹ 20,610.97 Lakhs)) | 2,336.25        | 1,287.32        |
|                                                                                                                             | <b>2,336.25</b> | <b>1,287.32</b> |



(₹ in Lakhs)

| Particulars                                    | 31 March 2021      | 31 March 2020      |
|------------------------------------------------|--------------------|--------------------|
| <b>Note : 24</b>                               |                    |                    |
| <b>Revenue from Operations*</b>                |                    |                    |
| I <b>Consultancy and Engineering services</b>  | 1,38,353.64        | 1,55,088.69        |
| <b>Increase/(Decrease) in work-in-progress</b> |                    |                    |
| Closing work-in-progress                       | 201.67             | 223.20             |
| Less: Opening work-in-progress                 | 223.20             | 302.89             |
|                                                | <b>(21.53)</b>     | <b>(79.69)</b>     |
| <b>Other Operating Income</b>                  |                    |                    |
| Income under Service Export from India scheme  | -                  | 1,522.02           |
| <b>Sub-total (A)</b>                           | <b>1,38,332.11</b> | <b>1,56,531.02</b> |
| II <b>Turnkey projects</b>                     | <b>1,72,136.67</b> | <b>1,63,774.06</b> |
| <b>Increase/(decrease) in work-in-progress</b> |                    |                    |
| Closing work-in-progress                       | -                  | -                  |
| Less: Opening work-in-progress                 | -                  | -                  |
|                                                | <b>-</b>           | <b>-</b>           |
| <b>Sub-total (B)</b>                           | <b>1,72,136.67</b> | <b>1,63,774.06</b> |
| <b>Grand total (A+B)</b>                       | <b>3,10,468.78</b> | <b>3,20,305.08</b> |

\* Excludes Goods and Services Tax (GST)

**Note : 25****Other income****Interest income :**

|                                                                                                                                         |                  |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Bank Deposits                                                                                                                           | 14,438.50        | 19,467.90        |
| Loan to Employees                                                                                                                       | 429.94           | 335.58           |
| Income-tax Refunds                                                                                                                      | -                | 120.36           |
| Others                                                                                                                                  | 575.04           | 1,028.05         |
| Gain on modification of Employee Advances                                                                                               | -                | 68.53            |
| Gain on modification of Leases                                                                                                          | 0.45             | -                |
| Amortization of Deferred Income                                                                                                         | 135.07           | 136.99           |
| Dividend Income from Subsidiary Company                                                                                                 | 927.00           | 647.00           |
| Dividend Income from Current Investments                                                                                                | -                | 177.92           |
| Capital gain on redemption of Investments in Mutual Funds                                                                               | 531.40           | 261.02           |
| Funds received against Research and Development (netting off the utilisation)                                                           | -                | -                |
| (31 March 2021: Received ₹ 92.00 lakhs and utilised ₹ 92.00 lakhs and 31 March 2020: Received ₹ 63.47 lakhs and utilised ₹ 63.47 lakhs) |                  |                  |
| Profit on Sale of Assets                                                                                                                | 1.43             | 4.43             |
| Foreign Exchange difference (Net)                                                                                                       | -                | 786.49           |
| Rental Income                                                                                                                           | 2,153.01         | 2,365.44         |
| Miscellaneous Income                                                                                                                    | 296.03           | 403.75           |
|                                                                                                                                         | <b>19,487.87</b> | <b>25,803.46</b> |

**Note : 26****Technical Assistance/sub contracts**

|                    |                    |
|--------------------|--------------------|
| <b>1,14,472.31</b> | <b>1,08,953.44</b> |
|--------------------|--------------------|



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 27**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Construction Materials and Equipments | 51,834.26 | 46,805.34 |
|---------------------------------------|-----------|-----------|

**Note : 28****Employee Benefits Expense**

## Salaries and allowances@

|                                                                                               |                  |                  |
|-----------------------------------------------------------------------------------------------|------------------|------------------|
| Staff                                                                                         | 67,501.57        | 68,429.53        |
| Directors                                                                                     | 264.28           | 244.57           |
| Contribution towards employees pension and Provident Fund and Administration charges thereon* |                  |                  |
| Staff                                                                                         | 7,283.73         | 6,971.91         |
| Directors                                                                                     | 21.68            | 21.02            |
| Contribution towards Employees Defined Contributory Superannuation Scheme                     |                  |                  |
| Staff                                                                                         | 6,054.01         | 3,700.46         |
| Directors                                                                                     | 24.12            | 16.35            |
| Staff Welfare #                                                                               |                  |                  |
| Staff                                                                                         | 3,287.67         | 3,770.27         |
| Directors                                                                                     | 7.05             | 20.39            |
| Contribution to Gratuity Fund (net of contribution received from others)**                    | 1,381.41         | 1,261.06         |
|                                                                                               | <b>85,825.52</b> | <b>84,435.56</b> |

@ Salaries and Allowances Includes :

- Provision for bonus of ₹ 0.33 lakhs (previous year : ₹ 0.35 lakhs).
- ₹ 4,010.48 lakhs (previous year : ₹ 4,521.91 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.
- ₹ 120.78 lakhs (previous year : ₹ 709.83 lakhs) on account of estimated enhanced Gratuity ceiling due to increase in Dearness Allowance in terms of DPE guidelines (refer note no.54)

# Includes expenditure for medical benefits of ₹ 166.03 lakhs (previous year : ₹ 1,389.57 lakhs) for employees retired prior to 01.01.2007.

\*Includes ₹ 1,725.17 Lakhs (previous year: ₹ 1,630.10 Lakhs) of accrued Provident Fund liability for default 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 | 207.50        | -             |
| Unwinding of Discount on Security Deposit      | 126.19        | 129.60        |
| Interest on Lease Liabilities                  | 32.64         | 44.07         |
|                                                | <b>366.33</b> | <b>173.67</b> |

**Note : 30****Depreciation and amortization**

|                                               |                 |                 |
|-----------------------------------------------|-----------------|-----------------|
| Depreciation on Property, Plant and Equipment | 1,518.89        | 1,658.06        |
| Depreciation of Investment Property           | 193.59          | 141.51          |
| Amortization of other Intangible Assets       | 365.30          | 332.55          |
| Depreciation on Right of use Assets           | 265.20          | 251.32          |
|                                               | <b>2,342.98</b> | <b>2,383.44</b> |



(₹ in Lakhs)

## Particulars

31 March 2021

31 March 2020

**Note : 31****Other Expenses****A Facilities**

|                                                                         |                 |                 |
|-------------------------------------------------------------------------|-----------------|-----------------|
| Rent expense - office                                                   | 538.44          | 538.98          |
| Rent - Residential Accommodation :                                      |                 |                 |
| Staff (net of recovery of ₹ 75.92 lakhs (previous year: ₹ 59.13 lakhs)) | 337.14          | 314.86          |
| Light, Water and Power                                                  | 1,219.71        | 1,305.79        |
| Insurance                                                               | 400.71          | 209.54          |
| Miscellaneous Repair and Maintenance                                    | 3,539.97        | 3,340.57        |
| Repair and Maintenance of own building                                  | 337.54          | 72.30           |
| Repair and Maintenance of Plant and Machinery                           | 416.47          | 474.28          |
| Hire charges of Office Equipments                                       | 99.15           | 14.19           |
| <b>Sub total (A)</b>                                                    | <b>6,889.13</b> | <b>6,270.51</b> |

**B Corporate Costs**

|                                          |                 |                 |
|------------------------------------------|-----------------|-----------------|
| Bank charges                             | 206.49          | 197.05          |
| Sitting fees to Independent Directors    | 9.35            | 19.65           |
| Advertisement for Tender and Recruitment | 12.40           | 30.96           |
| Publicity                                | 62.86           | 375.79          |
| Subscription                             | 120.87          | 112.18          |
| Entertainment                            | 20.98           | 163.38          |
| Remuneration to Auditors* :              |                 |                 |
| For Audit                                | 13.85           | 12.04           |
| For Tax Audit                            | 2.60            | 2.25            |
| Others                                   | 9.90            | 8.85            |
| Filing fee                               | 0.37            | 0.35            |
| Legal and Professional Charges           | 394.60          | 1,063.79        |
| Licences and Taxes                       | 506.61          | 803.38          |
| Loss on Sale of Assets                   | 4.21            | 15.65           |
| Foreign Exchange Difference (Net)        | 120.51          | -               |
| Fixed Assets written off                 | 2.67            | 2.49            |
| <b>Sub total (B)</b>                     | <b>1,488.27</b> | <b>2,807.81</b> |

\* Excluding remuneration for buy back amounting to ₹ 3.00 lakhs (previous year : Nil)

**C Other costs**

|                                                                             |          |          |
|-----------------------------------------------------------------------------|----------|----------|
| Consumables/Stores/Equipment - R&D Centre                                   | 105.03   | 98.53    |
| Travel and Conveyance                                                       |          |          |
| Directors*                                                                  | 84.22    | 84.85    |
| Others                                                                      | 6,964.18 | 7,841.88 |
| Printing, Stationery and General Office Supplies                            | 226.91   | 368.49   |
| Newspapers and Periodicals                                                  | 21.91    | 28.95    |
| Postage and Telecommunications                                              | 433.58   | 491.06   |
| Courier, Transportation and Handling                                        | 15.92    | 87.06    |
| Commission to Foreign Agents                                                | 199.39   | 192.73   |
| Allowance for expected credit losses - Trade Receivables and Advances (net) | 333.80   | 3,920.84 |
| Bad Debts written off                                                       | 342.13   | 159.15   |



(₹ in Lakhs)

| Particulars                                                 | 31 March 2021    | 31 March 2020    |
|-------------------------------------------------------------|------------------|------------------|
| Provision for Contractual Obligations (Net)                 | 5,385.91         | 9,534.85         |
| Provision for Expected Losses (net)                         | (20.84)          | (771.03)         |
| (Reversal of Impairment)/Impairment in Value of Investments | 0.24             | 0.37             |
| Provision for Impairment of Exploration Expenditure         | 119.17           | 2,839.20         |
| Training Expenses :                                         |                  |                  |
| Travel                                                      | 1.18             | 54.78            |
| Others                                                      | 30.31            | 68.05            |
| CSR Expenses (Refer note below)                             | 1,264.64         | 1,128.49         |
| Expenditure relating to Oil and Gas Exploration Blocks      | 56.26            | 145.56           |
| Loss on modification of Employee Advances                   | 139.95           | -                |
| Miscellaneous Expenses                                      | 511.19           | 527.57           |
|                                                             | <b>16,215.08</b> | <b>26,801.38</b> |
| <b>Less: Inhouse expenditure relating to</b>                |                  |                  |
| Capital works                                               | (30.48)          | (73.51)          |
| <b>Sub total (C)</b>                                        | <b>16,184.60</b> | <b>26,727.87</b> |
| <b>Grand total (A+B+C)</b>                                  | <b>24,562.00</b> | <b>35,806.19</b> |

\*Includes recovery of ₹ 1.66 lakhs on account of use of car (previous year : ₹ 1.43 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 2020-21 - ₹ 1194.10 lakhs (previous year: ₹ 1078.19 lakhs)

(b) Amount spent during the financial year ended 31 March 2021 and 31 March 2020 on:

(₹ in Lakhs)

| Particulars                               |                      | In cash  | Yet to be paid in cash | Total    |
|-------------------------------------------|----------------------|----------|------------------------|----------|
| (i) Construction/acquisition of any asset | <b>31 March 2021</b> | 141.88   | -                      | 141.88   |
|                                           | <b>31 March 2020</b> | 402.95   | -                      | 402.95   |
| (ii) On purposes other than (i) above     | <b>31 March 2021</b> | 1,038.06 | 84.70                  | 1,122.76 |
|                                           | <b>31 March 2020</b> | 712.13   | 13.41                  | 725.54   |

**Note : 32****Income tax****Tax expense comprises of:**

|                                     |                 |                  |
|-------------------------------------|-----------------|------------------|
| Current Income Tax                  | 15,335.64       | 21,936.32        |
| Earlier years Tax adjustments (net) | 2.46            | (49.35)          |
| Deferred Tax                        | (6,231.06)      | 2,639.56         |
|                                     | <b>9,107.04</b> | <b>24,526.53</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 :25.168%) and the reported Tax Expense in statement of Profit and Loss are as follows:

**Statement of Profit and Loss**

|                                                                          |           |           |
|--------------------------------------------------------------------------|-----------|-----------|
| Accounting Profit before Tax                                             | 35,056.77 | 67,550.90 |
| At India's Statutory Income Tax rate of 25.168% (31 March 2020: 25.168%) | 8,823.09  | 17,001.21 |





(₹ in Lakhs)

| Particulars                                        | 31 March 2021   | 31 March 2020    |
|----------------------------------------------------|-----------------|------------------|
| <b>Adjustments in respect of tax expense</b>       |                 |                  |
| Tax Expense of Buy Back Expense                    | (71.67)         | -                |
| Tax expense on account of Joint Control operation  | -               | 51.86            |
| Tax impact of Exempted Income                      | -               | (328.99)         |
| Tax impact of Expenses which will never be allowed | 375.53          | 296.41           |
| Earlier years current tax adjustments (net)        | 2.46            | (49.35)          |
| Earlier years deferred Tax Adjustments (net)       | (7.58)          | 7,555.37         |
| Others                                             | (14.79)         | 0.02             |
|                                                    | <b>9,107.04</b> | <b>24,526.53</b> |

The provision for current Income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

### Note : 33

#### Earnings Per Share (EPS)

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Company. Basic Earnings Per Share is computed using the weighted average number of shares outstanding during the year. Diluted Earnings per Share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

During the year, pursuant to Public Announcement dated December 21, 2020, published on December 22, 2020 and letter of offer dated January 13, 2021, the company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the company, through tender offer route under Stock Exchange Mechanism and these shares extinguished on February 19, 2021. Post buyback the company's equity share capital as on 31 March 2021 is ₹ 28,102.13 lakhs comprising of fully paid up 56,20,42,373 equity share having face value of ₹ 5/- each.

|                                                                | 31 March 2021 | 31 March 2020 |
|----------------------------------------------------------------|---------------|---------------|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 25,949.73     | 43,024.37     |
| Weighted average number of equity shares                       | 62,40,63,116  | 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                                                          | 4.16          | 6.81          |
| Diluted                                                        | 4.16          | 6.81          |

### 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 2021                                   | Level 1          | Level 2  | Level 3          | Total            |
|-------------------------------------------------|------------------|----------|------------------|------------------|
| <b>Financial assets</b>                         |                  |          |                  |                  |
| Liquid plan of mutual funds                     | 20,707.70        | -        | -                | 20,707.70        |
| Unquoted equity shares (Fair Value) through OCI | -                | -        | 70,010.50        | 70,010.50        |
| <b>Total financial assets</b>                   | <b>20,707.70</b> | <b>-</b> | <b>70,010.50</b> | <b>90,718.20</b> |



## 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        |
| Unquoted Equity Shares (Fair Value) through OCI | -               | -        | -        | -               |
| <b>Total financial assets</b>                   | <b>5,000.12</b> | <b>-</b> | <b>-</b> | <b>5,000.12</b> |

## (iii) Valuation technique used to determine fair value

Specific valuation techniques used to value Liquid plan of mutual funds include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

Specific valuation techniques used to value Unquoted equity shares (Fair Value) through OCI include - Discounted Cash flow method using risk adjusted discount rate approach

## (iv) Reconciliation Level 3 fair values

The following table shows a reconciliation of opening balances to the closing balances for Level 3 fair values:

(₹ in Lakhs)

| Particulars                                                    | FY 2020-21       | FY 2019-20 |
|----------------------------------------------------------------|------------------|------------|
| Balance as at the beginning of the year                        | -                | -          |
| Add: Additional investment during the year                     | 70,010.50        | -          |
| Add: Fair Value gain recognized in Other Comprehensive Income  | -                | -          |
| Less: Fair Value loss recognized in Other Comprehensive Income | -                | -          |
| Balance as at the end of the year                              | <b>70,010.50</b> | <b>-</b>   |

**Note : 35**

## Financial Instruments

## (i) Financial Instruments by Category

(₹ in Lakhs)

| Particulars                                          | 31 March 2021    |                  |                    | 31 March 2020 |                 |                    |
|------------------------------------------------------|------------------|------------------|--------------------|---------------|-----------------|--------------------|
|                                                      | FVTOCI           | FVTPL            | Amortised cost     | FVTOCI        | FVTPL           | Amortised cost     |
| <b>Financial assets</b>                              |                  |                  |                    |               |                 |                    |
| Investments - Equity Shares (Fair Value) through OCI | 70,010.50        | -                | -                  | -             | -               | -                  |
| Investments - mutual funds                           | -                | 20,707.70        | -                  | -             | 5,000.12        | -                  |
| Trade receivables                                    | -                | -                | 51,844.20          | -             | -               | 66,614.60          |
| Loans (excluding Security Deposits)                  | -                | -                | 6,771.94           | -             | -               | 5,555.31           |
| Other Financial assets                               | -                | -                | 31,789.62          | -             | -               | 29,333.79          |
| Cash and cash equivalents                            | -                | -                | 6,781.66           | -             | -               | 2,445.55           |
| Other Bank Balances                                  | -                | -                | 1,19,072.06        | -             | -               | 2,69,805.32        |
| Security Deposits                                    | -                | -                | 547.10             | -             | -               | 555.00             |
| <b>Total Financial Assets</b>                        | <b>70,010.50</b> | <b>20,707.70</b> | <b>2,16,806.58</b> | <b>-</b>      | <b>5,000.12</b> | <b>3,74,309.57</b> |
| <b>Financial liabilities</b>                         |                  |                  |                    |               |                 |                    |
| Trade Payables                                       | -                | -                | 41,347.49          | -             | -               | 27,966.06          |
| Security Deposits and Retentions                     | -                | -                | 29,441.27          | -             | -               | 29,212.85          |
| Lease Liabilities                                    | -                | -                | 367.56             | -             | -               | 492.44             |
| Other Financial Liabilities                          | -                | -                | 6,005.72           | -             | -               | 7,040.54           |
| Capital Creditors                                    | -                | -                | 851.99             | -             | -               | 925.69             |
| <b>Total financial liabilities</b>                   | <b>-</b>         | <b>-</b>         | <b>78,014.03</b>   | <b>-</b>      | <b>-</b>        | <b>65,637.58</b>   |

Investment in Mutual Funds are valued at fair value through P&L at each Balance Sheet date.

Investment in Subsidiaries, Associate and Joint Venture are measured at cost as per Ind AS 27, 'Separate Financial Statements'.

Investment in other than Subsidiaries, Associates, Joint Ventures and Mutual Funds are valued at fair value through OCI at each Balance Sheet date.

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 2021 | 31 March 2020 |
|-------------------------|-----------------------------------------------------------------------------------------------------|---------------|---------------|
| A: Low Credit Risk      | Cash and Cash Equivalents, other Bank Balances, Loans, Trade Receivables and other Financial Assets | 2,16,806.58   | 3,74,309.57   |
| B: Moderate Credit Risk | Trade Receivables, Loans and other Financial Assets                                                 | 6,877.16      | 6,429.56      |
| C: High Credit Risk     | Trade Receivables                                                                                   | 7,618.42      | 7,732.22      |

ii) *Concentration of Trade Receivables*

The Company's exposure to Credit Risk for Trade Receivables is presented as below.

(₹ in Lakhs)

| Particulars         | 31 March 2021    | 31 March 2020    |
|---------------------|------------------|------------------|
| Chemical Fertilizer | 1,237.56         | 1,577.09         |
| Hydro Carbon        | 56,677.39        | 69,941.32        |
| Infrastructure      | 3,357.94         | 4,651.99         |
| Metallurgy          | 166.72           | 1,245.95         |
| Power               | 1,924.73         | 1,270.94         |
| Others              | 2,391.32         | 1,554.93         |
| <b>Total</b>        | <b>65,755.66</b> | <b>80,242.22</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 2021**

(₹ in Lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Cash and Cash equivalents           | 6,781.66                                   | -                      | 6,781.66                                    |
| Other Bank Balances                 | 1,19,072.06                                | -                      | 1,19,072.06                                 |
| Loans (excluding Security Deposits) | 6,771.94                                   | -                      | 6,771.94                                    |
| Security Deposits                   | 551.33                                     | 4.23                   | 547.10                                      |
| Other Financial Assets              | 32,369.51                                  | 579.89                 | 31,789.62                                   |

**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                                   |



## (ii) Expected Credit Loss for Trade Receivables under simplified approach

As at 31 March 2021

(₹ in Lakhs)

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 18,651.28   | 8,178.46      | 3,893.70       | 3,744.91       | 5,073.15       | 1,091.30       |
| Expected Credit Loss (provision)    | 182.98      | 698.80        | 518.03         | 1,144.84       | 957.30         | 387.43         |
| Carrying amount (net of impairment) | 18,468.30   | 7,479.66      | 3,375.67       | 2,600.07       | 4,115.85       | 703.87         |

| Particulars                         | 540 - 630 days | 630 - 720 days | 720 - 1095 days | >1095 days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 3,713.75       | 1,897.65       | 2,628.83        | 7,618.42   |
| Expected Credit Loss (provision)    | 963.25         | 514.15         | 926.26          | 7,618.42   |
| Carrying amount (net of impairment) | 2,750.50       | 1,383.50       | 1,702.57        | -          |

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        | -          |

## Reconciliation of loss provision – lifetime expected credit losses

(₹ in Lakhs)

| Reconciliation of loss allowance                    | Security deposits | Other financial assets | Trade receivables |
|-----------------------------------------------------|-------------------|------------------------|-------------------|
| <b>Loss allowance on 1 April 2019</b>               | <b>4.23</b>       | <b>326.09</b>          | <b>9910.62</b>    |
| Impairment loss recognised/reversed during the year | -                 | 203.84                 | 3,850.16          |
| Amounts written off                                 | -                 | -                      | (133.16)          |
| <b>Loss allowance on 31 March 2020</b>              | <b>4.23</b>       | <b>529.93</b>          | <b>13,627.62</b>  |
| Impairment Loss recognised/reversed during the year | -                 | 49.96                  | 594.36            |
| Amounts written off                                 | -                 | -                      | (310.52)          |
| <b>Loss allowance on 31 March 2021</b>              | <b>4.23</b>       | <b>579.89</b>          | <b>13,911.46</b>  |

## (B) Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

### Maturities of Financial Liabilities

The tables below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Lakhs)

| 31 March 2021                    | Less than 1 year | 1 - 2 years  | More than 2 years | Total            |
|----------------------------------|------------------|--------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |              |                   |                  |
| Trade Payable                    | 41,347.49        | -            | -                 | 41,347.49        |
| Security Deposits and Retentions | 29,358.62        | 96.61        | 46.18             | 29,501.41        |
| Capital Creditors                | 851.99           | -            | -                 | 851.99           |
| Other Financial Liabilities      | 6,005.72         | -            | -                 | 6,005.72         |
| <b>Total</b>                     | <b>77,563.82</b> | <b>96.61</b> | <b>46.18</b>      | <b>77,706.61</b> |

(₹ 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> |

## (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 2021 | 31 March 2020 |
|-------------------------------------------------|----------|---------------|---------------|
| Trade Payables, Security Deposits and Retention | AED      | 265.06        | 248.61        |
|                                                 | USD      | 9,706.56      | 10,972.71     |
|                                                 | EURO     | 388.43        | 340.59        |
|                                                 | GBP      | 443.38        | 407.97        |
|                                                 | Others   | 119.26        | 140.93        |
| Trade Receivables and Security Deposits         | AED      | 1,080.60      | 742.76        |
|                                                 | USD      | 19,507.60     | 15,720.72     |
|                                                 | EURO     | 519.96        | 519.68        |
|                                                 | GBP      | 1.51          | 1.39          |
|                                                 | Others   | 85.19         | 172.59        |
| Cash and Bank Balance                           | AED      | 276.73        | 353.64        |
|                                                 | USD      | 0.16          | 67.26         |
|                                                 | GBP      | 41.92         | 38.37         |
|                                                 | Others   | 99.62         | 104.98        |

**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 2021                | 31 March 2020 | 31 March 2021                | 31 March 2020 |
| Trade Payables, Security Deposits and Retentions | AED      | (2.65)                       | (2.49)        | 2.65                         | 2.49          |
|                                                  | USD      | (97.07)                      | (109.73)      | 97.07                        | 109.73        |
|                                                  | EURO     | (3.88)                       | (3.40)        | 3.88                         | 3.40          |
|                                                  | GBP      | (4.43)                       | (4.08)        | 4.43                         | 4.08          |
|                                                  | Others   | (1.19)                       | (1.41)        | 1.19                         | 1.41          |
| Trade Receivables and Deposits                   |          |                              |               |                              |               |
|                                                  | AED      | 10.81                        | 7.43          | (10.81)                      | (7.43)        |
|                                                  | USD      | 195.08                       | 157.21        | (195.08)                     | (157.21)      |
|                                                  | EURO     | 5.20                         | 5.19          | (5.20)                       | (5.19)        |
|                                                  | GBP      | 0.02                         | 0.01          | (0.02)                       | (0.01)        |
|                                                  | Others   | 0.85                         | 1.73          | (0.85)                       | (1.73)        |
| Cash and Bank Balance                            | AED      | 2.77                         | 3.54          | (2.77)                       | (3.54)        |
|                                                  | USD      | -                            | 0.67          | -                            | (0.67)        |
|                                                  | GBP      | 0.42                         | 0.38          | (0.42)                       | (0.38)        |
|                                                  | Others   | 1.00                         | 1.05          | (1.00)                       | (1.05)        |

**(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 2021 | 31 March 2020 |
|--------------------------------|---------------|---------------|
| Price increase by (3 %)- FVTPL | 621.23        | 150.00        |
| Price decrease by (3 %)- FVTPL | (621.23)      | (150.00)      |

**(D) Other risk - Impact of COVID-19**

Financial assets carried at fair value as at 31 March 2021 is ₹ 20,707.07 Lakhs. These financial assets are classified as Level 1 having fair value of ₹ 20,707.07 Lakhs as at 31 March 2021. 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 ₹ 2,16,806.58 Lakhs, consisting of ₹ 1,25,863.43 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 ₹ 90,943.15 Lakhs as at March 31, 2021, 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 ₹ 14,495.58 Lakhs as at 31 March 2021 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 2021 | 31 March 2020 |
|----------------------|---------------|---------------|
| Equity share capital | 28,102.13     | 31,595.58     |
| Other equity         | 1,41,998.73   | 2,02,950.16   |

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 2021 and 31 March 2020.

During the year, the Company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the company, through tender offer route under Stock Exchange Mechanism and these shares extinguished on February 19, 2021. Post buyback the Company's equity share capital as on 31 March 2021 is ₹ 28,102.13 Lakhs comprising of fully paid up 56,20,42,373 equity share having face value of ₹ 5/- each.

**Note : 37****Dividends**

(₹ in Lakhs)

| Nature                                                                                                | 31 March 2021    | 31 March 2020    |
|-------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Cash Dividend on Equity Shares declared and paid</b>                                               |                  |                  |
| 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 Final Dividend                                                           | -                | 902.24           |
| Interim Dividend for 31 March 2021 (₹ 1.40 per share) (previous year 31 March 2020: ₹ 3.60 per share) | 7,868.59         | 22,748.81        |
| Dividend Distribution Tax on Interim Dividend                                                         | -                | 4,615.03         |
| <b>Total</b>                                                                                          | <b>17,663.22</b> | <b>33,005.42</b> |

(₹ in Lakhs)

| Proposed Dividend on Equity Shares                                                                           | 31 March 2021   | 31 March 2020   |
|--------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Proposed Final Dividend for 31 March 2021 (₹ 0.60 per share) (previous year 31 March 2020: ₹ 1.55 per share) | 3,372.25        | 9,794.63        |
| <b>Total</b>                                                                                                 | <b>3,372.25</b> | <b>9,794.63</b> |

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as Liability.



## 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                       | 26.70%<br>(Previous year: 31 March 2020: 26.29%) |                                                                                   |

| SI No. | Name of the Related Party                                         | Nature of Relationship                                                                                     |
|--------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 1.     | Certification Engineers International Limited("CEIL")             | Wholly owned subsidiary                                                                                    |
| 2.     | TEIL Projects Limited ("TEIL") – Under Liquidation                | Joint Venture Company                                                                                      |
| 3.     | Ramagundam Fertilizers And Chemicals Limited ("RFCL")             | Joint Venture Company                                                                                      |
| 4.     | Oil And Gas Exploration And Production Block No. CB-ONN-2010/8 *  | Joint Operation - Participating Interest 22.22%                                                            |
| 5.     | Oil And Gas Exploration And Production Block No. CB-ONN-2010/11 * | Joint Operation - Participating Interest 23.53%                                                            |
| 6.     | <b>Directors/Key Management Personnel (KMP)(31 March 2021)</b>    |                                                                                                            |
|        | Mr. Rakesh Kumar Sabharwal                                        | Director (Commercial) and CEO (Holding Addl. Charge of Chairman & Managing Director w.e.f 1 February 2021) |
|        | Mr. Jagdish Chander Nakra                                         | Chairman & Managing Director and CEO upto 31 January 2021                                                  |
|        | Mr. B. N. Reddy                                                   | Director (Government Nominee)                                                                              |
|        | Mr. Sunil Kumar                                                   | Director (Government Nominee)                                                                              |
|        | Mr. M. Arulmurugan                                                | Non-Official Independent Director                                                                          |
|        | Mr. Chaman Kumar                                                  | Non-Official Independent Director upto 7 September 2020                                                    |
|        | Mr. Rajesh Kumar Gogna                                            | Non-Official Independent Director upto 7 September 2020                                                    |
|        | Mr. Sunil Bhatia                                                  | Director (Finance) and CFO                                                                                 |
|        | Mr. Sanjeev Kumar Handa                                           | Director (Projects)                                                                                        |
|        | Mr. Ashok Kumar Kalra                                             | Director (Human Resource)                                                                                  |
|        | Smt. Vartika Shukla                                               | Director (Technical) w.e.f. 1 August 2020                                                                  |
|        | Mr. L. K. Vijh                                                    | Director (Technical) upto 31 July 2020                                                                     |
|        | Mr. S.K. Padhi                                                    | Company Secretary                                                                                          |

| SI No. | Nature of Relationship                                         | Name of the Related Party                                       |
|--------|----------------------------------------------------------------|-----------------------------------------------------------------|
| 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 Khushalaro 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                                               |

\* 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 | PII#            | Block 2010-11 | Block 2010-8 |           |
| Deputation of Employees and reimbursement of expenses (at cost) | 31 March 2021 | -                       | 487.72                  | -    | -               | -             | -            | 487.72    |
|                                                                 | 31 March 2020 | -                       | 468.41                  | -    | -               | -             | -            | 468.41    |
| Dividend                                                        | 31 March 2021 | 927.00                  | -                       | -    | -               | -             | -            | 927.00    |
|                                                                 | 31 March 2020 | 647.00                  | -                       | -    | -               | -             | -            | 647.00    |
| Rendering of services and other transactions                    | 31 March 2021 | 207.31                  | 790.81                  | -    | -               | -             | -            | 998.12    |
|                                                                 | 31 March 2020 | 188.26                  | 837.57                  | -    | -               | -             | -            | 1,025.83  |
| Services and facilities received                                | 31 March 2021 | 836.40                  | -                       | -    | -               | -             | -            | 836.40    |
|                                                                 | 31 March 2020 | 1,419.28                | -                       | -    | -               | -             | -            | 1,419.28  |
| Equity Contribution                                             | 31 March 2021 | -                       | 2,110.00                | -    | -               | -             | -            | 2,110.00  |
|                                                                 | 31 March 2020 | -                       | 15,283.82               | -    | -               | -             | -            | 15,283.82 |
| Equity /Capital Divestment                                      | 31 March 2021 | -                       | -                       | 8.39 | -               | -             | -            | 8.39      |
|                                                                 | 31 March 2020 | -                       | -                       | -    | 135.14          | -             | -            | 135.14    |



(₹ in Lakhs)

| Particulars                                                                                        | Year Ended    | Wholly Owned Subsidiary | Joint Venture Companies |      | Joint Operation |               |              | Total    |
|----------------------------------------------------------------------------------------------------|---------------|-------------------------|-------------------------|------|-----------------|---------------|--------------|----------|
|                                                                                                    |               | CEIL                    | RFCL                    | TEIL | PII#            | Block 2010-11 | Block 2010-8 |          |
| (Reversal of Impairment)/<br>Impairment in value of<br>Investment                                  | 31 March 2021 | -                       | -                       | 0.24 | -               | -             | -            | 0.24     |
|                                                                                                    | 31 March 2020 | -                       | -                       | 0.37 | -               | -             | -            | 0.37     |
| Survey Cost, Capital Expenditure,<br>Impairment Provision, Other<br>Costs and Dry Well written off | 31 March 2021 | -                       | -                       | -    | -               | 52.78         | 172.83       | 225.61   |
|                                                                                                    | 31 March 2020 | -                       | -                       | -    | -               | 1,744.69      | 1,522.97     | 3,267.66 |
| Share of Income / (Expenses)                                                                       | 31 March 2021 | -                       | -                       | -    | -               | -             | -            | -        |
|                                                                                                    | 31 March 2020 | -                       | -                       | -    | 33.98           | -             | -            | 33.98    |

# Petroleum India International ("PII") dissolved on 18 March 2020

**Balances during the year**

(₹ in Lakhs)

| Particulars                                                                              | As at         | Wholly Owned Subsidiary | Joint Venture Companies |       | Joint Operation |              | Total  |
|------------------------------------------------------------------------------------------|---------------|-------------------------|-------------------------|-------|-----------------|--------------|--------|
|                                                                                          |               | CEIL                    | RFCL                    | TEIL  | Block 2010-11   | Block 2010-8 |        |
| Outstanding Receivables/<br>Unbilled/Advances Paid/Prepaid/<br>Deposits and Other assets | 31 March 2021 | 76.03                   | 602.64                  | -     | 10.00           | 2.72         | 691.39 |
|                                                                                          | 31 March 2020 | 45.50                   | 434.01                  | 16.29 | 0.80            | 2.72         | 499.32 |
| Outstanding Payable/Retentions                                                           | 31 March 2021 | 328.56                  | -                       | -     | -               | 126.73       | 455.29 |
|                                                                                          | 31 March 2020 | 631.13                  | -                       | -     | 21.31           | 51.33        | 703.77 |
| Intangible Assets under<br>Development & PPE (Net of<br>Impairment)                      | 31 March 2021 | -                       | -                       | -     | 27.41           | -            | 27.41  |
|                                                                                          | 31 March 2020 | -                       | -                       | -     | 26.07           | 70.35        | 96.42  |

**Transactions and balances pertaining to KMP's**

(₹ in Lakhs)

| Particulars                                       | 31 March 2021 | 31 March 2020 |
|---------------------------------------------------|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration/Sitting Fees                         | 357.52        | 349.32        |
| Rent Paid for Residential Accommodation           | -             | -             |
| Interest Income on Loans given                    | 0.03          | -             |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding Loans, Interest and Other Receivables | 1.50          | -             |

**Funded**

(₹ in Lakhs)

| Defined Benefit Obligation for Key Management Personnel |                   |               |                           |               |                                           |               |
|---------------------------------------------------------|-------------------|---------------|---------------------------|---------------|-------------------------------------------|---------------|
|                                                         | Gratuity (funded) |               | Leave Encashment (funded) |               | Post-Retirement Medical Benefits (funded) |               |
|                                                         | 31 March 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020 |
| Total Defined Benefit Obligation                        | 74.35             | 91.43         | 131.25                    | 138.04        | 50.42                                     | 56.76         |

**Unfunded**

(₹ in Lakhs)

| Defined Benefit Obligation for Key Management Personnel |                               |               |                                         |               |
|---------------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                         | Long Service Award (unfunded) |               | Other Benefits on Retirement (unfunded) |               |
|                                                         | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Total Defined Benefit Obligation                        | 0.08                          | 0.04          | 2.14                                    | 2.43          |

**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.

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 2021:

(₹ in Lakhs)

| Particulars                 | Category of ROU asset |          |          | Total    |
|-----------------------------|-----------------------|----------|----------|----------|
|                             | Land                  | Building | Vehicles |          |
| Balance as of 1 April 2020  | 850.25                | 231.10   | 245.72   | 1,327.07 |
| Additions                   | -                     | 130.54   | -        | 130.54   |
| Depreciation                | (10.73)               | (164.92) | (89.55)  | (265.20) |
| Deletion                    | -                     | (4.64)   | -        | (4.64)   |
| Balance as of 31 March 2021 | 839.52                | 192.08   | 156.17   | 1,187.77 |

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 2021 | 31 March 2020 |
|-------------------------------|---------------|---------------|
| Current Lease liabilities     | 165.66        | 247.91        |
| Non-Current Lease liabilities | 201.90        | 244.53        |
| <b>Total</b>                  | <b>367.56</b> | <b>492.44</b> |

The following is the movement in Lease Liabilities:

(₹ in Lakhs)

| Particulars                          | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|--------------------------------------|-----------------------------|-----------------------------|
| <b>Balance at the beginning</b>      | <b>492.44</b>               | <b>503.85</b>               |
| Additions                            | 130.54                      | 216.55                      |
| Finance cost accrued during the year | 32.64                       | 44.07                       |
| Deletion                             | (5.09)                      | -                           |
| Payment of lease liabilities         | (282.97)                    | (272.03)                    |
| <b>Balance at the end</b>            | <b>367.56</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 2021 | 31 March 2020 |
|-----------------------|---------------|---------------|
| Less than one year    | 187.89        | 278.60        |
| One year to Two years | 138.02        | 149.76        |
| More than Two years   | 78.65         | 115.59        |
| <b>Total</b>          | <b>404.56</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 recognised as operating expenses of ₹ 716.25 Lakhs (previous year: ₹ 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 ₹ 2,119.31 Lakhs (including reimbursement of Operating Expenditure of ₹ 416.86 Lakhs) (previous year: ₹ 2,330.37 Lakhs (including reimbursement of Operating Expenditure of ₹ 606.40 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 2021   | 31 March 2020   |
|-----------------------|-----------------|-----------------|
| Less than one year    | 1,099.39        | 1,628.12        |
| One year to Two years | 85.67           | 1,126.28        |
| More than Two years   | 14.39           | 100.06          |
| <b>Total</b>          | <b>1,199.45</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 ₹ 20,834.87 Lakhs (previous year 31 March 2020: ₹ 16,488.95 Lakhs).

- During the year an amount of ₹ 10.47 Lakhs (previous year: ₹ 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 detailed 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>126.89</b>       | <b>(44.78)</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 ₹ 255.91 Lakhs (including interest) (previous year 31 March 2020: ₹ 237.89 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 2020: ₹ 150.14 Lakhs) 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 ₹ 4,064.57 Lakhs (including interest) (previous year 31 March 2020: ₹ 3,826.84 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 ₹ 32,532.56 Lakhs (including interest) (previous year 31 March 2020: ₹ 30,552.56 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 ₹ 687.68 Lakhs (including interest) (previous year 31 March 2020: ₹ 636.29 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 ₹ 855.20 Lakhs (including interest) (previous year 31 March 2020: ₹ 786.97 Lakhs (including interest)) on 2 May 2019.

The Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Taxes dated 30th September 2020 levying tax of ₹ 611.09 Lakhs (including interest) (previous year 31st March 2020: Nil) for the Financial Year 2015-16.

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:

#### a) Property, Plant and Equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 3,249.04 Lakhs (Inclusive of taxes wherever applicable) (previous year 31 March 2020: ₹ 109.97 Lakhs (inclusive of taxes wherever applicable)).



- b) Owned Investment property – estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for amount to Nil (previous year 31 March 2020: ₹ 14.64 Lakhs (inclusive of taxes wherever applicable)).
- c) 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 2021 is ₹ 4,096.66 Lakhs (previous year 31 March 2020: ₹ 4,190.58 Lakhs).

## Note : 41

- a) Guarantees issued by the Banks and outstanding as on 31 March, 2021: ₹ 71,753.66 Lakhs (previous year 31 March 2020 : ₹ 99,603.35 Lakhs), against which a provision of ₹ 40,149.82 Lakhs (previous year 31 March 2020 : ₹ 37,901.63 Lakhs) has been made in the books towards liability for Performance Guarantees/Warranties.
- b) Letter of credit outstanding as on 31 March, 2021: Nil (previous year 31 March 2020: ₹ 1,977.29 Lakhs).
- c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2021 : ₹ 15,773.52 Lakhs (previous year 31 March 2020: ₹ 16,486.81 Lakhs).

## Note : 42

### Land and Buildings

- i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2020: ₹ 0.07 Lakhs) being amount invested as share money in Cooperative Housing Societies as detailed below:

|                                                                  |                                             |
|------------------------------------------------------------------|---------------------------------------------|
| Twintowers Premises Cooperative Society Limited, Mumbai          | 10 ordinary shares of ₹ 50 each fully paid. |
| Gardenview Premises Cooperative Society Limited, Mumbai          | 10 ordinary shares of ₹ 50 each fully paid. |
| Heera Panna Towers Cooperative Housing Society Limited, Vadodara | 10 ordinary shares of ₹ 50 each fully paid. |
| Suflam Cooperative Housing Society Limited, Ahmedabad            | 8 ordinary shares of ₹ 250 each fully paid  |
| Darshan Co-operative Society Limited, Vadodara                   | 80 ordinary shares of ₹ 50 each fully paid  |

- ii) For the following Land and Buildings, title deed/property card/mutations etc is yet to be executed in the favour of the Company:

(₹ in Lakhs)

| Particulars                                           | 31 March 2021 |      | 31 March 2020 |       |
|-------------------------------------------------------|---------------|------|---------------|-------|
|                                                       | Cost          | WDV  | Cost          | WDV   |
| (a) Four Flats at Naranpura, Ahmedabad                | 10.31         | 2.80 | 10.31         | 3.05  |
| (b) Two Flats at Viman Nagar, Pune                    | 8.45          | 2.43 | 8.45          | 2.64  |
| (c) Eighty Four Flats at Gokuldham, Goregaon, Mumbai* | -             | -    | 238.19        | 26.66 |
| (d) Six Flats in Andheri East, Mumbai                 | 9.93          | 0.16 | 9.93          | 0.16  |
| (e) One Floor at CBD Belapur, Navi Mumbai             | -             | -    | 101.68        | 34.90 |

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 (c) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldham, Goregaon (East), Mumbai. Around 4,400 square meter of area only is in the Company's possession. The Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as Property, Plant and Equipment and partially as Investment Property.

## Note : 43

### Useful Life of assets

i) The Useful Life and Depreciation rates for Fixed Assets in terms of the Accounting Policy defined are as below :

| Sl. No. | Particulars                     | Rates (%age)                                                  | Useful Life (Years)                                           | Sl. No. | Particulars                                               | Rates (%age) | Useful Life (Years) |
|---------|---------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------|-----------------------------------------------------------|--------------|---------------------|
| 1.      | 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                                                             | 6.      | Computer Software/ Hardware                               |              |                     |
|         | 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.      | Vehicles                                                  | 13.75        | 7                   |
|         | Chilling Plant                  | 9.6                                                           | 10                                                            | 8.      | Library Books                                             | 100          | 1                   |
|         | Rain Harvesting System          | 19.20                                                         | 10                                                            |         |                                                           |              |                     |
|         | 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 2021 | 31 March 2020 |
|-------------------------------------------------------------------------------------------------------|---------------|---------------|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at Balance Sheet date | 108.55        | 213.60        |
| <b>Total</b>                                                                                          | <b>108.55</b> | <b>213.60</b> |



## Note : 44

The details of revenue are as below:

(₹ in Lakhs)

| Particulars             | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|-------------------------|-----------------------------|-----------------------------|
| Revenue from Operations | 3,10,468.78                 | 3,20,305.08                 |
| Other Income            | 19,487.87                   | 25,803.47                   |
| <b>Total Revenue</b>    | <b>3,29,956.65</b>          | <b>3,46,108.55</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 believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

(₹ in Lakhs)

| Particulars                            | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|----------------------------------------|-----------------------------|-----------------------------|
| <b>Revenue by Nature of services</b>   |                             |                             |
| Consultancy and Engineering projects   | 1,38,332.11                 | 1,56,531.02                 |
| Turnkey Projects                       | 1,72,136.67                 | 1,63,774.06                 |
| <b>Total</b>                           | <b>3,10,468.78</b>          | <b>3,20,305.08</b>          |
| <b>Revenues by Geographical Region</b> |                             |                             |
| India                                  | 2,76,061.74                 | 2,84,152.64                 |
| Nigeria                                | 27,102.62                   | 30,279.93                   |
| United Arab Emirates (UAE)             | 3,366.26                    | 2,715.08                    |
| Oman                                   | 507.14                      | 1,168.01                    |
| Mongolia                               | 2,935.98                    | 1,164.55                    |
| Others                                 | 495.04                      | 824.87                      |
| <b>Total</b>                           | <b>3,10,468.78</b>          | <b>3,20,305.08</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 2021 | 31 March 2020 |
|--------------------------------------------------------------------------------------------------|---------------|---------------|
| Trade Receivables (Note No. 14) – Net of Allowance for expected credit losses                    | 51,844.20     | 66,614.60     |
| Contract Assets ( Unbilled Revenue) (Note No. 9 B) – Net of Allowance for expected credit losses | 29,811.17     | 26,647.08     |
| Contract Liabilities ( Income Received in Advance) (Note No. 21 B)                               | 87,068.21     | 1,18,204.10   |

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 2021 and 31 March 2020, ₹ 15,765.06 Lakhs and ₹ 31,982.33 Lakhs of Contract assets (unbilled revenue) as of 1 April 2020 and 1 April 2019 respectively has been reclassified to Trade receivables upon billing to customers.

During the year ended 31 March 2021 and 31 March 2020, the company recognized Revenue of ₹ 92,008.39 Lakhs and ₹ 79,204.54 Lakhs arising from opening Contract Liabilities (Income Received in Advance) as of 1 April 2020 and 1 April 2019 respectively.



During the year ended March 31, 2021, the Company recognized revenue of Nil (previous year : ₹ 9,662.03 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 2021 is ₹ 7,98,194.05 Lakhs. Out of this, the Company expects to recognize revenue of around 43% 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 2020 is ₹ 9,55,543.00 Lakhs.

#### The revenue recognised with the contracted price is as follows:

| (₹ in Lakhs)                                         |               |               |
|------------------------------------------------------|---------------|---------------|
| Particulars                                          | 31 March 2021 | 31 March 2020 |
| Contracted price                                     | 3,29,168.99   | 3,29,569.69   |
| Reduction towards variable consideration components* | 18,700.21     | 9,264.61      |
| Revenue recognised                                   | 3,10,468.78   | 3,20,305.08   |

\* 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, the impact on account of expected delay has already been considered in the recognition of Revenue. Moving forward, Management expects no significant impact on the continuity of operations of the business on long term basis.

## 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 2020: ₹ 1,500 lakhs) and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2020: ₹ 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 2020 ₹ 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 2020, the Company's share of negative 'Other Equity' of ₹ 541.37 Lakhs has been accounted for as impairment in value of Investment.

During the Current Financial Year 2020-21, TEIL had a net loss of ₹ 0.48 lakhs. The Company's share of loss of ₹ 0.24 lakhs has been recorded as Impairment in value of Investments.

During the Current Year, ₹ 8.39 lakhs towards final distribution of remaining funds of TEIL on account of return of Share capital of Company has been received by the Company.

##### 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 2020: ₹ 200,000 Lakhs) consisting 20,000 Lakhs (previous year: 31 March 2020: 20,000 Lakhs) equity shares of face value of ₹ 10 each.





The Shareholding of the RFCL, on the finalisation of project cost and requirement of equity for funding the project cost 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 A/s: 3.90%

Danish Agribusiness Fund IK/S: 3.90%

Investment Fund For Developing Countries: 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. 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.

Till financial year 2019-20 revised project was estimated to ₹ 6,12,055.00 Lakhs, to be funded through equity of ₹ 1,72,163.00 Lakhs to FCIL was worked out at ₹ 18,938 Lakhs. During the Financial year 2020-21 Project Cost estimate was revised to ₹ 6,33,816.00 Lakhs to be funded through Equity of ₹ 1,89,025.00 Lakhs and accordingly additional Equity of ₹ 1,854.37 Lakhs to be issued to FCIL and same has been treated as consideration of leasehold land. Thus, total Equity Issuance to FCIL based on revised project cost will be ₹ 20,793 Lakhs.

The paid up capital by Joint Venture Partners as on 31 March 2021 is as under:

(in Lakhs)

| Shareholder                   | 31 March 2021                                 |                       | 31 March 2020                                 |                       |
|-------------------------------|-----------------------------------------------|-----------------------|-----------------------------------------------|-----------------------|
|                               | 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                           | 4,476.28                                      | ₹ 44,762.82           | 3,415.28                                      | ₹ 34,152.82           |
| NFL                           | 4,476.28                                      | ₹ 44,762.82           | 3,415.28                                      | ₹ 34,152.82           |
| FCIL                          | 1,893.93                                      | ₹ 18,939.27           | 1,444.93                                      | ₹ 14,449.27           |
| State Government of Telangana | 1,440.47                                      | ₹ 14,404.74           | 1,300.47                                      | ₹ 13,004.73           |
| GAIL (India) Limited          | 2,461.91                                      | ₹ 24,619.05           | 1,878.41                                      | ₹ 18,784.05           |
| Others                        | 2,014.18                                      | ₹ 20,141.77           | 1,536.88                                      | ₹ 15,368.77           |
| <b>Total</b>                  | <b>16,763.05</b>                              | <b>₹ 1,67,630.47</b>  | <b>12,991.25</b>                              | <b>₹ 1,29,912.46</b>  |

Summarised Financial Information for Joint Venture is set out below:

(₹ in Lakhs)

| Particulars                                                                 | 31 March 2021      | 31 March 2020      |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| Cash and Cash Equivalents                                                   | 2,405.76           | 14,529.44          |
| Other Current Assets                                                        | 11,820.15          | 7,700.43           |
| <b>Total Current Assets (A)</b>                                             | <b>14,225.91</b>   | <b>22,229.87</b>   |
| <b>Non-current Assets (B)</b>                                               | <b>5,77,844.53</b> | <b>4,78,061.84</b> |
| Current financial liabilities(excluding Trade Payables and Provisions)      | 18,783.09          | 5,946.75           |
| Trade payables and provisions                                               | 31,365.34          | 17,372.66          |
| Other Current Liabilities                                                   | 1,797.92           | 435.07             |
| <b>Total Current Liabilities (C)</b>                                        | <b>51,946.35</b>   | <b>23,754.48</b>   |
| Non Current financial liabilities (excluding Trade Payables and Provisions) | 3,79,253.51        | 3,40,002.72        |
| Other Non Current Liabilities                                               | 4,765.82           | 4,909.04           |
| <b>Total Non-Current Liabilities (D)</b>                                    | <b>3,84,019.33</b> | <b>3,44,911.76</b> |
| <b>Net assets (A+B-C-D)</b>                                                 | <b>1,56,104.76</b> | <b>1,31,625.47</b> |



## Summarised Statement of Profit and Loss

(₹ in Lakhs)

| Particulars                             | 31 March 2021     | 31 March 2020     |
|-----------------------------------------|-------------------|-------------------|
| Interest Income                         | 551.31            | 406.10            |
| Other Income                            | 490.70            | 467.42            |
| <b>Total revenue (A)</b>                | <b>1,042.01</b>   | <b>873.52</b>     |
| Depreciation and Amortization           | 695.90            | 3.74              |
| Interest Expenses                       | 789.90            | 627.90            |
| Other Expense                           | 5,512.13          | 4,059.72          |
| <b>Total Expenses (B)</b>               | <b>6,997.93</b>   | <b>4,691.36</b>   |
| Profit Before Tax (C = A-B)             | (5,955.92)        | (3,817.84)        |
| Tax Expense (D)                         | (1,257.93)        | -                 |
| <b>Loss for the year (E = C-D)</b>      | <b>(4,697.99)</b> | <b>(3,817.84)</b> |
| Other Comprehensive Income (F)          | (0.16)            | (0.11)            |
| <b>Total Comprehensive Income (E+F)</b> | <b>(4,698.15)</b> | <b>(3,817.95)</b> |

## Note : 47

## Employee benefits

Defined Contribution Plan

The amount recognized as an Expense in defined contribution plan is as under:

(₹ in Lakhs)

| Particulars                                                      | 31 March 2021 | 31 March 2020 |
|------------------------------------------------------------------|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995* | 7,305.41      | 6,992.93      |
| Employees Defined Contributory Superannuation Scheme             | 6,078.13      | 3,716.81      |

\* The employee benefit of PF is administered through a separate EIL Employees Provident Fund Trust. Out of the investments made by PF Trust in the past, some issuers of securities have defaulted in interest payments and / or principal repayments. Company, as principal employer under the Provident fund regulations has to make good the loss in value of these investments. The cumulative Interest and Principal default upto 31 March 2021 has been of ₹ 3,355.27 Lakhs. Out of which ₹ 1,725.17 Lakhs and ₹ 1,630.10 Lakhs has been provided in books as Accrued provident fund liability as on 31 March 2021 and 31 March 2020 respectively.

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, 2021 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 2021 and 31 March 2020.

The details of Fund obligations are given below:

(₹ in Lakhs)

| Particulars                 | 31 March 2021 | 31 March 2020 |
|-----------------------------|---------------|---------------|
| Present value of obligation | 1,61,035.40   | 1,67,433.06   |

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 2021     | 31 March 2020   | 31 March 2021             | 31 March 2020   | 31 March 2021                             | 31 March 2020   |
| Present value of obligations as at the end of year       | 21,788.93         | 21,600.78       | 25,730.58                 | 22,500.50       | 25,013.13                                 | 23,845.84       |
| Fair value of plan assets as at the end of the year      | 21,133.69         | 19,854.41       | 21,719.78                 | 18,085.47       | 23,638.82                                 | 20,836.88       |
| Funded Status                                            | (655.24)          | (1,746.37)      | (4,010.80)                | (4,415.03)      | (1,374.31)                                | (3,008.96)      |
| <b>Net (Asset)/Liability Recognized in Balance Sheet</b> | <b>655.24</b>     | <b>1,746.37</b> | <b>4,010.80</b>           | <b>4,415.03</b> | <b>1,374.31</b>                           | <b>3,008.96</b> |

#### b) Expenses recognized in Statement of Profit and Loss

(₹ in Lakhs)

|                                                            | Gratuity (funded) |                 | Leave Encashment (funded) |                 | Post-Retirement Medical Benefits (funded) |               |
|------------------------------------------------------------|-------------------|-----------------|---------------------------|-----------------|-------------------------------------------|---------------|
|                                                            | 31 March 2021     | 31 March 2020   | 31 March 2021             | 31 March 2020   | 31 March 2021                             | 31 March 2020 |
| Current Service Cost                                       | 1,246.44          | 1,194.13        | 3,854.55                  | 3,695.88        | 442.39                                    | 418.58        |
| Past Service Cost                                          | -                 | -               | -                         | -               | -                                         | -             |
| Interest Cost on Defined Benefit Obligation                | 1,468.85          | 1,560.10        | 1,530.03                  | 1,422.01        | 1,621.52                                  | 1,586.13      |
| Interest Income on Plan Assets                             | (1,350.10)        | (1,529.42)      | (1,229.81)                | (1,079.34)      | (1,416.91)                                | (1,483.39)    |
| Re-measurements                                            | -                 | -               | (144.29)                  | 483.36          | -                                         | -             |
| <b>Expenses recognized in Statement of Profit and Loss</b> | <b>1,365.19</b>   | <b>1,224.81</b> | <b>4,010.48</b>           | <b>4,521.91</b> | <b>647.00</b>                             | <b>521.32</b> |

#### c) Expenses recognized in Other Comprehensive Income

(₹ in Lakhs)

|                                                          | Gratuity (funded) |               | Leave Encashment (funded) |               | Post-employment Medical Benefits (funded) |                 |
|----------------------------------------------------------|-------------------|---------------|---------------------------|---------------|-------------------------------------------|-----------------|
|                                                          | 31 March 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020   |
| Return on Plan Assets                                    | (80.07)           | 80.02         | -                         | -             | (181.22)                                  | (5.88)          |
| Actuarial (Gains)/Loss                                   | (609.71)          | 443.28        | -                         | -             | 908.53                                    | 2,643.01        |
| <b>Expenses recognized in Other Comprehensive Income</b> | <b>(689.78)</b>   | <b>523.30</b> | <b>-</b>                  | <b>-</b>      | <b>727.31</b>                             | <b>2,637.13</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 2021     | 31 March 2020    | 31 March 2021             | 31 March 2020    | 31 March 2021                             | 31 March 2020    |
| Present value of obligations as at beginning of year  | 21,600.78         | 20,527.63        | 22,500.50                 | 18,710.62        | 23,845.84                                 | 20,870.11        |
| Interest Cost                                         | 1,468.85          | 1,560.10         | 1,530.03                  | 1,422.01         | 1,621.52                                  | 1,586.13         |
| Current Service Cost                                  | 1,246.44          | 1,194.13         | 3,854.55                  | 3,695.88         | 442.39                                    | 418.58           |
| Actuarial (Gains)/Losses arising from                 |                   |                  |                           |                  |                                           |                  |
| Changes in demographic assumptions                    | -                 | 6.48             | -                         | 5.65             | -                                         | 4.77             |
| Changes in Financial Assumptions                      | -                 | 1,287.36         | -                         | 785.31           | -                                         | 1,995.97         |
| Experience Adjustments                                | (609.71)          | (850.55)         | 65.59                     | (164.12)         | 908.53                                    | 642.27           |
| Past Service Cost                                     | -                 | -                | -                         | -                | -                                         | -                |
| Benefits Paid                                         | (1,917.43)        | (2,124.37)       | (2,220.09)                | (1,847.82)       | (1,805.15)                                | (1,522.40)       |
| Benefits Paid Directly by Employer                    | -                 | -                | -                         | (107.03)         | -                                         | (149.59)         |
| <b>Present value of obligations as at end of year</b> | <b>21,788.93</b>  | <b>21,600.78</b> | <b>25,730.58</b>          | <b>22,500.50</b> | <b>25,013.13</b>                          | <b>23,845.84</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 2021     | 31 March 2020    | 31 March 2021             | 31 March 2020    | 31 March 2021                             | 31 March 2020    |
| Fair value of Plan Assets as on beginning of year                                                      | 19,854.41         | 20,124.00        | 18,085.47                 | 14,201.86        | 20,836.88                                 | 19,518.21        |
| Interest Income                                                                                        | 1,350.10          | 1,529.42         | 1,229.81                  | 1,079.34         | 1,416.91                                  | 1,483.38         |
| Re-measurement Gain/(Loss) – return on Plan Assets excluding amounts included in Net Interest Expense) | 80.07             | (80.01)          | 209.89                    | 143.48           | 181.22                                    | 5.88             |
| Contributions from the Employer                                                                        | 1,766.54          | 405.37           | 4,521.73                  | 4,508.61         | 3,158.55                                  | 1,351.81         |
| Received from Fund for Benefits paid directly by Employer through provision                            | -                 | -                | (107.03)                  | -                | (149.59)                                  | -                |
| Benefits Paid                                                                                          | (1,917.43)        | (2,124.37)       | (2,220.09)                | (1,847.82)       | (1,805.15)                                | (1,522.40)       |
| <b>Fair value of Plan Assets at the end of year</b>                                                    | <b>21,133.69</b>  | <b>19,854.41</b> | <b>21,719.78</b>          | <b>18,085.47</b> | <b>23,638.82</b>                          | <b>20,836.88</b> |

**f) Actuarial Assumptions**

|                                         | Gratuity (funded) |               | Leave Encashment (funded) |               | Post-retirement Medical Benefits (funded) |               |
|-----------------------------------------|-------------------|---------------|---------------------------|---------------|-------------------------------------------|---------------|
|                                         | 31 March 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020 |
| Discount Rate                           | 6.80%             | 6.80%         | 6.80%                     | 6.80%         | 6.80%                                     | 6.80%         |
| 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).



## g) Maturity profile of Defined Benefit Obligation

(₹ in Lakhs)

|                                                    | Gratuity (funded) |                  | Leave Encashment (funded) |                  | Post-retirement Medical Benefits (funded) |                  |
|----------------------------------------------------|-------------------|------------------|---------------------------|------------------|-------------------------------------------|------------------|
|                                                    | 31 March 2021     | 31 March 2020    | 31 March 2021             | 31 March 2020    | 31 March 2021                             | 31 March 2020    |
| Weighted average of the Defined Benefit Obligation | 13.53 years       | 13.42 years      | 13.53 years               | 13.42 years      | 13.53 years                               | 13.42 years      |
| Duration of Defined Benefit Obligation             |                   |                  |                           |                  |                                           |                  |
| Duration (years)                                   |                   |                  |                           |                  |                                           |                  |
| 1                                                  | 1,962.75          | 2,509.01         | 2,020.77                  | 2,416.79         | 1,909.11                                  | 1,718.35         |
| 2                                                  | 1,689.79          | 1,505.51         | 1,785.63                  | 1,741.14         | 2,073.97                                  | 1,828.02         |
| 3                                                  | 1,589.33          | 1,514.02         | 1,758.23                  | 1,605.30         | 2,183.71                                  | 1,924.75         |
| 4                                                  | 1,404.07          | 1,423.51         | 1,575.18                  | 1,553.84         | 2,273.46                                  | 2,058.28         |
| 5                                                  | 1,198.09          | 1,269.16         | 1,432.41                  | 1,397.84         | 2,364.01                                  | 2,200.02         |
| Above 5                                            | 13,944.90         | 13,379.57        | 17,158.36                 | 13,785.59        | 14,208.87                                 | 14,116.42        |
| <b>Total</b>                                       | <b>21,788.93</b>  | <b>21,600.78</b> | <b>25,730.58</b>          | <b>22,500.50</b> | <b>25,013.13</b>                          | <b>23,845.84</b> |
| Duration of Defined Benefit Payments               |                   |                  |                           |                  |                                           |                  |
| Duration (years)                                   |                   |                  |                           |                  |                                           |                  |
| 1                                                  | 2,049.17          | 2,619.49         | 2,109.74                  | 2,508.52         | 1,965.55                                  | 1,718.35         |
| 2                                                  | 1,922.97          | 1,713.26         | 2,032.04                  | 1,944.48         | 2,263.40                                  | 1,924.83         |
| 3                                                  | 1,971.42          | 1,814.06         | 2,180.93                  | 1,928.95         | 2,526.15                                  | 2,097.61         |
| 4                                                  | 1,898.38          | 1,833.54         | 2,129.73                  | 2,008.94         | 2,787.77                                  | 2,321.64         |
| 5                                                  | 1,765.67          | 1,757.34         | 2,110.99                  | 1,944.53         | 3,072.74                                  | 2,568.37         |
| Above 5                                            | 40,949.31         | 38,182.54        | 35,694.48                 | 27,631.42        | 86,799.28                                 | 88,489.90        |
| <b>Total</b>                                       | <b>50,556.92</b>  | <b>47,920.23</b> | <b>46,257.91</b>          | <b>37,966.84</b> | <b>99,414.89</b>                          | <b>99,120.70</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 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020 |
| 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in Discount Rate    | +/-1%                | +/-1%         | 1,968.95                               | 1,920.13      | 1,820.36                               | 1,774.27      |
| Expected rate of future Salary increase | +/-1%                | +/-1%         | 320.26                                 | 312.33        | 333.29                                 | 333.40        |

(₹ 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in Discount Rate    | +/-1%                | +/-1%         | 1,498.40                               | 1,112.10      | 1,328.44                               | 1,092.45      |
| Expected rate of Future Salary increase | +/-1%                | +/-1%         | 1,430.18                               | 1,162.40      | 1,324.82                               | 1,083.64      |

(₹ 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in Discount Rate                                | +/-1%                | +/-1%         | 3,584.06                               | 3,416.80      | 2,838.85                               | 2,706.37      |
| Expected rate of Future Cost Increase                               | +/-1%                | +/-1%         | 3,067.66                               | 2,924.50      | 2,448.62                               | 2,334.35      |

\*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 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Present value of obligations as at the end of year | 120.71                        | 110.22        | 251.77                                  | 259.68        |
| Net (asset)/liability recognized in balance sheet  | 120.71                        | 110.22        | 251.77                                  | 259.68        |

##### b) Expenses recognized in Statement of Profit and Loss

(₹ in Lakhs)

|                                                            | Long Service Award (unfunded) |               | Other Benefits on Retirement (unfunded) |               |
|------------------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                            | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Current service cost                                       | 9.20                          | 8.67          | 13.95                                   | 14.07         |
| Past Service Cost                                          | -                             | -             | -                                       | -             |
| Interest Cost                                              | 7.49                          | 7.41          | 17.66                                   | 19.69         |
| Re-measurements                                            | 1.64                          | 3.14          | -                                       | -             |
| <b>Expenses recognized in Statement of Profit and Loss</b> | <b>18.33</b>                  | <b>19.22</b>  | <b>31.61</b>                            | <b>33.76</b>  |

##### c) Expenses recognized in Other Comprehensive Income

(₹ in Lakhs)

|                                                          | Long Service Award (unfunded) |               | Other Benefits on Retirement (unfunded) |               |
|----------------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                          | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Return on Plan Assets                                    | -                             | -             | -                                       | -             |
| Actuarial (Gains)/Losses                                 | -                             | -             | (5.27)                                  | 3.18          |
| <b>Expenses recognized in Other Comprehensive Income</b> | <b>-</b>                      | <b>-</b>      | <b>(5.27)</b>                           | <b>3.18</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 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Present value of obligations as at beginning of year        | 110.22                        | 97.52         | 259.68                                  | 259.04        |
| Interest Cost                                               | 7.49                          | 7.41          | 17.66                                   | 19.69         |
| Current Service Cost                                        | 9.20                          | 8.67          | 13.95                                   | 14.07         |
| Actuarial (Gains)/Losses arising from                       |                               |               |                                         |               |
| Changes in demographic assumptions                          | -                             | (0.06)        | -                                       | (0.06)        |
| Changes in financial assumptions                            | -                             | 4.65          | -                                       | 14.68         |
| Experience adjustments                                      | 1.64                          | (1.45)        | (5.27)                                  | (11.43)       |
| Past Service Cost, including Losses/(Gains) on Curtailments | -                             | -             | -                                       | -             |
| Benefits paid                                               | (7.84)                        | (6.52)        | (34.25)                                 | (36.31)       |
| <b>Present value of obligations as at end of year</b>       | <b>120.71</b>                 | <b>110.22</b> | <b>251.77</b>                           | <b>259.68</b> |

**e) Actuarial Assumptions**

|                                 | Long Service Award (unfunded) |               | Other Benefits on Retirement (unfunded) |               |
|---------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                 | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Discount rate                   | 6.80%                         | 6.80%         | 6.80%                                   | 6.80%         |
| Increase in Compensation Levels | -                             | -             | 5.00%                                   | 5.00%         |

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14).

**f) Maturity profile of Defined Benefit Obligation**

(₹ in Lakhs)

|                                                    | Long Service Award (unfunded) |               | Other Benefits on Retirement (unfunded) |               |
|----------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                    | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Weighted average of the Defined Benefit Obligation | 13.57 years                   | 13.42 years   | 13.57 years                             | 13.42 years   |
| Duration of Defined Benefit Obligation             |                               |               |                                         |               |
| Duration (years)                                   |                               |               |                                         |               |
| 1                                                  | 12.50                         | 9.75          | 18.65                                   | 33.27         |
| 2                                                  | 19.76                         | 11.26         | 21.38                                   | 17.15         |
| 3                                                  | 19.20                         | 17.03         | 20.70                                   | 15.86         |
| 4                                                  | 14.02                         | 17.69         | 17.78                                   | 19.80         |
| 5                                                  | 12.82                         | 17.03         | 14.50                                   | 18.03         |
| Above 5                                            | 42.41                         | 37.46         | 158.76                                  | 155.57        |
| <b>Total</b>                                       | <b>120.71</b>                 | <b>110.22</b> | <b>251.77</b>                           | <b>259.68</b> |
| Duration of Defined Benefit Payments               |                               |               |                                         |               |
| Duration (years)                                   |                               |               |                                         |               |
| 1                                                  | 12.87                         | 9.91          | 19.20                                   | 34.52         |
| 2                                                  | 21.57                         | 12.39         | 23.33                                   | 19.14         |
| 3                                                  | 22.21                         | 20.23         | 23.95                                   | 19.04         |
| 4                                                  | 17.19                         | 22.66         | 21.80                                   | 25.59         |
| 5                                                  | 16.67                         | 23.56         | 19.41                                   | 25.06         |
| Above 5                                            | 109.43                        | 93.62         | 519.23                                  | 492.30        |
| <b>Total</b>                                       | <b>199.94</b>                 | <b>182.37</b> | <b>626.92</b>                           | <b>615.65</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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in Discount Rate                  | +/-1%                | +/-1%         | 7.24                                   | 7.04          | 6.76                                   | 6.74          |

(₹ 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in Discount Rate                            | +/-1%                | +/-1%         | 21.52                                  | 21.87         | 18.66                                  | 18.96         |
| Expected rate of future Salary increase                         | +/-1%                | +/-1%         | 21.48                                  | 21.92         | 18.50                                  | 19.01         |

\*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 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)

| Particular                             | 31 March 2021 | 31 March 2020 |
|----------------------------------------|---------------|---------------|
| Revenue expenditure                    | 56.26         | 145.56        |
| Provision for impairment of Oil Blocks | 119.17        | 2,839.20      |
| Capital expenditure                    | 50.18         | 282.90        |

\* 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 2019-20, Company has received its share of ₹ 46.39 Lakhs against settlement of default component in Block No. CB-ONN-2010/08.



## Note : 49

### 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 2021      | 31 March 2020      |
|--------------------------------------|--------------------|--------------------|
| <b>Segment Revenue</b>               |                    |                    |
| Consultancy and Engineering Projects | 1,38,332.11        | 1,56,531.02        |
| Turnkey Projects                     | 1,72,136.67        | 1,63,774.06        |
| <b>Total</b>                         | <b>3,10,468.78</b> | <b>3,20,305.08</b> |
| <b>Segment Profit</b>                |                    |                    |
| Consultancy and Engineering Projects | 37,994.38          | 49,892.58          |
| Turnkey Projects                     | 5,580.64           | 6,544.96           |
| <b>Total (a)</b>                     | <b>43,575.02</b>   | <b>56,437.54</b>   |
| Interest                             | 366.33             | 173.67             |
| Other un-allocable Expenditure*      | 27,639.79          | 14,516.43          |
| <b>Total (b)</b>                     | <b>28,006.12</b>   | <b>14,690.10</b>   |
| <b>Other Income (c)</b>              | <b>19,487.87</b>   | <b>25,803.46</b>   |
| <b>Profit Before Tax (a-b+c)</b>     | <b>35,056.77</b>   | <b>67,550.90</b>   |
| <b>Income Tax Expense</b>            | <b>9,107.04</b>    | <b>24,526.53</b>   |
| <b>Profit for the Year</b>           | <b>25,949.73</b>   | <b>43,024.37</b>   |
| <b>Capital Employed**</b>            | <b>1,70,100.86</b> | <b>2,34,545.74</b> |

\* Includes expenditure on Oil and Gas Exploration Blocks including Impairment amounting to ₹ 175.43 Lakhs ( previous year : ₹ 2,984.83 Lakhs).

\* Includes ₹ 17,221.65 Lakhs (previous year: ₹ 1,630.10 Lakhs) of accrued Provident Fund Liability/Provision for Impairment 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 2021                        | 31 March 2020      | 31 March 2021      | 31 March 2020      |
| India                      | 1,03,925.07                          | 1,20,378.58        | 1,72,136.67        | 1,63,774.06        |
| Nigeria                    | 27,102.62                            | 30,279.93          | -                  | -                  |
| United Arab Emirates (UAE) | 3,366.26                             | 2,715.08           | -                  | -                  |
| Oman                       | 507.14                               | 1,168.01           | -                  | -                  |
| Mongolia                   | 2,935.98                             | 1,164.55           | -                  | -                  |
| Others                     | 495.04                               | 824.87             | -                  | -                  |
| <b>Total</b>               | <b>1,38,332.11</b>                   | <b>1,56,531.02</b> | <b>1,72,136.67</b> | <b>1,63,774.06</b> |

### Segment revenue with major customers

During the year 31 March 2021, ₹ 57,316.46 Lakhs (previous year 31 March 2020: ₹ 62,729.68 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 2020: two) customers.

During the year 31 March 2021, ₹ 1,51,181.41 Lakhs (previous year 31 March 2020: ₹ 1,62,359.36 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from two (previous year 31 March 2020: four) customers.

## Note – 50

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 for ₹ 12,907.15 Lakhs 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 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. The 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 has filed an impleadment application before the Hon'ble Supreme Court. The Management does not consider any possible obligation on this account requiring future probable outflow of resources of the Company.

## Note – 51

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, Contingent Liabilities and Contingent Assets", the requisite disclosures are as under:

The movement in provisions are as under:

(₹ in Lakhs)

| S No. | Particulars                          | Class of Provision      |                  |                 |               |
|-------|--------------------------------------|-------------------------|------------------|-----------------|---------------|
|       |                                      | Contractual Obligations |                  | Expected Losses |               |
|       |                                      | 31 March 2021           | 31 March 2020    | 31 March 2021   | 31 March 2020 |
| 1.    | Opening Balance                      | 48,902.99               | 39,368.14        | 245.06          | 1,016.09      |
| 2     | Additional provision during the year | 12,445.51               | 15,135.88        | 57.00           | 11.78         |
| 3     | Provision used during the year       | -                       | -                | 5.94            | 62.26         |
| 4     | Provision reversed during the year   | 7,059.60                | 5,601.03         | 71.90           | 720.55        |
| 5     | <b>Closing balance</b>               | <b>54,288.90</b>        | <b>48,902.99</b> | <b>224.22</b>   | <b>245.06</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 – 52

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 : 53

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 2021 | 31 March 2020 |
|-------|-----------------------------------------------------------------------------------------|---------------|---------------|
| i     | Amount due and payable at the year end                                                  |               |               |
|       | - Principal                                                                             | 9,021.11      | 6,879.42      |
|       | - 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 – 54

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 2021 based on actuarial valuation. To the extent of the impact of such an increase of ₹ 120.78 Lakhs (previous year 31 March 2020: ₹ 709.83 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 – 55

The employee benefit of PF is administered through a separate EIL Employees Provident Fund Trust. Out of the investments made by PF Trust in the past, some issuers of securities have defaulted in interest payments and / or principal repayments. The amortised value of probable future principal defaults is ₹ 19,370.59 lakhs as at 31 March 2021. Considering the Employers obligation to make good the loss in value of these investments under the Provident Fund regulations, the Company has provided in its books of account 80% of the amortised value (of probable future principal defaults) amounting to ₹ 15,496.48 lakhs in the current year and charged to statement of Profit & Loss.

The above has been disclosed as Exceptional item in the Statement of Profit & Loss of the Company.

## Note – 56

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 – 57

The Statement of Profit and Loss account includes Research and Development expenditure of ₹ 2,636.15 Lakhs (previous year 31 March 2020: ₹ 2,430.96 Lakhs).

## Note – 58

### 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 2021 is of ₹ 45.79 Lakhs (previous year 31 March 2020: ₹ 30.45 Lakhs). During the year, the Company has recognised ₹ 10.55 Lakhs (previous year: ₹ 4.75 Lakhs) in the statement of profit and loss as amortisation of capital grants.

## Note – 59

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 – 60

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 – 61

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 – 62

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 – 63

The Company on March 26, 2021, completed the acquisition of, and acquired 3,21,46,957 equity shares at a value of ₹ 70,000.00 Lakhs in the share capital of Numaligarh Refinery Limited (NRL) from Bharat Petroleum Corporation Limited (BPCL) pursuant to the Share Purchase Agreement (SPA) dated March 25, 2021 in consortium with OIL India Limited (OIL).

Post this acquisition, Company's equity shareholding in NRL stands at 4.37%.

## Note – 64

Pursuant to Public Announcement dated December 21, 2020, published on December 22, 2020 and letter of offer dated January 13, 2021, the company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the company, through tender offer route under Stock Exchange Mechanism and extinguished these shares on February 19, 2021.

Pursuant to above, Government of India (Promoter) Shareholding was reduced from 51.50 % to 51.32%.

## Note – 65

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

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

Sd/-  
N. K. Bhargava  
**Partner**  
Membership No. 080624

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
Sanjay Jindal  
**G.G.M. [F&A]**  
PAN : AAIPJ4986E

Sd/-  
Sunil Bhatia  
**Director (Finance) & CFO**  
DIN : 08259936

Sd/-  
R.K. Sabharwal  
**Director (Commercial) &  
CEO and C&MD (Addl. Charge)**  
DIN : 07484946

**Place :** New Delhi  
**Date :** 08 June 2021





## 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, 2021

The preparation of financial statements of Engineers India Limited for the year ended 31 March 2021 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 08.06.2021.

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 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

### A Balance Sheet

#### 1. Notes to the Financial Statements - Contingent Liabilities (Note-40 A)

**Claims against the Company not acknowledged as debts: ₹ 20834.87 lakh**

Above includes an amount of ₹ 6271.58 lakh as commercial claim pending in respect of ongoing cases with M/s SS Aggarwal (₹190.05 lakh) in the High Court of Orissa and M/s JRMEHL & JRMMEI (₹6081.53 lakh) in the High Court of Delhi on account of contractual issues. The Company had lost one case before Arbitrator as well as Distt court and the other case before Arbitrator. The Company had challenged the verdicts of both cases in the High Courts. The Company is just having only old legal opinions, but the Management has not produced any document having its own assessment about the case and provided any experience of winning of such cases.

Under these circumstances, Management should have created the provision of ₹6271.58 lakh in compliance of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

This has resulted into overstatement of 'Contingent Liabilities' and understatement of 'Provisions' apart from overstatement of 'Profits' by an amount of ₹ 6271.58 lakh each.

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

(D.K.Sarkar)

Director General of Audit (Energy), Delhi

Place: New Delhi

Date: 09 August 2021

## Management's Reply on Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Standalone Financial Statements of Engineers India Limited for the year ended 31 March 2021

| Comments of the Comptroller and Auditor General of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Management's Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p><b>A Balance Sheet</b><br/> <b>1. Notes to the Financial Statements - Contingent Liabilities (Note-40 A)</b><br/> <b>Claims against the Company not acknowledged as debts :</b><br/> <b>₹ 20834.87 lakh</b></p> <p>Above includes an amount of ₹ 6271.58 lakhs as commercial claim pending in respect of ongoing cases with M/s SS Aggarwal (₹ 190.05 lakh) in the High Court of Orissa and M/s JRMEHL &amp; JRMMEI (₹ 6081.53 lakh) in the High Court of Delhi on account of contractual issues.</p> <p>The Company had lost one case before Arbitrator as well as Distt court and the other case before Arbitrator. The Company had challenged the verdicts of both cases in the High Courts. The Company is just having only old legal opinions, but the Management has not produced any document having its own assessment about the case and provided any experience of winning of such cases.</p> <p>Under these circumstances, Management should have created the provision of ₹6271.58 lakh in compliance of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>This has resulted into overstatement of 'Contingent Liabilities' and understatement of 'Provisions' apart from overstatement of 'Profits' by an amount of ₹6271.58 lakh each.</p> | <p>The financial statements of the company have been prepared in accordance with Companies (Indian Accounting Standards) Rules 2015 (Ind AS).</p> <p>The disclosures of an amount of ₹ 6271.58 lakhs in respect to two cases pointed by Audit has been disclosed as Contingent Liabilities in terms of provisions of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets." The matters are subjudice before the respective High Courts and the company in compliance with the applicable accounting standards, has disclosed them as contingent liability in its financial statements. This is based on legal opinion taken for each case, which states that the arbitral awards can be challenged respectively on the grounds that the Award in the case of M/s JRMEHL &amp; JRMMEI is (i) contrary to substantive provisions of law, (ii) against terms of contract and (iii) patently illegal as well. In the case of M/s SS Aggarwal the legal opinion states that the (i) claims are baseless and imaginary and (ii) the manner in which award has been passed clearly establishes misconduct of arbitrator by not assigning any reason.</p> <p>The applicable accounting standard Para-16 of Ind AS 37 states that "in a lawsuit, it may be disputed either whether certain events have occurred or whether those events result in a present obligation. In such a case, an entity determines whether a present obligation exists at the end of the reporting period by taking account of all available evidence, including, for example, the opinion of experts;" Further as per para-16(b) "On the basis of such evidence, where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote."</p> <p>Considering the legal opinions for each case and applicable accounting standards, it was concluded that in these cases which are subjudice and therefore no present obligation exists and hence, the financial amount as observed by C&amp;AG, totaling ₹ 6271.58 Lakhs as on 31st March, 2021 has been disclosed as a contingent liability in the notes to financial statements.</p> <p>Therefore, there is no overstatement of Contingent Liabilities and understatement of Provisions and overstatement of Profits by ₹ 6271.58 Lakh.</p> |

## Directors' Report

To

**The Shareholders,  
Certification Engineers International Limited**

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report on the performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

### PERFORMANCE DURING THE FINANCIAL YEAR 2020-21

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 2020-21 is highlighted below:

(₹ in Lakhs)

| RESULTS OF OPERATIONS                                                              | For the year ended 31.03.2021 | For the year ended 31.03.2020 |
|------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>Income from services rendered</b><br>(Including adjustment of work-in-progress) | <b>4911.00</b>                | <b>4921.12</b>                |
| <b>Expenditure</b>                                                                 | <b>3806.54</b>                | <b>3968.90</b>                |
| Operating profit                                                                   | 1104.46                       | 952.22                        |
| Other Income                                                                       | 397.69                        | 445.42                        |
| <b>Profit before Tax</b>                                                           | <b>1502.15</b>                | <b>1397.64</b>                |
| Provision for Taxation (incl. earlier years)                                       |                               |                               |
| Current Tax                                                                        | 379.70                        | 413.70                        |
| Deferred Tax                                                                       | (-) 0.14                      | (-) 24.28                     |
| <b>Profit after Tax</b>                                                            | <b>1122.59</b>                | <b>1008.22</b>                |
| Other Comprehensive Income (Net of Taxes)                                          | 11.22                         | (41.70)                       |
| <b>Total Comprehensive Income</b>                                                  | <b>1133.81</b>                | <b>966.52</b>                 |

### DIVIDEND

The Board of Directors of the Company have recommended for the financial year 2020-21, a final dividend of ₹47 per share (9,00,000 equity shares of ₹100/- per share) in addition to ₹53 per share (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 ₹ 9 Crore.

### TRANSFER TO RESERVES

The amount of ₹ 197.69 Lakhs would be transferred in reserves after the payment of ₹423 Lakhs of Final dividend to the shareholders, if approved by the shareholders in AGM.

### SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2021 was ₹9 Crore. During the year under review, the Company has not issued any shares.

### COVID-19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Secure Borderless Workspaces model adopted by the Company.

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic. The Company is taking all necessary measures to mitigate its impact both on its operations and business.

### 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, revamping of GS 23-1 Platform works at Eastern Offshore, Heera Redevelopment Project III.

#### Infrastructure

Third Party Inspection Services for:

- 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
- Quality Control Services for various infrastructure works of South Delhi Municipal Corporation

#### Pipelines

TPI services for various Pipeline Project of Gujarat State Petronet Limited (GSPL) and its JVs viz:

- GIGL : Mundra Bhatinda Phase II
- GSPL : Small Connectivity projects

Vendor Assessment services for Gujarat State Petronet Limited/ Gujarat Gas Limited/ GSPL India Gasnet Limited

Consultancy services for Technical Bid Evaluation and technical documents verification for GGL tenders/EOI

#### **Refineries & Petrochemicals**

- TPI services for RUF project of HPCL Vizag through L&T
- TPI services for CDU/VDU, DCU, VGO units of HRRL through Tata Projects
- Technimont / KTI – Inspection services for HGU project at HPCL Mumbai
- TPI services for ETP of HRRL through Paramount
- BPCL – LPG Import terminal Haldia

#### **HSE Audits**

During the year, following HSE work were done:

- IMS Audit for GAIL CGD networks at Varanasi, Patna, Ranchi, Bhubhaneswar, Cuttack and Jamshedpur
- IMS Audit for Adani Total Gas at Faridabad, Gurja, Ahmedabad & Vadodara
- IMS Audit for Torrent Gas at Muradabad
- T4S audit for Adani Total Gas for CGD Network at Palwal
- ERDMP certification for Deepak Fertilizers, Shell India Market P Ltd

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 packages of Western and Eastern Corridors
- 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:**

- Third Party Inspection services for CDU/VDU units of HRRL from Tata Projects
- Third Party Inspection services for DCU unit of HRRL from Tata Projects
- Third Party Inspection services for VGO unit of HRRL from Tata Projects
- Third Party Inspection services for ETP of HRRL from Paramount
- L&T Hydrocarbon: Third Party Inspection services for RUF project of HPCL Vizag (change order)
- Konkan Railway Corporation Limited (KRCL): Third Party Inspection and Quality assurance services for Chenab Bridge, 16 Bridges on Khatra – Dharam sector, Anji – Khad Bridge (order extensions)

Orders for Inspection of Web Steel Girder Bridges for DFCCIL for following :

- Eastern Corridor from MG Contractors
- Mugalsarai Project from UP State Bridge Corporation
- Mugalsarai Division from REW&JCL
- Khurja to Dadri section of East Central Railway from Galvano India P Ltd
- Western Corridor Package CTP – 15A from L&T Construction
- Western Corridor Package CTP – 11 from Tata Projects
- Neyveli Lignite Corporation: Third Party Inspection Services for Steel Reinforced Conveyor belts (change order)
- NHAI: Inspection of Web Steel Girder Bridges for NAHI (152D) C/O North Western Railways from Gawar Constructions
- Miscellaneous Third Party orders for Inspection of steel fabrication works for Railways for various clients like NHAI, DFCC etc from various contractors
- Empanelment order as Third Party Inspection Agency for water supply system under Jal Jeevan Mission for four districts in Tamil Nadu
- Empanelment order as Third Party Inspection Agency for water supply system under Jal Jeevan Mission for two districts in Kerala
- Annual Rate Contract for TPI services of Mechanical & allied civil maintenance works for Operation & Maintenance group of GSPL
- Miscellaneous Third Party Inspection services for GSPL & Group companies
- Consultancy services for Technical Bid Evaluation and technical documents verification for tenders/EOI from Gujrat Gas Limited
- Services for PESO certification for 01 no Horton Spheres at HMEL from GR Engineering
- Third Party Inspection services for inspection of Personal Computers and peripherals for Bihar School Examination Board
- Third Party Inspection services for new A site retail outlets,



modernization works at existing RO and various works at depots/terminals/AFSs under IOCL, Karnataka

- VMC, SMC & RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- Orders for ERDMP/IMS/T4S audits for pipeline, CGD networks, Terminals from various clients like GAIL, Adani Gas, Torrent Gas, Deepak Fertilizers, Shell India Market Pvt. Ltd.

#### **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any subsidiary, joint ventures or associate company. Further the names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year are NIL.

#### **DIRECTORS**

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company:

- Shri Jagdish Chander Nakra ceased to be Part-time Director w.e.f. 01.02.2021 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 31<sup>st</sup> January, 2021.
- Shri Rakesh Kumar Sabharwal, Director(Commercial) and Addl. Charge-CMD, EIL was inducted as Part-time Chairman of the Company in place of Shri Jagdish Chander Nakra w.e.f. 01.02.2021.
- Shri Sunil Bhatia ceased to be Part-time Director w.e.f. 01.07.2021 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 30<sup>th</sup> June, 2021.
- Shri Sanjay Jindal, ED, EIL was inducted as Part-time Director of the Company w.e.f. 30.06.2021.
- Shri O. P. Mishra ceased to be Non-Official Independent Director of the Company w.e.f. 24.07.2021 due to completion of tenure of his appointment and in absence of any further order of the Government.

Pursuant to the provisions of Companies Act, 2013, Shri Rakesh Kumar Sabharwal, Part-time Chairman and Shri Sanjay Jindal, Part-time Director who was appointed as Additional Director shall vacate their office at the ensuing Annual General Meeting. Further, the Board recommends his appointment.

In accordance with the provisions of the Companies Act, 2013, Shri Avneesh Sawhney, Part-time Director shall retire by rotation, at the ensuing Annual General Meeting of the Company, and being eligible, has offered himself for reappointment. Brief resume of the Directors seeking appointment/reappointment together with the nature of their expertise in specific functional areas, disclosures of relationships between Directors inter-se, names of companies in which they hold directorships and the memberships / chairmanships of Committees of the Board along with their shareholding in the Company etc. pursuant to the statutory requirements are given in the Annexure to Notice of 26<sup>th</sup> Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Shri Jagdish Chander Nakra, Shri Sunil Bhatia and Shri O. P. Mishra during their tenure as Director(s) 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, 2021 are Shri G. Suresh, Chief Executive Officer, Shri Basant Kumar Das, Chief Financial Officer and Ms. Jaya Totlani, Company Secretary.

Shri Basant Kumar Das was appointed as Chief Financial officer of the Company w.e.f. 20.01.2021 in place of Shri G.D. Goswami who was superannuated w.e.f. 01.01.2021.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met 5 times during the financial year 2020-21, 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 27<sup>th</sup> October, 2020 to 2<sup>nd</sup> November 2020 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 2021, your Company had total manpower of 69. Regular employees were 68 and 1 employee was 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 14.09.2020 and 'Hindi Fortnight' was organized from 01.09.2020 to 14.09.2020 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: ₹ 2.84 Lakhs
- (b) Total Foreign Exchange Outgo : ₹ 73.40 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) Amendment Rules, 2021. The CSR Policy is also available on the website of the Company i.e. <http://www.ceil.co.in>.

The Board of Directors of CEIL in their 124<sup>th</sup> Meeting held on 22.04.2021 approved the discontinuation of CSR & SD Committee of the Board of Directors in accordance with the amendments in the provisions of Companies Act, 2013. Further, the functions of the said Committee shall be discharged by the Board of Directors of the Company.

#### 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 2020-21.

#### 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.

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. Further, suitable disclosure as per statutory requirements has been given in the Notes to Financial Statements.

#### ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Act the Annual Return as on March 31, 2021 is available on the Company's website on [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 [www.ceil.co.in](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:

- a) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been





- followed and there are no material departures from the same;
- (b) 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;
  - (c) 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;
  - (d) they have prepared the annual accounts on a going concern basis;
  - (e) 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
  - (f) 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 31.3.2021, no application is pending under RTI Act, 2005.

#### **BANKERS**

The Bankers of the Company are Bank of India, Union Bank of India, 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 confirms to the requirements of ISO 9001:2015 standard. Periodic external audit is conducted by Certifying Body and present certificate of approval is valid up to 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 2020-21 by the Office of the Comptroller & Auditor General of India.

#### **AUDITOR'S REPORT**

The statutory auditor's report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

#### **AUDIT COMMITTEE**

The recommendations made by the Audit Committee during the financial year 2020-21 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 2020-21, 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 2020-21:-

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 Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Board of Directors also wish to place on record their appreciation for the excellent contribution made by all the employees towards the successful operations of the Company.

For & on behalf of the Board of Directors

**(R. K. Sabharwal)**  
Chairman  
DIN: 07484946

Place: New Delhi  
Date: 26.08.2021

## Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the company for the year 2020-21 and the future outlook.

### BUSINESS OVERVIEW

During the financial year 2020-21, your Company was able to secure business worth ₹48.59 Crores.

The order book as on 31.03.2021 was ₹42.53 Crores.

During the year, Company has secured major orders from Tata Projects, L&T Hydrocarbon, Oil and Natural Gas Corporation Ltd. (ONGC), Konkan Railway (KRCL), Dedicated Freight Corridor Corporation (DFCCIL), Vadodara Municipal Corporation (VMC) and regular orders from other esteemed clients like Surat Municipal Corporation (SMC), Rajkot Urban Development Authority (RUDA), Cantonment Board etc. There has also been a steady 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 ₹4911.00 lakhs from ₹4921.12 lakhs in the previous year.

Profit before tax (PBT) has increased from 1397.64 lakhs to ₹1502.15 lakhs in the current year, which is 7.47% more than the previous year. Similarly, Profit after tax (PAT) has increased from ₹1008.22 lakhs to ₹1122.59 lakhs in the current year which is 11.34% 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.

### 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 69 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.

As part of CSR activities, during the financial year 2020-21, CSR activity was done with The Earth Saviours Foundation, TATA Memorial Centre, Artificial Limbs Manufacturing Corporation of India.



**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 CSR Activities

### 1. Brief outline on CSR Policy of the Company.

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

### 2. Composition of CSR Committee:

| Sl. No. | Name of Director  | Designation/Nature of Directorship         | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------|--------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1.      | Smt. Anita Gurjar | Non-official Independent Director-Chairman | 3                                                        | 3                                                            |
| 2.      | Shri O.P. Mishra  | Non-official Independent Director-Member   | 3                                                        | 3                                                            |
| 3.      | Shri Sunil Bhatia | Part-time Director-Member                  | 3                                                        | 3                                                            |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company <http://www.ceil.co.in>.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : No amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 or amount required to be set off for the financial year.

6. **Average net profit of the Company as per section 135(5) :** Average net profit for last three preceding FYs i.e. 2017-18, 2018-19 and 2019-20 was ₹1505.14 Lakhs.
7. (a) **Two percent of average net profit of the Company as per section 135(5):** ₹ 30.10 Lakhs
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** No surplus arose out of the CSR projects or programme or activities of the previous financial years.
- (c) **Amount required to be set off for the financial year, if any :-** No amount is available to be set off for the financial year.
- (d) **Total CSR obligation for the financial year (7a+7b-7c).** ₹ 30.10 Lakhs
8. (a) **CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹)                                                 |                  |                                                                                                     |        |                  |
|--------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                  | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|                                                  | Amount                                                                | Date of transfer | Name of the Fund                                                                                    | Amount | Date of transfer |
| 5,19,601                                         | 64,80,646*                                                            | 30.04.2021       | Nil                                                                                                 |        |                  |

\* includes ₹ 24,90,682/- for FY 2020-21, ₹ 14,44,488/- for FY 2018-19 and ₹ 25,45,476/- for FY upto 2012-13.

In addition to above balance of CSR Activity Reserve as on 31.03.2021 includes ₹ 8,72,891/- pertaining to unallocated amount for FY upto 2012-13.

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

| (1)    | (2)                                                 | (3)                                                         | (4)                 | (5)                     |          | (6)              | (7)                                      | (8)                                               | (9)                                                                                       | (10)                                   | (11)                                               |                         |
|--------|-----------------------------------------------------|-------------------------------------------------------------|---------------------|-------------------------|----------|------------------|------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------|-------------------------|
| Sl No. | Name of the Project                                 | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project |          | Project duration | Amount allocated for the project (in ₹)* | Amount spent in the current financial year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)** | Mode of Implementation-Direct (Yes/No) | Mode of Implementation-Through Implementing Agency |                         |
|        |                                                     |                                                             |                     | State                   | District |                  |                                          |                                                   |                                                                                           |                                        | Name                                               | CSR Registration Number |
| 1.     | TATA Memorial Centre                                | Health Care                                                 | No                  | UP                      | Varanasi | 2 Years          | 27,00,000                                | 2,70,000                                          | 24,30,000                                                                                 | Yes                                    | -                                                  | -                       |
| 2.     | The Earth Saviours Foundation                       | Poverty and hunger eradication                              | Yes                 | Haryana                 | Gurugram | 2 Years          | 10,40,000                                | 99,601                                            | 9,40,399                                                                                  | Yes                                    | -                                                  | -                       |
| 3.     | Artificial Limbs Manufacturing Corporation of India | Health Care                                                 | No                  | Haryana                 | Nuh      | 2 Years          | 15,00,000                                | 1,50,000                                          | 13,50,000                                                                                 | Yes                                    | -                                                  | -                       |
|        | <b>Total</b>                                        |                                                             |                     |                         |          |                  | <b>52,40,000</b>                         | <b>5,19,601</b>                                   | <b>47,20,399</b>                                                                          |                                        |                                                    |                         |

\* ₹ 30,10,283/- were allocated for FY 2021 and the remaining amount of ₹ 22,29,717/- pertains to previous financial year(s).

\*\* ₹ 24,90,682/- unspent of FY 2020-21 and the remaining amount of ₹ 22,29,717/-pertains to previous financial year(s).





**(c) Details of CSR amount spent against other than ongoing projects for the financial year : Nil**

| (1)     | (2)                 | (3)                                                         | (4)                 | (5)                     |          | (6)                                 | (7)                                       | (8)                                                |                         |
|---------|---------------------|-------------------------------------------------------------|---------------------|-------------------------|----------|-------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------|
| Sl. No. | Name of the project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project |          | Amount spent for the project (in ₹) | Mode of implementation on-Direct (Yes/No) | Mode of Implementation-Through implementing agency |                         |
|         |                     |                                                             |                     | State                   | District |                                     |                                           | Name                                               | CSR Registration Number |
| Nil     |                     |                                                             |                     |                         |          |                                     |                                           |                                                    |                         |

(d) **Amount spent in Administrative Overheads** - No amount was spent on administrative overheads in FY 2020-21.

(e) **Amount spent on Impact Assessment, if applicable** - Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)** – ₹ 5,19,601/-

(g) **Excess amount for set off, if any** - Nil

| Sl. No. | Particular                                                                                                  | Amount (in ₹) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------|
| (i)     | Two percent of average net profit of the Company as per section 135(5)                                      | 30,10,283     |
| (ii)    | Total amount spent for the Financial Year                                                                   | 5,19,601      |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | -             |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -             |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | -             |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

| Sl.No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in ₹) | Amount spent in the reporting Financial year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |               |                  | Amount remaining to be spent in succeeding financial years (in ₹) |
|--------|--------------------------|-----------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------|---------------|------------------|-------------------------------------------------------------------|
|        |                          |                                                                       |                                                     | Name of the Fund                                                                          | Amount (in ₹) | Date of transfer |                                                                   |
| 1.     | 2017-18                  | -                                                                     | -                                                   | -                                                                                         | -             | -                | -                                                                 |
| 2.     | 2018-19                  | 14,44,488                                                             | -                                                   | -                                                                                         | -             | -                | 14,44,488                                                         |
| 3.     | 2019-20                  | -                                                                     | -                                                   | -                                                                                         | -             | -                | -                                                                 |
|        | <b>Total</b>             | <b>14,44,488</b>                                                      | <b>-</b>                                            | <b>-</b>                                                                                  | <b>-</b>      | <b>-</b>         | <b>14,44,488</b>                                                  |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| (1)     | (2)          | (3)                  | (4)                                               | (5)              | (6)                                           | (7)                                                                | (8)                                                                   | (9)                                      |
|---------|--------------|----------------------|---------------------------------------------------|------------------|-----------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------|
| Sl. No. | Project ID   | Name of the Project  | Financial year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project- Completed/Ongoing |
| 1.      |              | NMMC                 | 2019-20                                           | -                | 16,00,000                                     | -                                                                  | -                                                                     | Ongoing                                  |
| 2.      |              | Matheran Nagarpalika | 2019-20                                           | 2 Years          | 10,00,000                                     | -                                                                  | 9,10,404                                                              | Ongoing                                  |
| 3.      |              | VMSS                 | 2019-20                                           | 5 Years          | 7,45,000                                      | -                                                                  | 6,74,349                                                              | Ongoing                                  |
|         | <b>Total</b> |                      |                                                   |                  | <b>33,45,000</b>                              |                                                                    | <b>15,84,753</b>                                                      |                                          |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) Nil**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

No capital asset was created or acquired by CEIL itself.

**11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5).**

Current financial year's total obligation under CSR has been approved and allocated towards ongoing projects, for which payment are to be released on completion of defined milestone which are under progress.

**Chief Executive Officer**

**Chairman**



## 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 arms length transaction under third proviso thereto.

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

| SL. No. | Particulars                                                                                                       | Details                                                                                                                                                                                                                                                                                            |
|---------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)      | Name (s) of the related party & nature of relationship                                                            | ENGINEERS INDIA LIMITED (EIL)<br>HOLDING COMPANY                                                                                                                                                                                                                                                   |
| b)      | Nature of contracts/arrangements/transaction                                                                      | Fixation of rent for CEIL Head Office at EIB Kharghar, Navi Mumbai.                                                                                                                                                                                                                                |
| c)      | Duration of the contracts/arrangements/transaction                                                                | Contract to be signed between EIL & CEIL.                                                                                                                                                                                                                                                          |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any                         | Monthly rent to be given to EIL as per the market rate prevalent at Kharghar, Navi Mumbai. No rent to be paid to EIL for its premises in Kharghar, Mumbai till such time the premises of CEIL in CBD Belapur is rented out.                                                                        |
| e)      | Justification for entering into such contracts or arrangements or transactions'                                   | The proposal for shifting from CEIL premises in CBD Belapur Station to EIB Kharghar was basically to provide more synergy between EIL & CEIL employees, improved brand image of EIL and CEIL by working in the brand new own premises, availability of space for future growth and expansion, etc. |
| f)      | Date of approval by the Board                                                                                     | 23.01.2020                                                                                                                                                                                                                                                                                         |
| g)      | Amount paid as advances, if any                                                                                   | -                                                                                                                                                                                                                                                                                                  |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | -                                                                                                                                                                                                                                                                                                  |

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

For & on behalf of the Board of Directors

( R. K. Sabharwal)  
Chairman  
DIN: 07484946

## 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, 2021, 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 5 times during the financial year 2020-21. The details of the Board Meetings are as under:

| S.No | Date of Meeting  | Place     | Board Strength | No. of Directors Present |
|------|------------------|-----------|----------------|--------------------------|
| 1    | June 19, 2020    | New Delhi | 6              | 6                        |
| 2    | August 6, 2020   | New Delhi | 6              | 6                        |
| 3    | November 4, 2020 | New Delhi | 6              | 6                        |
| 4    | January 20, 2021 | New Delhi | 6              | 6                        |
| 5    | January 25, 2021 | New Delhi | 6              | 6                        |

#### 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 2020-21 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 25.09.2020 | Other Directorships                                               | Other Committee Memberships | Other Committee Chairmanships |
| <b>A) Part time Directors – From Holding Company, EIL</b> |                        |                             |                                                                   |                             |                               |
| <b>I) Present Directors</b>                               |                        |                             |                                                                   |                             |                               |
| Shri Rakesh Kumar Sabharwal, Chairman*                    | -                      | -                           | 1                                                                 | -                           | -                             |
| Shri Sunil Bhatia                                         | 5                      | Yes                         | 2                                                                 |                             |                               |



|                                                       |   |     |   |   |   |
|-------------------------------------------------------|---|-----|---|---|---|
| Shri Amitabh Budhiraja                                | 5 | Yes | 0 | - | - |
| Shri Avneesh Sawhney**                                | 3 | Yes | 0 | - | - |
| <b>II) Past Directors</b>                             |   |     |   |   |   |
| Shri R.Mahajan***                                     | 2 | -   | - | - | - |
| Shri J.C. Nakra****                                   | 5 | Yes |   |   |   |
| <b>B) Non-Official Part-time Independent Director</b> |   |     |   |   |   |
| <b>I ) Present Directors</b>                          |   |     |   |   |   |
| Shri O. P. Mishra                                     | 5 | Yes | 1 | - | - |
| Smt. Anita Gurjar                                     | 5 | Yes | - | - | - |

**Remarks:**

- \* Shri Rakesh Kumar Sabharwal was inducted as Part-time Chairman w.e.f. 01.02.2021.
- \*\* Shri Avneesh Sawhney was inducted as Part-time Director w.e.f. 01.09.2020.
- \*\*\* Shri R.Mahajan was superannuated from the services of EIL and ceased to be Part-time Director w.e.f. 01.09.2020.
- \*\*\*\* Shri J.C.Nakra was superannuated from the services of EIL and ceased to be Part-time Chairman w.e.f. 01.02.2021.
- ## 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 [www.ceil.co.in](http://www.ceil.co.in).

**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, 2021.

Place: Mumbai  
Date : 31.03.2021

(G. Suresh)  
Chief Executive Officer

**f) Separate Meetings of Independent Directors**

A separate Meeting of the Independent Directors was held on 20.01.2021 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 alongwith 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, 2021, 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 terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Government for CPSEs. The details of meetings held during the financial year 2020-21 and the attendance of the Members is given below:

| S.No. | Date of Meeting | Name                                                      | Chairman/Member              | Attendance                    |
|-------|-----------------|-----------------------------------------------------------|------------------------------|-------------------------------|
| 1     | 19.06.2020      | Shri O.P.Mishra<br>Smt. Anita Gurjar<br>Shri Sunil Bhatia | Chairman<br>Member<br>Member | Present<br>Present<br>Present |
| 2     | 06.08.2020      | Shri O.P.Mishra<br>Smt. Anita Gurjar<br>Shri Sunil Bhatia | Chairman<br>Member<br>Member | Present<br>Present<br>Present |
| 3     | 04.11.2020      | Shri O.P.Mishra<br>Smt. Anita Gurjar<br>Shri Sunil Bhatia | Chairman<br>Member<br>Member | Present<br>Present<br>Present |
| 4     | 20.01.2021      | Shri O.P.Mishra<br>Smt. Anita Gurjar<br>Shri Sunil Bhatia | Chairman<br>Member<br>Member | Present<br>Present<br>Present |

**4. Subsidiary Companies**

The Company is not having any subsidiary company.

**5. Remuneration Committee/Remuneration of Directors**

The Company has formed a Remuneration Committee as per DPE OM dated 26<sup>th</sup> November, 2008 regarding pay revision of CPSE executives. As on March 31, 2021, the Remuneration Committee comprises of Shri O.P.Mishra, Non-official Independent Director as Chairman, Smt. Anita Gurjar and Shri Avneesh Sawhney as Members. The Remuneration Committee was reconstituted during the year due to the following:

- Shri R.Mahajan ceased to be member w.e.f. 01.09.2020.
- Shri Avneesh Sawhney was inducted as member w.e.f. 01.09.2020.

The details of meeting held during the financial year 2020-21 and the attendance of the Members is given below:

| Sl. No. | Date of Meeting | Name                                                         | Chairman/ Member             | Attendance                    |
|---------|-----------------|--------------------------------------------------------------|------------------------------|-------------------------------|
| 1.      | 19.06.2020      | Shri O.P.Mishra<br>Smt. Anita Gurjar<br>Shri R.Mahajan       | Chairman<br>Member<br>Member | Present<br>Present<br>Present |
| 2.      | 20.01.2021      | Shri O.P.Mishra<br>Smt. Anita Gurjar<br>Shri Avneesh Sawhney | Chairman<br>Member<br>Member | Present<br>Present<br>Present |





The scope of the Remuneration Committee includes finalizing the salary structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and Non-Unionised Supervisors within the prescribed limits. Remuneration Committee may also be called upon to decide issues like ESOP schemes, Performance Incentive Schemes, Superannuation Benefits and any other Fringe Benefits which may be considered appropriate. The Remuneration Committee shall also assist the Board in ensuring that appropriate and effective remuneration packages and policies are implemented in CEIL for all employees including Directors and Chairman. The Committee's role also extends to the review of Non-Executive Director's fees. There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The part-time official Directors other than Non-official Independent Directors nominated on the Board do not draw any remuneration from the Company for their role as Director. The sitting fees fixed for Non-official Part-time Independent Directors of the Company is ₹15,000/- per meeting of the Board or its Committee thereof attended by them. The details of payments towards sitting fees to Non-official Independent Directors during the Financial Year 2020-21 are given below:-

| Name of Non-official Independent Director | Sitting Fees  |                   | Total  |
|-------------------------------------------|---------------|-------------------|--------|
|                                           | Board Meeting | Committee Meeting |        |
| Shri O.P. Mishra                          | 75000         | 135000            | 210000 |
| Smt. Anita Gurjar                         | 75000         | 135000            | 210000 |

#### 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, 2021, 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 details of meetings held during the financial year 2020-21 and the attendance of the Members is given below:

| Sl. No. | Date of Meeting | Name                                                      | Chairman/Member                 | Attendance                    |
|---------|-----------------|-----------------------------------------------------------|---------------------------------|-------------------------------|
| 1.      | 19.06.2020      | Smt. Anita Gurjar<br>Shri O.P.Mishra<br>Shri Sunil Bhatia | Chairperson<br>Member<br>Member | Present<br>Present<br>Present |
| 2.      | 06.08.2020      | Smt. Anita Gurjar<br>Shri O.P.Mishra<br>Shri Sunil Bhatia | Chairperson<br>Member<br>Member | Present<br>Present<br>Present |
| 3.      | 20.01.2021      | Smt. Anita Gurjar<br>Shri O.P.Mishra<br>Shri Sunil Bhatia | Chairperson<br>Member<br>Member | Present<br>Present<br>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

### a) 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       |
|------------------|---------|------------------------------------------------|------------|------------|
| 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.  |
| 25 <sup>th</sup> | 2019-20 | EIB, 1, Bhikaiji Came Place, New Delhi-110066. | 25.09.2020 | 10.00 a.m. |

### ii) Details of Special resolutions passed at last three AGMs

| AGM              | Details of Special Resolutions Passed |
|------------------|---------------------------------------|
| 23 <sup>rd</sup> | Nil                                   |
| 24 <sup>th</sup> | Nil                                   |
| 25 <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 2020-21, an Extra-ordinary General Meeting of the Members was held on 29.01.2021 regarding the following matter:

Alteration of object clause of Memorandum of Association of the Company.

## 11. Disclosures

- Details of transactions between the company and its holding Company, associates, key managerial personnel during the financial year 2020-21 are given in Note 35 of the Notes to Accounts for the year ended 31<sup>st</sup> March, 2021. These transactions do not have any potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any statutory authority in any matters related to any Guidelines issued by Government during the last three years.
- The Company has in place a Vigil Mechanism/Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of the same have also been posted on the website of the Company.
- The Company has complied with all mandatory requirements of DPE Guidelines on Corporate Governance for CPSEs except the Composition of Board of Directors with respect to Full time functional Directors. (from 01.04.2020 to 31.03.2021).
- During the last three years, no Presidential Directive has been received by the Company.
- No Expenditures were debited in the Books of Accounts during the Financial Year 2020-21 which are not for the purposes of the Business.
- No expenses had been incurred which are personnel in nature and incurred for the Board of Directors and the top Management.
- The administrative and office expenses are 16.00% of the total expenses in the Financial Year 2020-21 as against 19.02% during the Financial Year 2019-20.
- None of the Directors of the Company are inter-se related as on 31<sup>st</sup> March, 2021.
- None of the Non-official Part-time Independent Directors hold any equity shares of the Company as on 31<sup>st</sup> March, 2021.

## 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 [www.ceil.co.in](http://www.ceil.co.in). 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>Day and Date</b> | Friday and 17.09.2021                         |
| <b>Time</b>         | 3.00 p.m.                                     |
| <b>Venue</b>        | EIB, 1, Bhikaji 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 ₹47/- (9,00,000 equity shares of ₹100/- per share) for the Financial Year ended 31<sup>st</sup> March, 2021 subject to approval of Shareholders in the ensuing Annual General Meeting. This was in addition to the Interim Dividend of ₹53/- (9,00,000 equity shares @ ₹100/- each) paid in January, 2021.

##### iv) Registered office of the Company

Certification Engineers International Limited  
E.I.Bhawan, 1,  
Bhikaji Cama Place,  
New Delhi-110066.  
CIN: U74899DL1994GOI062371  
Tel. no. 011-26762121, Fax: 011-26164868, 011-26192693  
Website: [www.ceil.co.in](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 Basant Kumar Das, 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, 2021.
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

Basant Kumar Das  
Chief Financial Officer

Place: New Delhi

Date: 01.06.2021



## Independent Auditor's Report on Compliance with Corporate Governance Requirements under Guidelines Issued by Ministry of Heavy Industries and Public Enterprises

To,  
The Members of  
Certification Engineers International Limited

1. This certificate is issued in accordance with the terms of our engagement letter with the Company.
2. This report contains details of compliance of conditions of Corporate Governance by Certification Engineers International Ltd. ('the Company') for the year ended 31<sup>st</sup> March, 2021 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 2021.
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) 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.
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

Place: New Delhi  
Dated: 01.06.2021

**CA VIVEK KUMAR**  
Partner  
Membership No. 503826  
UDIN : 21503826AAAABM2824



## Management's Reply to Auditor's Report on Corporate Governance (2020-21)

| AUDITOR'S COMMENT                                                                    | MANAGEMENT'S REPLY                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Composition of Board w.r.t. number of Full-time Functional Directors does not exist. | Being a wholly owned subsidiary of Engineers India Limited (EIL) and given the nature and scale of operations and in line with Articles of Association of the Company, requirement of full time Functional Director was not envisaged at the time of formation of the Company and the present scenario is status quo. |





## 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 2021, 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,2021 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 31st March 2021, 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 affect 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, 2021 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 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

Place: New Delhi  
Dated: 01.06.2021

**CA VIVEK KUMAR**  
Partner  
Membership No.503826  
UDIN : 21503826AAAABM2824



## Annexure- A to the Auditor's Report

- i. The Annexure referred to in independent Auditors' Report to the members of the company on the standalone Ind AS financial statements for the year ended 31 March 2021, we report that:
- The company has been maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The company's fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - 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 maintainance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- vii. a) According 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) and other material statutory dues except for some delays in deposition of profession tax. 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 31st March 2021 for a period of more than six months from the date the 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 dispute is<br>pending |
|---------------------------------------|---------------------------------------------|-----------------------|---------------------------------------|-----------------------------------|
| Service Tax, as per Finance Act, 1994 | Show Cause Notice cum Demand of service Tax | 1092.02*              | 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 has paid/ provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V of 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

Place: New Delhi  
Dated: 01.06.2021

**CA VIVEK KUMAR**  
Partner  
Membership No. 503826  
UDIN : 21503826AAAABM2824



## Supplementary - Directions to the Statutory Auditors

Direction u/s 143(S) of Companies Act, 2013 for the year 2020-21

| S. 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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company). | 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 2020-21.                                               |
| 3      | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its 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

Place: New Delhi  
Dated: 01.06.2021

**CA VIVEK KUMAR**  
Partner  
Membership No. 503826  
UDIN : 21503826AAAABM2824

## 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 2021 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Control

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

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 2021, 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

UDIN : 21503826AAAABM2824

Place: New Delhi

Dated: 01.06.2021



## Compliance Certificate

We have conducted the audit of accounts of M/s Certification Engineers International Ltd, for the year ended 31<sup>st</sup> March 2021 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.

Place: New Delhi  
Dated: 01.06.2021

**FOR V K VERMA & CO.**  
Chartered Accountants  
Firm Reg. No. 000386N

**CA VIVEK KUMAR**  
Partner  
Membership No.503826  
UDIN : 21503826AAAABM2824



## Balance Sheet

AS AT 31 MARCH 2021

(₹ In Lakhs)

| PARTICULARS                          | Note No. | AS AT<br>31 March 2021 | AS AT<br>31 March 2020 |
|--------------------------------------|----------|------------------------|------------------------|
| <b>ASSETS</b>                        |          |                        |                        |
| <b>Non-Current Assets</b>            |          |                        |                        |
| Property, Plant and Equipment        | 4        | 32.32                  | 28.87                  |
| Right of Use Assets                  | 4 A      | 213.01                 | 182.71                 |
| Other Intangible Assets              | 5        | 1.31                   | 0.64                   |
| Financial Assets                     |          |                        |                        |
| Loans                                | 6 A      | 45.15                  | 57.56                  |
| Other Financial Assets               | 7 A      | 1.65                   | 22.44                  |
| Deferred Tax Assets (Net)            | 8        | 253.19                 | 256.83                 |
| Non-Current Tax Assets (Net)         | 9        | 261.22                 | 317.46                 |
| Other Non-Current Assets             | 10 A     | 1.01                   | 1.19                   |
| <b>Total Non-Current Assets</b>      |          | <b>808.86</b>          | <b>867.70</b>          |
| <b>Current Assets</b>                |          |                        |                        |
| Inventories                          | 11       | 6.50                   | 8.81                   |
| Financial Assets                     |          |                        |                        |
| Investments                          | 12       | -                      | 202.50                 |
| Loans                                | 6 B      | 341.64                 | 303.93                 |
| Trade Receivables                    | 13       | 1,651.57               | 1,934.56               |
| Cash and Cash Equivalents            | 14       | 122.18                 | 127.33                 |
| Other Bank Balances                  | 15       | 6,184.98               | 5,371.75               |
| Other Financial Assets               | 7 B      | 608.33                 | 422.61                 |
| Other Current Assets                 | 10 B     | 85.57                  | 68.92                  |
| <b>Total Current Assets</b>          |          | <b>9,000.77</b>        | <b>8,440.41</b>        |
| <b>Total Assets</b>                  |          | <b>9,809.63</b>        | <b>9,308.11</b>        |
| <b>EQUITY AND LIABILITIES</b>        |          |                        |                        |
| <b>Equity</b>                        |          |                        |                        |
| Equity Share Capital                 | 16       | 900.00                 | 900.00                 |
| Other Equity                         | 17       | 7,167.27               | 6,960.46               |
| <b>Total Equity</b>                  |          | <b>8,067.27</b>        | <b>7,860.46</b>        |
| <b>Non-Current Liabilities</b>       |          |                        |                        |
| Financial Liabilities                |          |                        |                        |
| Lease Liabilities                    | 4 A      | 33.72                  | -                      |
| Other Financial Liabilities          | 18 A     | 33.00                  | 15.59                  |
| Other Non-Current Liabilities        | 19 A     | 0.85                   | 1.67                   |
| Long-Term Provisions                 | 20 A     | 654.70                 | 607.27                 |
| <b>Total Non-Current Liabilities</b> |          | <b>722.27</b>          | <b>624.53</b>          |



(₹ In Lakhs)

| PARTICULARS                                                                            | Note No. | AS AT<br>31 March 2021 | AS AT<br>31 March 2020 |
|----------------------------------------------------------------------------------------|----------|------------------------|------------------------|
| <b>Current Liabilities</b>                                                             |          |                        |                        |
| Financial Liabilities                                                                  |          |                        |                        |
| Trade Payables                                                                         | 21       |                        |                        |
| Total outstanding dues of Micro Enterprises and small enterprises                      |          | 91.21                  | 83.63                  |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |          | 133.69                 | 153.03                 |
| Lease Liabilities                                                                      | 4 A      | 0.76                   | -                      |
| Other Financial Liabilities                                                            | 18 B     | 187.95                 | 157.94                 |
| Other Current Liabilities                                                              | 19 B     | 389.08                 | 334.02                 |
| Short-Term Provisions                                                                  | 20 B     | 34.53                  | 73.06                  |
| Current Tax Liabilities (Net)                                                          | 22       | 182.87                 | 21.44                  |
| <b>Total Current Liabilities</b>                                                       |          | <b>1,020.09</b>        | <b>823.12</b>          |
| <b>Total Equity and Liabilities</b>                                                    |          | <b>9,809.63</b>        | <b>9,308.11</b>        |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements

1 to 50

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

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

( **J. TOTLANI** )  
Company Secretary  
PAN : BGIPK9258H

( **BASANT K DAS** )  
Chief Financial Officer  
PAN : AEUPD5295E

( **G. SURESH** )  
Chief Executive Officer  
PAN : AGLPS8759H

( **R.K. SABHARWAL** )  
Chairman  
DIN : 07484946

**Vivek Kumar**  
Partner  
Membership No. 503826  
FRN No. 000386N

Place : New Delhi  
Date : June 1, 2021



## Statement of Profit and Loss

FOR THE YEAR ENDED 31 MARCH 2021

(₹ In Lakhs)

| PARTICULARS                                                                   | Note No. | 31 March 2021   | 31 March 2020   |
|-------------------------------------------------------------------------------|----------|-----------------|-----------------|
| <b>REVENUE</b>                                                                |          |                 |                 |
| Income From Services                                                          | 23       | 4,911.00        | 4,921.12        |
| Other Income                                                                  | 24       | 397.69          | 445.42          |
| <b>Total Revenue</b>                                                          |          | <b>5,308.69</b> | <b>5,366.54</b> |
| <b>EXPENSES</b>                                                               |          |                 |                 |
| Manpower Services                                                             | 25       | 650.76          | 662.55          |
| Employee Benefits Expenses                                                    | 26       | 2,209.77        | 2,214.50        |
| Finance Costs                                                                 | 27       | 2.69            | 0.80            |
| Depreciation and Amortisation Expenses                                        | 28       | 22.24           | 16.47           |
| Other Expenses                                                                |          |                 |                 |
| Facilities Costs                                                              | 29A      | 213.85          | 159.54          |
| Corporate Costs                                                               | 29B      | 62.78           | 61.54           |
| Other Costs                                                                   | 29C      | 644.45          | 853.50          |
| <b>Total Expenses</b>                                                         |          | <b>3,806.54</b> | <b>3,968.90</b> |
| <b>Profit Before Tax</b>                                                      |          | <b>1,502.15</b> | <b>1,397.64</b> |
| Tax Expense                                                                   |          |                 |                 |
| Current Tax                                                                   | 30       | 379.70          | 413.76          |
| Earlier years tax adjustments (net)                                           |          | -               | (0.06)          |
| Deferred Tax                                                                  |          | (0.14)          | (24.28)         |
| <b>Profit For The Year</b>                                                    |          | <b>1,122.59</b> | <b>1,008.22</b> |
| <b>Other Comprehensive Income</b>                                             |          |                 |                 |
| Items that will not be reclassified to profit and loss                        |          |                 |                 |
| Re-measurement gains (losses) on defined benefit plans                        |          | 15.00           | (55.73)         |
| Income tax relating to items that will not be reclassified to profit and loss |          | (3.78)          | 14.03           |
| <b>Total Comprehensive Income For The Year</b>                                |          | <b>1,133.81</b> | <b>966.52</b>   |
| <b>Earnings Per Equity Share (Face Value ` 100 Per Share)</b>                 | 31       |                 |                 |
| Basic (₹)                                                                     |          | 124.73          | 112.02          |
| Diluted (₹)                                                                   |          | 124.73          | 112.02          |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

1 to 50

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

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

( **J. TOTLANI** )  
Company Secretary  
PAN : BGIPK9258H

( **BASANT K DAS** )  
Chief Financial Officer  
PAN : AEUPD5295E

( **G. SURESH** )  
Chief Executive Officer  
PAN : AGLPS8759H

( **R.K. SABHARWAL** )  
Chairman  
DIN : 07484946

**Vivek Kumar**  
Partner  
Membership No. 503826  
FRN No. 000386N  
Place : New Delhi  
Date : June 1, 2021

**Statement of Changes In Equity**

AS AT 31 MARCH 2021

**A Equity Share Capital\***

(₹ In Lakhs)

| Particulars          | Opening<br>Balance As At<br>1 April 2019 | Changes in<br>Equity Share<br>Capital<br>During The<br>Year (Issue of<br>Bonus<br>Shares) | Redemption<br>Of Equity<br>Share<br>Capital<br>During The<br>Year | Balance As<br>At 31<br>March<br>2020 | Changes in<br>Equity Share<br>Capital During<br>The Year (Issue<br>of Bonus Shares) | Redemption Of<br>Equity Share<br>Capital During<br>The Year | Balance As At 31<br>March 2021 |
|----------------------|------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------|
| Equity Share Capital | 900.00                                   | -                                                                                         | -                                                                 | 900.00                               | -                                                                                   | -                                                           | 900.00                         |

**B Other Equity\***

(₹ In Lakhs)

| Description                                | Reserves And Surplus |                      |                         | Other<br>Comprehensive<br>Income                                  | Total           |
|--------------------------------------------|----------------------|----------------------|-------------------------|-------------------------------------------------------------------|-----------------|
|                                            | General<br>Reserve   | Retained<br>Earnings | CSR Activity<br>Reserve | Remeasurement<br>Of Defined<br>Benefit<br>Plans (Net of<br>Taxes) |                 |
| <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> |
| Profit for the year                        | -                    | 1,122.59             | -                       | -                                                                 | 1,122.59        |
| Other comprehensive income                 | -                    | -                    | -                       | 11.22                                                             | 11.22           |
| Dividend (including tax impact)            | -                    | (927.00)             | -                       | -                                                                 | (927.00)        |
| Transfer from statement of profit and loss | -                    | -                    | -                       | -                                                                 | -               |
| Bonus issue of shares                      | -                    | -                    | -                       | -                                                                 | -               |
| Transfer from retained earnings            | 215.77               | (245.87)             | 30.10                   | -                                                                 | 0.00            |
| Transfer to retained earnings              | -                    | 5.20                 | (5.20)                  | -                                                                 | -               |
| <b>Balance as at 31 March 2021</b>         | <b>6,484.64</b>      | <b>620.69</b>        | <b>73.52</b>            | <b>(11.58)</b>                                                    | <b>7,167.27</b> |

\* Refer Note 16 for details

\*\* Refer Note 17 for details

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

( **J. TOTLANI** )  
Company Secretary  
PAN : BGIPK9258H

( **BASANT K DAS** )  
Chief Financial Officer  
PAN : AEUPD5295E

( **G. SURESH** )  
Chief Executive Officer  
PAN : AGLPS8759H

( **R.K. SABHARWAL** )  
Chairman  
DIN : 07484946

**Vivek Kumar**  
Partner  
Membership No. 503826  
FRN No. 000386N

Place : New Delhi  
Date : June 1, 2021





## Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2021

(₹ In Lakhs)

| PARTICULARS                                                                         | 31 March 2021   | 31 March 2020   |
|-------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |                 |                 |
| Profit Before Tax                                                                   | 1,502.15        | 1,397.64        |
| <b>Adjustments for:</b>                                                             |                 |                 |
| Depreciation and Amortisation Expenses                                              | 22.24           | 16.47           |
| Provision for Employee Benefits                                                     | 54.90           | 102.60          |
| Allowance for expected credit losses - trade receivables and advances (net)         | (55.82)         | 120.61          |
| Provision for corporate social responsibility                                       | (31.00)         | 31.00           |
| Interest Income and Amortised Income On Security Deposit                            | (393.92)        | (443.66)        |
| Interest Expense                                                                    | 2.69            | 0.80            |
| Dividend Income                                                                     | -               | (1.48)          |
| Capital (Gain) / Loss On Sale Of Mutual Funds                                       | (3.77)          | 13.36           |
| <b>Operating Profit Before Working Capital Changes</b>                              | <b>1,097.47</b> | <b>1,237.34</b> |
| <b>Movement In Working Capital</b>                                                  |                 |                 |
| Decrease/(Increase) In Trade Receivables                                            | 338.81          | (573.48)        |
| Decrease/(Increase) In Inventories                                                  | 2.31            | (4.64)          |
| Decrease/(Increase) In Other Current and Non-Current Assets                         | (16.47)         | (4.93)          |
| Increase In Loans                                                                   | (25.30)         | 41.53           |
| Decrease/(Increase) In Other Current Financial Assets                               | (185.72)        | 25.48           |
| (Decrease)/Increase In Other Current and Non-Current Liabilities                    | 54.24           | (139.92)        |
| (Decrease)/Increase In Other Current Financial and Non-Financial Liabilities        | 33.72           | 175.01          |
| <b>Cash Flow From Operating Activities Post Working Capital Changes</b>             | <b>1,299.06</b> | <b>756.39</b>   |
| Income Tax Paid (Net)                                                               | (162.03)        | (414.06)        |
| <b>Net Cash Flow From Operating Activities (A)</b>                                  | <b>1,137.03</b> | <b>342.33</b>   |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                 |                 |
| Purchase Of Property, Plants, Equipements and Intangible Assets (Net)               | (17.94)         | (2.66)          |
| Movement In Current Investments (Net)                                               | 206.27          | 68.52           |
| Fixed Deposit placed with banks having original maturity of more than three months  | (6,531.33)      | (5,119.35)      |
| Fixed Deposit with banks matured having original maturity of more than three months | 5,727.97        | 5,110.07        |
| Interest Received                                                                   | 404.84          | 439.98          |
| Dividend Received                                                                   | -               | 1.48            |
| <b>Net Cash Flows Used In Investing Activities (B)</b>                              | <b>(210.19)</b> | <b>498.04</b>   |



(₹ In Lakhs)

| PARTICULARS                                             | 31 March 2021   | 31 March 2020   |
|---------------------------------------------------------|-----------------|-----------------|
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>           |                 |                 |
| Dividend Paid (Including Tax)                           | (927.00)        | (779.99)        |
| Interest Paid                                           | -               | (0.80)          |
| Payment of Lease Liabilities                            | (4.99)          | -               |
| <b>Net Cash Used In Financing Activities (C)</b>        | <b>(931.99)</b> | <b>(780.79)</b> |
| <b>Increase In Cash And Cash Equivalents (A+B+C)</b>    | <b>(5.15)</b>   | <b>59.58</b>    |
| Cash And Cash Equivalents At The Beginning Of The Year  | 127.33          | 67.75           |
| <b>Cash And Cash Equivalents At The End Of The Year</b> | <b>122.18</b>   | <b>127.33</b>   |

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

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

**( J. TOTLANI )**  
Company Secretary  
PAN : BGIPK9258H

**( BASANT K DAS )**  
Chief Financial Officer  
PAN : AEUPD5295E

**(G. SURESH)**  
Chief Executive Officer  
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**(R.K. SABHARWAL)**  
Chairman  
DIN : 07484946

**Vivek Kumar**  
Partner  
Membership No. 503826  
FRN No. 000386N

Place : New Delhi  
Date : June 1, 2021



# Significant Accounting Policies and Notes to Accounts for the year ended 31 March 2021

## 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 and 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 company has uniformly applied the accounting policies during the period presented.

The financial statements for the year ended 31st March 2021 were authorized and approved for issue by the Board of Directors on 1st June 2021.

## 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

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those services. The services performed by the company fall into the criteria of the transfer of control over a period of time and as such company satisfy the performance obligation and revenue over a period of time.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Arrangements with customers are either on a cost plus/ rate basis jobs, lump sum contracts and percentage fee contracts.

Revenue from services is accounted as follows:

- In the case of cost plus/rate basis jobs, on the basis of amount billable under the contracts
- In the case of lump-sum contracts, as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.
- In case of contracts providing for a percentage fees on equipment/material value/project cost, on the basis of physical progress as certified up to the closing date of accounting year

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

#### WORK-IN-PROGRESS

##### a) Cost of jobs are carried forward as Work-in-Progress for which:

- i. The terms of remuneration receivable by the company have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit/(loss) on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
- ii. The terms have been agreed to at lump sum basis but the physical progress is less than 25% of the job.

##### b) Work-in-Progress is valued at direct cost

**C. INTANGIBLE ASSETS****Recognition**

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition.

**D. PROPERTY, PLANT AND EQUIPMENT****Recognition**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged.

Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

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

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

**E. FOREIGN CURRENCY**

Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency of the Company.

**Foreign currency transactions and balances****Initial recognition**

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month.

**Conversion**

Foreign currency monetary items are 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 lumpsum services and turnkey contracts awarded to the Company are being made on the basis of management's assessment of risk and consequential probable liabilities on each such jobs.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**J. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale

**K. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**L. CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestricted use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company considers unrestricted time deposits with banks having an original maturity of three months or less as cash equivalent.

**M. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS**

Defined benefit plans

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term benefits

The liabilities for leave (earned and Half Pay Leave) 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. 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.

### O. 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, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

### 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 March 2021

### Note - 4

#### Property, Plant And Equipment

(₹ In Lakhs)

| Particulars                                                        | Vehicles    | Office Equipments | Leasehold Property* | Air Conditioner | Computer Hardware | Furniture & Fixtures | Library Books | Total         |
|--------------------------------------------------------------------|-------------|-------------------|---------------------|-----------------|-------------------|----------------------|---------------|---------------|
| <b>Balance as at 31 March 2019</b>                                 | <b>3.24</b> | <b>7.50</b>       | <b>202.08</b>       | <b>6.98</b>     | <b>44.34</b>      | <b>24.44</b>         | <b>0.44</b>   | <b>289.02</b> |
| 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                                       | -           | -                 | -                   | -               | -                 | -                    | -             | -             |
| <b>Balance as at 31 March 2020</b>                                 | <b>3.24</b> | <b>7.83</b>       | <b>-</b>            | <b>6.98</b>     | <b>45.38</b>      | <b>25.71</b>         | <b>0.46</b>   | <b>89.60</b>  |
| Additions                                                          | -           | 0.73              |                     | 0.64            | 14.01             | 1.26                 |               | 16.64         |
| Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A) | -           | -                 | -                   | -               | -                 | -                    | -             | -             |
| Disposals/assets written off                                       | -           | -                 | -                   | -               | -                 | -                    | -             | -             |
| <b>Balance as at 31 March 2021</b>                                 | <b>3.24</b> | <b>8.55</b>       | <b>-</b>            | <b>7.62</b>     | <b>59.40</b>      | <b>26.97</b>         | <b>0.46</b>   | <b>106.24</b> |
| <b>Accumulated Depreciation</b>                                    |             |                   |                     |                 |                   |                      |               |               |
| Balance as at 31 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                                          | -           | -                 | -                   | -               | -                 | -                    | -             | -             |
| <b>Balance as at 31 March 2020</b>                                 | <b>2.97</b> | <b>5.39</b>       | <b>-</b>            | <b>5.80</b>     | <b>28.90</b>      | <b>17.21</b>         | <b>0.46</b>   | <b>60.73</b>  |
| Charge For The Year                                                | 0.06        | 0.88              | -                   | 0.07            | 10.10             | 2.08                 | -             | 13.19         |
| Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A) | -           | -                 | -                   | -               | -                 | -                    | -             | -             |
| Adjustments For Disposals                                          | -           | -                 | -                   | -               | -                 | -                    | -             | -             |
| <b>Balance as at 31 March 2021</b>                                 | <b>3.03</b> | <b>6.27</b>       | <b>-</b>            | <b>5.87</b>     | <b>39.00</b>      | <b>19.29</b>         | <b>0.46</b>   | <b>73.92</b>  |
| <b>Net Book Value as at 31 March 2020</b>                          | <b>0.27</b> | <b>2.44</b>       | <b>-</b>            | <b>1.18</b>     | <b>16.48</b>      | <b>8.50</b>          | <b>0.00</b>   | <b>28.87</b>  |
| <b>Net Book Value as at 31 March 2021</b>                          | <b>0.21</b> | <b>2.28</b>       | <b>-</b>            | <b>1.75</b>     | <b>20.40</b>      | <b>7.68</b>          | <b>0.00</b>   | <b>32.32</b>  |

\*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.

## Notes To The Financial Statements For The Year Ended 31 March 2021

### Note - 4 A

#### Right of Use Assets

##### Leases :- Company as a lessee

The Company's lease assets primarily consist of leases of office premises/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.

| (₹ In Lakhs)                                                      |                              |                                         |               |
|-------------------------------------------------------------------|------------------------------|-----------------------------------------|---------------|
| Particulars                                                       | Leasehold Property* - Office | Leasehold Property - Site Transit Accom | Total         |
| <b>Balance as at 31 March 2019</b>                                | -                            | -                                       | -             |
| Reclassified on account of adoption of Ind AS 116 ( Refer Note 4) | 186.58                       | -                                       | <b>186.58</b> |
| Additions                                                         | -                            | -                                       | -             |
| Depreciation                                                      | (3.87)                       | -                                       | <b>(3.87)</b> |
| <b>Balance as at 31 March 2020</b>                                | <b>182.71</b>                | -                                       | <b>182.71</b> |
| Additions                                                         | -                            | 38.72                                   | <b>38.72</b>  |
| Depreciation                                                      | (3.87)                       | (4.55)                                  | <b>(8.42)</b> |
| <b>Balance as at 31 March 2021</b>                                | <b>178.84</b>                | <b>34.17</b>                            | <b>213.01</b> |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

\*Acquired from CIDCO Limited on 60 years lease basis

#### The following is the break-up of current and non-current lease liabilities:

| (₹ In Lakhs)                  |               |               |
|-------------------------------|---------------|---------------|
| Particulars                   | 31 March 2021 | 31 March 2020 |
| Current lease liabilities     | 0.76          | -             |
| Non-Current lease liabilities | 33.72         | -             |
| <b>Total</b>                  | <b>34.48</b>  | -             |

#### The following is the movement in lease liabilities:

| (₹ In Lakhs)                         |                          |
|--------------------------------------|--------------------------|
| Particulars                          | Year ended 31 March 2021 |
| <b>Balance as of 31 March 2020</b>   | -                        |
| Additions                            | 38.72                    |
| Finance cost accrued during the year | 0.75                     |
| Payment of lease liabilities         | 4.99                     |
| <b>Balance as of 31 March 2021</b>   | <b>34.48</b>             |

#### The detail regarding the contractual maturities of lease liabilities on undiscounted basis is as follows:

| (₹ In Lakhs)          |               |               |
|-----------------------|---------------|---------------|
| Particulars           | 31 March 2021 | 31 March 2020 |
| Less than one year    | 18.74         | -             |
| One year to two years | 16.50         | -             |
| More than two years   | 1.88          | -             |
| <b>Total</b>          | <b>37.12</b>  | -             |

The Company does not face a significant 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 recognised as operating expenses of ₹ 98.15 Lakhs towards short term leases for certain office/residential premises.



## Note - 5

### Other Intangible Assets

(₹ In Lakhs)

| Particulars                               | Computer Software | Total       |
|-------------------------------------------|-------------------|-------------|
| <b>Gross carrying amount</b>              |                   |             |
| Balance as at 31 March 2019               | 4.08              | 4.08        |
| Additions                                 | -                 | -           |
| Disposals/Assets Written Off              | -                 | -           |
| <b>Balance as at 31 March 2020</b>        | <b>4.08</b>       | <b>4.08</b> |
| Additions                                 | 1.30              | 1.30        |
| Disposals/Assets Written Off              |                   |             |
| <b>Balance as at 31 March 2021</b>        | <b>5.38</b>       | <b>5.38</b> |
| <b>Accumulated amortisation</b>           |                   |             |
| Balance as at 31 March 2019               | 2.74              | 2.74        |
| Amortisation Charge For The Year          | 0.70              | 0.70        |
| Adjustments For Disposals                 | -                 | -           |
| <b>Balance as at 31 March 2020</b>        | <b>3.44</b>       | <b>3.44</b> |
| Amortisation Charge For The Year          | 0.63              | 0.63        |
| Adjustments For Disposals                 | -                 | -           |
| <b>Balance as at 31 March 2021</b>        | <b>4.07</b>       | <b>4.07</b> |
| <b>Net Book Value as at 31 March 2020</b> | <b>0.64</b>       | <b>0.64</b> |
| <b>Net Book Value as at 31 March 2021</b> | <b>1.31</b>       | <b>1.31</b> |

(₹ In Lakhs)

31 March 2021 31 March 2020

## Note - 6

### A Loans - Non-Current

#### Unsecured, Considered Good Unless Otherwise Stated

|                  |       |       |
|------------------|-------|-------|
| Security Deposit | 45.15 | 57.56 |
|                  | 45.15 | 57.56 |

### B Loans - Current

#### Unsecured, Considered Good Unless Otherwise Stated

|                    |        |        |
|--------------------|--------|--------|
| Loans To Employees | -      | 18.18  |
| Security Deposit   | 341.64 | 285.75 |
|                    | 341.64 | 303.93 |

## Note - 7

### A Other Financial Assets - Non-Current

|                                                 |      |       |
|-------------------------------------------------|------|-------|
| Term Deposits With Maturity Exceeding One Year* | 1.65 | 22.44 |
|                                                 | 1.65 | 22.44 |

\*Includes bank deposits held under lien against bank guarantees of ₹1.56 Lakhs  
(previous year 31 March 2020: ₹ 0.37 Lakhs)

The above also includes interest accrued on bank deposits of ₹ 0.09 Lakhs  
(previous year 31 March 2020 ₹ 0.91 lakhs)

### B Other Financial Assets - Current

#### Unsecured, Considered Good Unless Otherwise Stated

|                   |        |        |
|-------------------|--------|--------|
| Unbilled Income   | 600.51 | 419.52 |
| Work In Progress* | 7.82   | 3.09   |
|                   | 608.33 | 422.61 |

\*As taken, valued and certified by Management

## Note - 8

### Deferred Tax Assets (Net)

#### Deferred Tax Assets Arising On:

##### Employee Benefits:

|                                                                  |        |        |
|------------------------------------------------------------------|--------|--------|
| Provision for leave encashment                                   | 167.48 | 146.52 |
| Provision for long service awards                                | 6.53   | 5.74   |
| Provision for employee related expenses allowed on payment basis | -      | 11.39  |
| Provision for doubtful receivables and advances                  | 105.94 | 119.99 |

##### Others:

|                                      |      |   |
|--------------------------------------|------|---|
| Amortised cost financial instruments | 0.03 | - |
|--------------------------------------|------|---|

#### Deferred Tax Liabilities Arising On:

|                                      |         |         |
|--------------------------------------|---------|---------|
| Depreciation                         | (26.24) | (25.88) |
| Provision for gratuity               | (0.55)  | -       |
| Amortised cost financial instruments | -       | (0.93)  |
|                                      | 253.19  | 256.83  |





### Movement In Deferred Tax Assets And Liabilities

| Particulars                  | 31-Mar-19     | Recognised In Other Comprehensive Income | Recognised In Statement Of Profit And Loss | 31-Mar-20     | Recognised In Other Comprehensive Income | Recognised In Statement Of Profit And Loss | 31-Mar-21     |
|------------------------------|---------------|------------------------------------------|--------------------------------------------|---------------|------------------------------------------|--------------------------------------------|---------------|
| <b>Assets</b>                |               |                                          |                                            |               |                                          |                                            |               |
| Employee Benefits            | 149.41        | 14.03                                    | 0.21                                       | 163.65        | (3.78)                                   | 14.14                                      | 174.01        |
| Trade Receivables & Advances | 103.71        | -                                        | 16.28                                      | 119.99        |                                          | (14.05)                                    | 105.94        |
| Others                       | 0.43          | -                                        | (1.36)                                     | (0.93)        |                                          | 0.96                                       | 0.03          |
| <b>Liabilities</b>           |               |                                          |                                            |               |                                          |                                            |               |
| Depreciation                 | (28.77)       | -                                        | 2.89                                       | (25.88)       |                                          | (0.36)                                     | (26.24)       |
| Employee Benefits            | (6.26)        | -                                        | 6.26                                       | -             | -                                        | (0.55)                                     | (0.55)        |
|                              | <b>218.52</b> | <b>14.03</b>                             | <b>24.28</b>                               | <b>256.83</b> | <b>(3.78)</b>                            | <b>0.14</b>                                | <b>253.19</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 31st 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 Rs.29.66 Lakhs which has been fully charged to the profit and Loss account.

<sup>1</sup> - No changes in the deferred taxes is expected due to COVID-19

### Note - 9

#### Non-Current Tax Assets (Net)

|                                                                                                                                 |               |               |
|---------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Advance Income Tax (net of provision for taxation amounting to ₹ 1952.16 Lakhs (previous year 31 March 2020 : ₹ 1538.39 Lakhs ) | 261.22        | 317.46        |
| Advance Fringe Benefit Tax                                                                                                      | 11.83         | 11.83         |
| Less: Allowance for expected credit losses                                                                                      | (11.83)       | (11.83)       |
|                                                                                                                                 | <b>261.22</b> | <b>317.46</b> |

### Note - 10

#### A. Other Non-Current Assets

##### Unsecured, Considered Good Unless Otherwise Stated

|                  |             |             |
|------------------|-------------|-------------|
| Prepaid Expenses | 1.01        | 1.19        |
|                  | <b>1.01</b> | <b>1.19</b> |

#### B. Other Current Assets

##### Unsecured, Considered Good Unless Otherwise Stated

|                                        |              |              |
|----------------------------------------|--------------|--------------|
| Balance With Government Authorities    | 54.69        | 59.40        |
| Prepaid Expense                        | 8.19         | 9.52         |
| Advance to employees - Considered Good | 22.69        | -            |
|                                        | <b>85.57</b> | <b>68.92</b> |

### Note - 11

#### Inventories (Lower Of Cost Or Net Realizable Value)

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Stores, Spares And Chemicals In Hand | 6.50        | 8.81        |
|                                      | <b>6.50</b> | <b>8.81</b> |

\*Management do not see any need to write down the inventories in view of COVID-19.

### Note - 12

#### Investments

|                                                                                        |          |               |
|----------------------------------------------------------------------------------------|----------|---------------|
| UTI Treasury Advantage Fund Nil Units (previous year :31 March 2020 : 21347.952 units) | -        | 202.50        |
|                                                                                        | <b>-</b> | <b>202.50</b> |

-Direct Daily dividend re-investment (31 March 2020: NAV - ₹ 948.5586)

(₹ In Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

### Note - 13

#### Trade Receivables

Trade Receivable (Unsecured)

|                                          |                 |                 |
|------------------------------------------|-----------------|-----------------|
| Considered Good                          | 1,651.57        | 1,934.56        |
| Considered Doubtful                      | 409.11          | 464.93          |
|                                          | 2,060.68        | 2,399.49        |
| Less: Allowance for expected credit loss | (409.11)        | (464.93)        |
|                                          | <u>1,651.57</u> | <u>1,934.56</u> |

### Note - 14

#### Cash And Cash Equivalents

|                                                                                                |               |               |
|------------------------------------------------------------------------------------------------|---------------|---------------|
| Balances With Banks In Current Account                                                         | 82.13         | 127.29        |
| Bank Deposits having maturity of less than three months*                                       | 40.00         | -             |
| *includes interest accrued on bank deposits ₹ Nil<br>(Previous year ended 31 March 2020 ₹ Nil) |               |               |
| Cash On Hand                                                                                   | 0.05          | 0.04          |
|                                                                                                | <u>122.18</u> | <u>127.33</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* | 6,184.98        | 5,371.75        |
|                                                                                                                                  | <u>6,184.98</u> | <u>5,371.75</u> |

\*Includes ₹ 0.63 Lakhs (previous year 31 March 2020: ₹ 78.18 Lakhs) held under lien against bank guarantees.

\*Includes interest accrued on bank deposits ₹ 263.47 lakhs (previous year 31 March 2020: ₹273.57 lakhs )



(₹ In Lakhs)

| Particulars                                                                                 | 31 March 2021<br>Amount | 31 March 2020<br>Amount |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Note - 16</b>                                                                            |                         |                         |
| <b>Equity Share Capital</b>                                                                 |                         |                         |
| <b>Authorised Share Capital</b>                                                             |                         |                         |
| 1,200,000 (previous year 31 March 2020 : 1200,000) equity shares of par value of ₹ 100 each | 1200.00                 | 1200.00                 |
|                                                                                             | <u>1200.00</u>          | <u>1200.00</u>          |
| <b>Issued Share Capital</b>                                                                 |                         |                         |
| 900,000 (previous year 31 March 2020 : 900,000) equity shares of par value of ₹ 100 each    | 900.00                  | 900.00                  |
|                                                                                             | <u>900.00</u>           | <u>900.00</u>           |
| <b>Subscribed And Paid Up*</b>                                                              |                         |                         |
| 900,000 (previous year 31 March 2020 : 900,000) equity shares of par value of ₹ 100 each    | 900.00                  | 900.00                  |
|                                                                                             | <u>900.00</u>           | <u>900.00</u>           |
| <i>*All shares are held by Holding Company- Engineers India Ltd. and its Nominees</i>       |                         |                         |
| <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                 | 900,000                 |
| Add : Bonus Shares Issued During The Year                                                   | -                       | -                       |
| <b>Shares Outstanding At The End Of The Year</b>                                            | <u>900,000</u>          | <u>900,000</u>          |
| <b>b) Details Of Shareholders Holding More Than 5% Equity Shares In The Company</b>         |                         |                         |
| <b>Name Of Shareholders</b>                                                                 | <b>Number</b>           | <b>Number</b>           |
| 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.

(₹ In Lakhs)

| Particulars | 31 March 2021<br>Amount | 31 March 2020<br>Amount |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

## Note - 18

### A Other Financial Liabilities - Non-Current

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Security Deposits And Retentions | 33.00        | 15.59        |
|                                  | <b>33.00</b> | <b>15.59</b> |

### B Other Financial Liabilities - Current

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security Deposits And Retentions | 26.37         | 26.75         |
| Accrued Employee Benefits        | 161.58        | 131.19        |
|                                  | <b>187.95</b> | <b>157.94</b> |

## Note - 19

### A Other Non-Current Liabilities

|                 |             |             |
|-----------------|-------------|-------------|
| Deferred Income | 0.85        | 1.67        |
|                 | <b>0.85</b> | <b>1.67</b> |

### B Other Current Liabilities

|                                                            |               |               |
|------------------------------------------------------------|---------------|---------------|
| Advances Received From Clients                             | 54.44         | 65.48         |
| Deferred Income                                            | 2.49          | 1.39          |
| Unearned Income Billed To Clients                          | 124.69        | 112.51        |
| Service Tax /GST Payable                                   | 76.32         | 52.76         |
| Withholding For Income Taxes                               | 32.00         | 39.00         |
| Withholding For Employees Including Employers Contribution | 30.82         | 28.59         |
| Other Liabilities                                          | 68.32         | 34.29         |
|                                                            | <b>389.08</b> | <b>334.02</b> |

## Note - 20

### A Long-Term Provisions

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Employees' Post Retirement/Long-Term | 654.70        | 607.27        |
|                                      | <b>654.70</b> | <b>607.27</b> |

### B Short-Term Provisions

|                                               |              |              |
|-----------------------------------------------|--------------|--------------|
| Employees' Post Retirement/Long-Term          | 34.53        | 42.06        |
| Provision for corporate social responsibility | -            | 31.00        |
|                                               | <b>34.53</b> | <b>73.06</b> |

## Note - 21

### Trade Payables

|                                                                                        |               |               |
|----------------------------------------------------------------------------------------|---------------|---------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 44)      | 91.21         | 83.63         |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 133.69        | 153.03        |
|                                                                                        | <b>224.90</b> | <b>236.66</b> |

## Note - 22

### Current Tax Liabilities (Net)

|                                                                                                                       |               |              |
|-----------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| Provision for taxation (net of advance tax amounting to ₹ 196.82 Lakhs (previous year 31 March 2020 : ₹392.32 Lakhs ) | 182.87        | 21.44        |
|                                                                                                                       | <b>182.87</b> | <b>21.44</b> |



(₹ In Lakhs)

| Particulars                                                                                  | 31 March 2021   | 31 March 2020   |
|----------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Note - 23</b>                                                                             |                 |                 |
| <b>Revenue From Operations*</b>                                                              |                 |                 |
| Income From Services                                                                         | 4,906.27        | 4,919.49        |
|                                                                                              | <u>4,906.27</u> | <u>4,919.49</u> |
| <b>Increase/(Decrease) In Work-In-Progress</b>                                               |                 |                 |
| Closing Work-In-Progress                                                                     | 7.82            | 3.09            |
| Less : Opening Work-In-Progress                                                              | 3.09            | 1.46            |
|                                                                                              | <u>4.73</u>     | <u>1.63</u>     |
|                                                                                              | <u>4,911.00</u> | <u>4,921.12</u> |
| *Excludes Goods and Services Tax (GST)                                                       |                 |                 |
| <b>Note - 24</b>                                                                             |                 |                 |
| <b>Other Income</b>                                                                          |                 |                 |
| <b>Interest Income</b>                                                                       |                 |                 |
| Bank Deposits                                                                                | 366.05          | 398.19          |
| Income-Tax Refunds                                                                           | 17.07           | 32.12           |
| Others - Misc                                                                                | 0.01            | 0.07            |
| Amortization of Deferred Income                                                              | 10.79           | 13.28           |
| Capital Gain On Sale Of Mutual Fund Units                                                    | 3.77            | -               |
| Dividend From Current Investments                                                            | -               | 1.48            |
| Foreign Exchange Difference (Net)                                                            | -               | 0.28            |
|                                                                                              | <u>397.69</u>   | <u>445.42</u>   |
| <b>Note - 25</b>                                                                             |                 |                 |
| <b>Manpower Services</b>                                                                     |                 |                 |
| Manpower Services                                                                            | 650.76          | 662.55          |
|                                                                                              | <u>650.76</u>   | <u>662.55</u>   |
| <b>Note - 26</b>                                                                             |                 |                 |
| <b>Employee Benefits Expenses</b>                                                            |                 |                 |
| Salaries And Allowances                                                                      | 1,994.49        | 2,012.08        |
| Contribution towards employees pension and provident fund and administration charges thereon | 123.70          | 118.51          |
| Contribution towards National Pension System (NPS) and administration charges thereon        | 71.99           | 67.74           |
| Staff Welfare                                                                                | 6.04            | 6.05            |
| Contribution to Gratuity Fund (Net of contribution received from others)                     | 13.55           | 10.12           |
|                                                                                              | <u>2,209.77</u> | <u>2,214.50</u> |
| <b>Note - 27</b>                                                                             |                 |                 |
| <b>Finance Cost</b>                                                                          |                 |                 |
| Unwinding of Discount on Security Deposits                                                   | 1.94            | 0.80            |
| Interest on Lease Liabilities                                                                | 0.75            | -               |
|                                                                                              | <u>2.69</u>     | <u>0.80</u>     |



(₹ In Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note - 28****Depreciation And Amortisation Expenses**

|                                               |              |              |
|-----------------------------------------------|--------------|--------------|
| Depreciation On Property, Plant And Equipment | 13.19        | 11.90        |
| Depreciation On Right of use assets           | 8.42         | 3.87         |
| Amortisation Of Intangible Assets             | 0.63         | 0.70         |
|                                               | <b>22.24</b> | <b>16.47</b> |

**Note - 29****Other Expenses****A Facilities Cost**

|                                                                                                 |               |               |
|-------------------------------------------------------------------------------------------------|---------------|---------------|
| Rent - Residential Accommodation (Net of Recovery of ₹ 2.56 lakhs (previous year: ₹ 2.73 lakhs) | 29.79         | 30.96         |
| Rental Expense                                                                                  | 8.67          | 8.77          |
| Rent - Office                                                                                   | 68.36         | 50.12         |
| Electricity And Water                                                                           | 29.44         | 22.29         |
| Repairs To Building                                                                             | 2.35          | 2.59          |
| Other Repairs And Maintenance                                                                   | 69.47         | 37.83         |
| Hire Charges - Office Equipment                                                                 | 2.46          | 1.32          |
| Insurance                                                                                       | 3.31          | 5.66          |
|                                                                                                 | <b>213.85</b> | <b>159.54</b> |

**B Corporate Cost**

|                                          |              |              |
|------------------------------------------|--------------|--------------|
| Bank Charges                             | 1.40         | 0.96         |
| Sitting Fees To Independent Directors    | 4.20         | 2.25         |
| Advertisement for tender and recruitment | 2.84         | 2.89         |
| Entertainment                            | 9.01         | 11.82        |
| Remuneration To Auditors:                |              |              |
| For Audit                                | 3.90         | 3.90         |
| For Tax Audit                            | 0.60         | 0.95         |
| Certification                            | 0.06         | 0.67         |
| Out of Pocket                            | 0.14         | 3.18         |
| Filing Fee                               | 0.22         | 0.08         |
| Foreign Exchange Difference (Net)        | 1.74         | -            |
| Legal And Professional Charges           | 5.84         | 6.20         |
| Licences And Taxes                       | 32.83        | 28.64        |
|                                          | <b>62.78</b> | <b>61.54</b> |

**C Other Cost**

|                                                                             |               |               |
|-----------------------------------------------------------------------------|---------------|---------------|
| Travel And Conveyance                                                       | 643.92        | 634.24        |
| Printing, Stationery And General Office Supplies                            | 8.93          | 10.87         |
| Newspapers And Periodicals                                                  | 0.02          | 0.15          |
| Postage And Telecommunications                                              | 10.14         | 13.43         |
| Capital Loss on sale of MF Units                                            | -             | 13.36         |
| Courier, Transportation And Handling                                        | 1.61          | 3.67          |
| Allowance for expected credit losses - trade receivables and advances (net) | (55.82)       | 120.61        |
| Bad debts Written Off                                                       | 26.69         | 2.53          |
| Corporate Social Responsibility Expenditure (Refer note below)              | 5.20          | 46.85         |
| Miscellaneous Expenses                                                      | 2.77          | 2.83          |
| Training Expenses                                                           | 0.99          | 4.96          |
|                                                                             | <b>644.45</b> | <b>853.50</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 2020-21 - ₹ 30.10 lakhs (previous year: ₹ 31.25 lakhs)
- (b) Amount spent during the financial year ended 31 March 2021 and 31 March 2020 on:

(₹ In Lakhs)

| Particulars                           |               | In cash<br>₹ in Lakhs | Yet to be paid<br>₹ in Lakhs | Total<br>₹ in Lakhs |
|---------------------------------------|---------------|-----------------------|------------------------------|---------------------|
| Construction/acquisition of any asset | 31 March 2021 | -                     | -                            | -                   |
|                                       | 31 March 2020 | -                     | -                            | -                   |
| On purposes other than (i) above      | 31 March 2021 | 5.20                  | -                            | 5.20                |
|                                       | 31 March 2020 | 15.85                 | 31.00-                       | 46.85               |

(₹ In Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

### Note - 30

#### Income Tax

#### Tax Expense Comprises Of:

|                                                                       |               |               |
|-----------------------------------------------------------------------|---------------|---------------|
| Current Income Tax                                                    | 379.70        | 413.76        |
| Earlier years tax adjustments (net)                                   | -             | (0.06)        |
| Deferred Tax                                                          | (0.14)        | (24.28)       |
| <b>Income Tax Expense Reported In The Statement Of Profit Or Loss</b> | <b>379.56</b> | <b>389.42</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                                               | 1,502.15        | 1,397.64        |
| <b>Accounting Profit Before Income Tax</b>                                 | <b>1,502.15</b> | <b>1,397.64</b> |
| At India's Statutory Income Tax Rate of 25.168 % (31 March 2020 : 25.168%) | 378.06          | 351.76          |
| <b>Adjustments In Respect Of Current Income Tax</b>                        |                 |                 |
| Tax expense adjusted in other comprehensive income                         | -               | -               |
| Tax Impact Of Exempted Income                                              | -               | (0.37)          |
| Tax Impact Of Expenses Which Will Never Be Allowed                         | 2.12            | 8.02            |
| Earlier Years tax adjustments (net)                                        | -               | (0.06)          |
| Earlier Years deferred tax adjustments (net)                               | -               | 29.66           |
| Others                                                                     | (0.62)          | 0.41            |
|                                                                            | <b>379.56</b>   | <b>389.42</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 - 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.

|                                            | 31 March 2021 | 31 March 2020 |
|--------------------------------------------|---------------|---------------|
| Profit Attributable To Equity Shareholders | 1,122.59      | 1,008.22      |
| Weighted Average Number Of Equity Shares   | 900,000       | 900,000       |
| Nominal Value Per Share (Rs.)              | 100.00        | 100.00        |
| <b>Earnings Per Equity Share</b>           |               |               |
| Basic                                      | 124.73        | 112.02        |
| Diluted                                    | 124.73        | 112.02        |

## 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

(₹ In Lakhs)

### (ii) Financial assets measured at fair value – recurring fair value measurements

| 31 March 2021                 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|---------|---------|---------|-------|
| <b>Financial assets</b>       |         |         |         |       |
| Mutual funds                  | -       | -       | -       | -     |
| <b>Total financial assets</b> | -       | -       | -       | -     |

### Financial assets measured at fair value – recurring fair value measurements

(₹ In Lakhs)

| 31 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>202.50</b> |

### (iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.



## Note - 33

### Financial instruments

#### (i) Financial instruments by category

(₹ In Lakhs)

| Particulars                        | 31 March 2021 |                 | 31 March 2020 |                 |
|------------------------------------|---------------|-----------------|---------------|-----------------|
|                                    | FVTPL         | Amortised cost  | FVTPL         | Amortised cost  |
| <b>Financial assets</b>            |               |                 |               |                 |
| Investments - Mutual funds         | -             | -               | 202.50        | -               |
| Trade receivables                  | -             | 1,651.57        | -             | 1,934.56        |
| Loans                              | -             | -               | -             | 18.18           |
| Other financial assets             | -             | 608.33          | -             | 422.61          |
| Cash and cash equivalents          | -             | 122.18          | -             | 127.33          |
| Other bank balances                | -             | 6,186.63        | -             | 5,394.19        |
| Security deposits                  | -             | 386.79          | -             | 343.31          |
| <b>Total financial assets</b>      | -             | <b>8,955.50</b> | <b>202.50</b> | <b>8,240.18</b> |
| <b>Financial liabilities</b>       |               |                 |               |                 |
| Trade payables                     | -             | 224.90          | -             | 236.66          |
| Security deposits and retentions   | -             | 59.37           | -             | 42.34           |
| Other financial liabilities        | -             | 161.58          | -             | 131.19          |
| <b>Total financial liabilities</b> | -             | <b>445.85</b>   | -             | <b>410.19</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 have 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 are 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 2021 | 31 March 2020 |
|-------------------------|----------------------------------------------------------------------------------|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans and other financial assets | 8546.39       | 7,589.40      |
| B: Moderate credit risk | Trade receivable                                                                 | 180.40        | 216.58        |
| C: High credit risk     | Trade receivables                                                                | 228.71        | 248.35        |

ii) *Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is as follows -

(₹ In Lakhs)

| Particulars    | 31 March 2021   | 31 March 2020   |
|----------------|-----------------|-----------------|
| Hydrocarbon    | 960.50          | 1,541.58        |
| Infrastructure | 623.88          | 663.71          |
| Railways       | 171.88          | 34.77           |
| Others         | 304.42          | 159.43          |
| <b>Total</b>   | <b>2,060.68</b> | <b>2,399.49</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 2021**

(₹ In Lakhs)

| Particulars               | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Cash and cash equivalents | 122.18                                     | -                      | 122.18                                      |
| Other bank balances       | 6,184.98                                   | -                      | 6,184.98                                    |
| Loans                     | -                                          | -                      | -                                           |
| Other financial assets    | 996.77                                     | -                      | 996.77                                      |

**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 | 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                                      |



## (ii) Expected credit loss for trade receivables under simplified approach

31 March 2021

(₹ In Lakhs)

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 - 450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|----------------|----------------|
| Gross carrying value                | 873.41      | 244.00        | 121.85         | 99.53          | 146.60         | 81.90          |
| Expected credit loss (provision)    | 17.34       | 33.60         | 20.30          | 16.70          | 28.38          | 10.83          |
| Carrying amount (net of impairment) | 856.07      | 210.40        | 101.55         | 82.83          | 118.22         | 71.07          |

| Particulars                         | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 days |
|-------------------------------------|----------------|----------------|-----------------|------------|
| Gross carrying value                | 44.43          | 17.64          | 202.61          | 228.71     |
| Expected credit loss (provision)    | 8.10           | 2.26           | 42.89           | 228.71     |
| Carrying amount (net of impairment) | 36.33          | 15.38          | 159.72          | -          |

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                | 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           | -          |

## Reconciliation of loss provision – lifetime expected credit losses

(₹ In Lakhs)

| Reconciliation of loss allowance                    | Trade receivables |
|-----------------------------------------------------|-------------------|
| <b>Loss allowance on 31 March 2019</b>              | <b>356.15</b>     |
| Impairment loss recognised/reversed during the year | 108.78            |
| <b>Loss allowance on 31 March 2020</b>              | <b>464.93</b>     |
| Impairment loss recognised/reversed during the year | (55.82)           |
| <b>Loss allowance on 31 March 2021</b>              | <b>409.11</b>     |

## (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ In Lakhs)

| 31 March 2021                    | Less than 1 year | 1 - 2 years  | 2 - 3 years | Total         |
|----------------------------------|------------------|--------------|-------------|---------------|
| <b>Non-derivatives</b>           |                  |              |             |               |
| Trade payable                    | 224.90           | -            | -           | 224.90        |
| Security deposits and retentions | 26.37            | 33.00        | -           | 59.37         |
| Other financial liabilities      | 161.58           | -            | -           | 161.58        |
| <b>Total</b>                     | <b>412.85</b>    | <b>33.00</b> | <b>-</b>    | <b>445.85</b> |

(₹ In Lakhs)

| 31 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> |

## (C) Market risk

### (i) Foreign exchange risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

#### Foreign currency risk exposure:

(₹ In Lakhs)

| Particulars       | 31 March 2021 |      |     | 31 March 2020 |      |     |
|-------------------|---------------|------|-----|---------------|------|-----|
|                   | USD           | EURO | GBP | USD           | EURO | GBP |
| Trade receivables | -             | 0.19 | -   | 1.31          | 8.49 | -   |

### Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars             | 31 March 2021 |      |     | 31 March 2020 |        |     |
|-------------------------|---------------|------|-----|---------------|--------|-----|
| Currency sensitivity    | USD           | EURO | GBP | USD           | EURO   | GBP |
| Currency increase by 1% | -             | -    | -   | 0.01          | 0.08   | -   |
| Currency decrease by 1% | -             | -    | -   | (0.01)        | (0.08) | -   |

(₹ In Lakhs)

| Particulars    | 31 March 2021 | 31 March 2020 |
|----------------|---------------|---------------|
|                | AED           | AED           |
| Trade Payables | 8.80          | 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 March 2021 | 31 March 2020 |
|-----------------------------|---------------|---------------|
| <b>Currency sensitivity</b> | <b>AED</b>    | <b>AED</b>    |
| Currency increase by 1%     | 0.09          | 0.06          |
| Currency decrease by 1%     | (0.09)        | (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 March 2021 | 31 March 2020 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | -             | 6.08          |
| Price decrease by (3 %)- FVTPL | -             | (6.08)        |

## 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 March 2021 | 31 March 2020 |
|----------------------|---------------|---------------|
| Equity share capital | 900.00        | 900.00        |
| Other equity         | 7167.27       | 6960.46       |

### 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 2021 and 31 March 2020.

## 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 March 2021)</b> |                                                           |
|         | Shri Rakesh Kumar Sabharwal                               | Chairman (w.e.f 01.02.2021)                               |
|         | Shri J. C. Nakra                                          | Chairman (till 31.01.2021)                                |
|         | Shri Om Prakash Mishra                                    | Non-official Independent Director                         |
|         | Ms. Anita Gurjar                                          | Non-official Independent Director                         |
|         | Shri Sunil Bhatia                                         | Director                                                  |
|         | Shri R.Mahajan                                            | Director (till 31.08.2020)                                |
|         | Shri Amitabh Budhiraja                                    | Director                                                  |
|         |                                                           | Chairman and Managing Director in Engineers India Limited |
|         |                                                           | -                                                         |
|         |                                                           | -                                                         |
|         |                                                           | -                                                         |
|         |                                                           | Director (Finance) in Engineers India Limited             |
|         |                                                           | -                                                         |
|         |                                                           | Executive Director in Engineers India Limited             |

| Sl. No. | Name of the Related Party                                 |                                                     | Nature of Relationship                                    |
|---------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|
|         | Shri Avneesh Sawhney                                      | Director (w.e.f. 01.09.2020)                        | 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 (till 31.12.2020)           | -                                                         |
|         | Shri Basant Kumar Das                                     | Chief Financial Officer (w.e.f. 20.01.2021)         | -                                                         |
|         | Ms. Jaya Totlani                                          | Company Secretary                                   | -                                                         |
| 3       | <b>Directors/Key Management Personnel (31 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                                   | -                                                         |

(b) Related Party Transactions

During the year ended 31 March 2021, the Company had following transactions and outstanding balances with related parties:

(₹ In Lakhs)

| Particulars                                        | Relationship    | Year          | Amount   | (Payable)/<br>Receivable |
|----------------------------------------------------|-----------------|---------------|----------|--------------------------|
| Professional and technical services and facilities | Holding Company | 31 March 2021 | 207.31   | (60.70)                  |
|                                                    |                 | 31 March 2020 | 188.26   | (45.50)                  |
| Execution of contract for Services                 | Holding Company | 31 March 2021 | 836.40   | 313.23*                  |
|                                                    |                 | 31 March 2020 | 1,419.28 | 631.13*                  |
| Dividend (interim and final)                       | Holding Company | 31 March 2021 | 927.00   | -                        |
|                                                    |                 | 31 March 2020 | 647.00   | -                        |

\*includes security deposit of ₹39.39 Lakhs and ₹31.85 Lakhs as 31.03.2021 and 31.03.2020 respectively.

(c) Director's remuneration:

Sitting fees paid to part time Directors for 31 March 2021 is ₹ 4.20 Lakhs (Previous year 31 March 2020: ₹ 2.25 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 March 2021 | 31 March 2020 |
|---------------------------------------------------|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration                                      | 66.52         | 48.24         |
| Rent Paid for residential accommodation           | 1.81          | 2.55          |
| <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 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Total Defined Benefit Obligation | 9.23              | 19.84         | 17.80                       | 13.33         | 0.67                           | 0.19          |

**Note – 36****Contingent Liabilities and Commitments****i) Contingent Liabilities:**

- Income Tax assessments have been completed up to the assessment year 2018-2019. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2020-21 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- The Company had opted for Vivad se Viswas Scheme for the assessment year 2011-12 on 23.03.2020. Form 5 (Final certificate -VSVS) had been issued by Income tax dept. on 05.03.2021.
- 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 processing mistakes amounting to ₹159.75 Lakhs (inclusive of interest) (Previous Year ₹7.85 Lakhs (inclusive of interest – Order u/s 143(1)) as demanded in order u/s 143(3) dated 09.04.2021 for the assessment year 2018-19.
- The Company has received rectification order (u/s 154) on 11.05.2021 of short refund of ₹2.90 Lakhs (Previous Year Nil) for the assessment year 2019-20.
- The Company has filed an appeal against a demand of service tax of ₹1092.02 Lakhs (inclusive of interest and penalty) (Previous Year ₹1053.62 Lakhs (inclusive of interest and penalty)) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai.

**ii) Commitments:**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹Nil (Previous Year - ₹1.20 lakhs Inclusive of applicable Taxes).

**Note – 37****Employee Benefits**

The disclosures required under Indian Accounting Standard (Ind AS 19) 'Employee Benefits' are given below:

### Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

(₹ In Lakhs)

| Particulars                                                     | 31 March 2021 | 31 March 2020 |
|-----------------------------------------------------------------|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 123.70        | 118.51        |
| Contributory National Pension System (NPS)                      | 71.99         | 67.74         |

### 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, 2021 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 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Present value of obligations as at the end of year       | 427.43            | 421.68        | 665.47                      | 582.19        | 25.93                          | 22.79         |
| Fair value of plan assets as at the end of the year      | 429.62            | 377.34        | --                          | --            | --                             | --            |
| Amount Not Recognised due to asset limit                 | --                | --            | --                          | --            | --                             | --            |
| Funded status                                            | (2.19)            | 44.34         | (665.47)                    | (582.19)      | (25.93)                        | (22.79)       |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>(2.19)</b>     | <b>44.34</b>  | <b>665.47</b>               | <b>582.19</b> | <b>25.93</b>                   | <b>22.79</b>  |

#### b) Expenses recognized in statement of profit and loss

(₹ In Lakhs)

|                                                            | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|------------------------------------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                                            | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Current service cost                                       | 10.88             | 11.79         | 122.47                      | 115.94        | 2.38                           | 2.19          |
| Past service cost                                          | --                | --            | 47.11                       | --            | --                             | --            |
| Interest on net benefit asset/liability                    | 2.67              | (1.68)        | 38.27                       | 37.02         | 1.44                           | 1.45          |
| Re-measurements gains/losses                               | --                | --            | (8.86)                      | 44.92         | 0.17                           | 1.28          |
| <b>Expenses recognized in statement of profit and loss</b> | <b>13.55</b>      | <b>10.11</b>  | <b>198.99</b>               | <b>197.88</b> | <b>3.99</b>                    | <b>4.92</b>   |



## c) Expenses recognized in Other comprehensive income

(₹ In Lakhs)

|                                                          | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|----------------------------------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                                          | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Actuarial (gains)/loss                                   | --                | --            | --                          | --            | --                             | --            |
| Change in financial assumption                           | (8.76)            | 53.34         | --                          | --            | --                             | --            |
| Change in demographic assumption                         | --                | (0.22)        | --                          | --            | --                             | --            |
| Experience adjustments                                   | (4.18)            | 2.70          | --                          | --            | --                             | --            |
| Actual return on plan assets                             | (2.06)            | 1.07          | --                          | --            | --                             | --            |
| Adjustments to recognise the effect of asset ceiling     | --                | (1.16)        | --                          | --            | --                             | --            |
| <b>Expenses recognized in other comprehensive income</b> | <b>(15.00)</b>    | <b>55.73</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 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Present value of obligations as at beginning of year  | 421.68            | 331.02        | 582.19                      | 493.62        | 22.79                          | 18.90         |
| Interest cost                                         | 27.82             | 25.65         | 38.27                       | 37.02         | 1.44                           | 1.45          |
| Current service cost                                  | 10.88             | 11.79         | 122.47                      | 115.94        | 2.38                           | 2.19          |
| Past service cost                                     | --                | --            | 47.11                       | --            | --                             | --            |
| Actuarial (gain)/loss on obligations                  | (12.95)           | 55.82         | (8.86)                      | 44.91         | 0.17                           | 1.28          |
| Benefit paid                                          | (20.00)           | (2.60)        | (115.71)                    | (109.30)      | (0.85)                         | (1.03)        |
| <b>Present value of obligations as at end of year</b> | <b>427.43</b>     | <b>421.68</b> | <b>665.47</b>               | <b>582.19</b> | <b>25.93</b>                   | <b>22.79</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 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Fair value of plan assets as on beginning of year                                | 377.34            | 353.61        | --                          | --            | --                             | --            |
| Interest on plan assets                                                          | 25.15             | 27.40         | --                          | --            | --                             | --            |
| Re-measurements due to actual return on plan assets less interest on plan assets | 2.06              | (1.07)        | --                          | --            | --                             | --            |
| Contributions                                                                    | 45.07             | --            | --                          | --            | --                             | --            |
| Benefits paid                                                                    | (20.00)           | (2.60)        | --                          | --            | --                             | --            |
| <b>Fair value of plan assets at the end of year</b>                              | <b>429.62</b>     | <b>377.34</b> | --                          | --            | --                             | --            |

## f) Actuarial Assumptions

(₹ In Lakhs)

|                                                | Gratuity (Funded) |               | Leave encashment (Unfunded) |               | Long service awards (Unfunded) |               |
|------------------------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                                | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| <b>Discount rate</b>                           | 6.95%             | 6.80%         | 6.95%                       | 6.80%         | 6.95%                          | 6.80%         |
| <b>Expected rate of future salary increase</b> | 9.00%             | 9.00%         | 9.00%                       | 9.00%         | 9.00%                          | 9.00%         |
| <b>Retirement age</b>                          | 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 2021     | 31 March 2020 | 31 March 2021                              | 31 March 2020 | 31 March 2021                                | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Weighted average of the defined benefit obligation | 13.49 Years       | 13.79 Years   | 12.20 Years                                | 12.55 Years   | 8.76 Years                                   | 7.70 Years    | 4.81 Years                     | 4.95 Years    |
| Duration of defined benefit obligation             |                   |               |                                            |               |                                              |               |                                |               |
| Duration (years)                                   |                   |               |                                            |               |                                              |               |                                |               |
| 1                                                  | 5.97              | 25.07         | 15.82                                      | 25.21         | 14.70                                        | 13.60         | 4.00                           | 3.25          |
| 2                                                  | 5.94              | 5.68          | 16.31                                      | 14.78         | 15.06                                        | 13.04         | 6.05                           | 0.92          |
| 3                                                  | 6.24              | 5.65          | 17.13                                      | 15.26         | 15.45                                        | 13.33         | 3.03                           | 5.47          |
| 4                                                  | 7.00              | 5.94          | 18.26                                      | 16.04         | 15.85                                        | 13.64         | 0.71                           | 2.72          |
| 5                                                  | 7.41              | 6.62          | 19.21                                      | 17.06         | 16.26                                        | 13.97         | 2.68                           | 0.66          |
| 6                                                  | 8.17              | 7.01          | 20.52                                      | 17.97         | 16.68                                        | 14.30         | 0.85                           | 2.42          |
| 7                                                  | 27.64             | 7.73          | 21.64                                      | 19.07         | 25.41                                        | 14.64         | 4.98                           | 0.78          |
| 8                                                  | 42.50             | 27.05         | 52.24                                      | 21.54         | 18.14                                        | 14.99         | 2.53                           | 4.50          |
| 9                                                  | 8.96              | 41.34         | 22.49                                      | 50.39         | 16.31                                        | 14.63         | 0.41                           | 2.28          |
| Above 10                                           | 1103.20           | 1090.96       | 1034.46                                    | 987.18        | 255.48                                       | 139.16        | 11.45                          | 10.65         |

**h) Major Categories of Plan Assets (as percentage of total plan assets)**

|                         | Gratuity (funded) |               | Leave Encashment (Unfunded) |               | Long Service Awards (Unfunded) |               |
|-------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                         | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Fund managed by insurer | 100%              | 100%          | --                          | --            | --                             | --            |





| i) Sensitivity Analysis Gratuity (Funded)                  |               |               |                        |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
| Particulars                                                | Discount rate |               | Salary escalation rate |               |
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -6.47%        | -6.60%        | 1.09%                  | 1.14%         |
| Impact of decrease in 50 bps on defined benefit obligation | 7.04%         | 7.21%         | -1.15%                 | -1.38%        |

| Leave Encashment (Earned Leave) (Unfunded)                 |               |               |                        |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
| Particulars                                                | Discount rate |               | Salary escalation rate |               |
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -5.86%        | -6.02%        | 6.20%                  | 6.38%         |
| Impact of decrease in 50 bps on defined benefit obligation | 6.36%         | 6.55%         | -5.78%                 | -5.92%        |

| Leave Encashment (Half Pay Leave) (Unfunded)               |               |               |                        |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
| Particulars                                                | Discount rate |               | Salary escalation rate |               |
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -4.24%        | -3.74%        | 4.42%                  | 3.87%         |
| Impact of decrease in 50 bps on defined benefit obligation | 4.53%         | 3.97%         | -4.18%                 | -3.68%        |

| Long Service Awards (Unfunded)                             |               |               |                        |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
| Particulars                                                | Discount rate |               | Salary escalation rate |               |
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -2.33%        | -2.40%        | -2.53%                 | -2.59%        |
| Impact of decrease in 50 bps on defined benefit obligation | 2.44%         | 2.51%         | 2.88%                  | 2.26%         |

## Note – 38

### Proposed Dividend

(₹ In Lakhs)

| Proposed dividend on equity shares                                                                                            | 31 March 2021 | 31 March 2020 |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Proposed Final dividend for 31 March 2021 (₹ 47.00 per share) (previous year 31 March 2020 :₹ 50.00 per share )               | 423.00        | 450.00        |
| <b>Total</b>                                                                                                                  | <b>423.00</b> | <b>450.00</b> |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability. |               |               |

## Note – 39

CSR activity reserve amounting to ₹ 73.52 Lakhs as on 31 March 2021 (Previous year 31 March 2020: ₹ 48.62. Lakhs 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”. including impact due to COVID-19.

## Note – 41

Liability in respect of 'Performance Related Pay', amounting to ₹ 56.74 Lakhs (previous year 31 March 2020: ₹ 48.46 Lakhs) for the employees for the year ended on 31 March 2021 has been estimated and provided based on scheme formulated in accordance with DPE guidelines, based upon certain ranking parameters.

## Note – 42

Guarantees issued by banks and outstanding as on 31 March 2021 ₹ 653.07 Lakhs , inclusive of Expired BG of ₹ 19.75 Lakhs, (previous years 31 March 2020 ₹ 668.06 Lakhs, inclusive of Expired BG of ₹ 14.04 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 company is given below:

(₹ In Lakhs)

| S. No. | Particulars                                                                             | 31 March 2021 | 31 March 2020 |
|--------|-----------------------------------------------------------------------------------------|---------------|---------------|
| i      | Amount due and payable at the year end                                                  |               |               |
|        | - Principal                                                                             | 91.21         | 83.63         |
|        | - 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:

| Particulars             | 31 March 2021  | 31 March 2020  |
|-------------------------|----------------|----------------|
| Revenue from Operations | 4911.00        | 4921.12        |
| Other Income            | 397.69         | 445.42         |
| <b>Total Revenue</b>    | <b>5308.69</b> | <b>5366.54</b> |

## Note – 47

### Trade receivables and Contract Balances

The following table provides information about Trade receivable, Contract assets and Contract Liabilities from Contract with Customers

(₹ In Lakhs)

| Particulars                                                                   | 31 March 2021 | 31 March 2020 |
|-------------------------------------------------------------------------------|---------------|---------------|
| Trade Receivables (Note No. 13) – Net of Allowance for expected credit losses | 1651.57       | 1934.56       |
| Contract Assets ( Unbilled Revenue) (Note No. 7 B)                            | 600.51        | 419.52        |
| Contract Liabilities ( Income Received in Advance) (Note No. 19 B)            | 124.69        | 112.51        |

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, 2021, ₹ 419.52 Lakhs of unbilled revenue as of April 1, 2020 (Previous year Rs. 446.63 Lakhs) has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2021, the company recognized revenue of ₹112.51 Lakhs arising from opening unearned revenue as of April 1, 2020 (Previous year Rs. 202.54 Lakhs)

During the year ended March 31, 2021, the company recognised revenue of ₹ 3.09 Lakhs ((Previous year Rs. 1.46 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 2021 is ₹ 4253.47 Lakhs (Previous year ₹ 4305.91 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 Company has adopted measures to curb the impact of COVID-19 pandemic in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc. The Company's total revenue from operations and profit for the current year were impacted due to the lock-down. The Company has considered the impact of this pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.



## Note – 49

During the year Company shifted its corporate office from CBD Belapur, Navi Mumbai to Kharghar, Navi Mumbai and Books of accounts and related papers are maintained at new corporate office i.e. Kharghar, Navi Mumbai.

## Note – 50

Previous year's figures have been regrouped /reclassified to make them comparable to the figures of the current year.

### For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**  
Chartered Accountants  
Firm Regn. No. 000386N

**( J. TOTLANI)**  
Company Secretary  
PAN : BGIPK9258H

**( BASANT K DAS)**  
Chief Financial Officer  
PAN : AEUPD5295E

**(G. SURESH)**  
Chief Executive Officer  
PAN : AGLPS8759H

**(R.K. SABHARWAL)**  
Chairman  
DIN : 07484946

**Vivek Kumar**  
Partner  
Membership No. 503826  
FRN No. 000386N

Place : New Delhi  
Date : June 1, 2021



## **Comments of the Comptroller and Auditor General of India Under Section 143(6)(b) Of the Companies Act, 2013 on the Financial Statements of Certification Engineers International Limited for the year ended 31 March 2021**

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2021 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 1 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statement of Certification Engineers International Limited for the period ended 31 March 2021 under Section 143(6)(a) of the Act.

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

**(D. K. Sekar)**

Director General of Audit (Energy),  
Delhi

Place : New Delhi  
Dated : 06 July 2021



## 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 2021, 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 2021, 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 for ₹ 12,907.15 Lakhs 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. During the previous year, the 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 during the year Holding Company has filed an impleadment application before the Hon'ble Supreme Court. Refer Note 50 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 ₹ 9,809.63 lakhs as of 31 March 2021, total revenues of ₹ 5,308.69 lakhs and net cash outflow of ₹ 5.15 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 ₹ 1,254.36 lakhs for the year ended 31 March 2021, 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 ₹ 0.24 lakhs for the year ended 31 March 2021, as considered in the Consolidated Financial Statements. 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, Statements 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 51 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: 21080624AAAAEV3868

Place: New Delhi  
Date: 08 June 2021



## 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 2021, 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 Control system over Financial Reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2021, 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: 21080624AAAAEV3868

Place: New Delhi  
Date: 08 June 2021





# Consolidated Balance Sheet

AS AT 31 MARCH, 2021

(₹ in Lakhs)

| Particulars                                                                            | Note No  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------------------------------------------------------------|----------|------------------------|------------------------|
| <b>I Assets</b>                                                                        |          |                        |                        |
| <b>Non-current assets</b>                                                              |          |                        |                        |
| (a) Property, Plant and Equipment                                                      | 4        | 21,302.21              | 21,600.51              |
| (b) Right-of-Use Assets                                                                | 39       | 1,541.12               | 1,652.92               |
| (c) Capital work-in-progress                                                           | 4        | 108.55                 | 213.60                 |
| (d) Investment Property                                                                | 5        | 3,228.83               | 3,900.21               |
| (e) Other Intangibles Assets                                                           | 6 A      | 233.31                 | 233.49                 |
| (f) Intangible Assets under development                                                | 6 B      | 27.37                  | 96.36                  |
| (g) Investments accounted using equity method                                          | 7 A (i)  | 41,685.46              | 40,877.15              |
| (h) Financial assets                                                                   |          |                        |                        |
| (i) Investments                                                                        | 7 A (ii) | 70,010.50              | -                      |
| (ii) Loans                                                                             | 8 A      | 5,776.58               | 4,737.01               |
| (iii) Other Financial Assets                                                           | 9 A      | 11.36                  | 32.41                  |
| (i) Deferred Tax Assets (net)                                                          | 10       | 33,617.23              | 27,202.56              |
| (j) Non-Current Tax Assets (net)                                                       | 11       | 5,227.34               | 3,731.96               |
| (k) Other Non-Current Assets                                                           | 12 A     | 1,186.47               | 1,098.43               |
| <b>Total Non-Current Assets</b>                                                        |          | <b>1,83,956.33</b>     | <b>1,05,376.61</b>     |
| <b>Current Assets</b>                                                                  |          |                        |                        |
| (a) Inventories                                                                        | 13       | 192.44                 | 670.70                 |
| (b) Financial Assets                                                                   |          |                        |                        |
| (i) Investments                                                                        | 7B       | 20,707.70              | 5,202.62               |
| (ii) Trade receivables                                                                 | 14       | 53,249.69              | 68,019.78              |
| (iii) Cash and cash equivalents                                                        | 15       | 6,903.84               | 2,572.88               |
| (iv) Other Bank balances                                                               | 16       | 1,25,257.04            | 2,75,177.07            |
| (v) Loans                                                                              | 8 B      | 1,889.86               | 1,702.93               |
| (vi) Other Financial Assets                                                            | 9 B      | 32,299.78              | 29,631.04              |
| (c) Other Current Assets                                                               | 12 B     | 19,689.51              | 21,287.46              |
| <b>Total Current Assets</b>                                                            |          | <b>2,60,189.86</b>     | <b>4,04,264.48</b>     |
| <b>Total Assets</b>                                                                    |          | <b>4,44,146.19</b>     | <b>5,09,641.09</b>     |
| <b>II Equity and Liabilities</b>                                                       |          |                        |                        |
| <b>Equity</b>                                                                          |          |                        |                        |
| (a) Equity Share capital                                                               | 17       | 28,102.13              | 31,595.58              |
| (b) Other Equity                                                                       | 18       | 1,46,968.63            | 2,09,006.31            |
| <b>Equity attributable to the owners of the Parent Company</b>                         |          | <b>1,75,070.76</b>     | <b>2,40,601.89</b>     |
| Non-controlling interests                                                              |          | -                      | -                      |
| <b>Total Equity</b>                                                                    |          | <b>1,75,070.76</b>     | <b>2,40,601.89</b>     |
| <b>Liabilities</b>                                                                     |          |                        |                        |
| <b>Non-Current Liabilities</b>                                                         |          |                        |                        |
| (a) Financial Liabilities                                                              |          |                        |                        |
| (i) Lease Liabilities                                                                  | 39       | 235.62                 | 244.53                 |
| (ii) Other Financial Liabilities                                                       | 19 A     | 157.44                 | 684.64                 |
| (b) Provisions                                                                         | 20 A     | 996.04                 | 934.14                 |
| (c) Other Non-Current Liabilities                                                      | 21 A     | 164.55                 | 203.50                 |
| <b>Total Non-Current Liabilities</b>                                                   |          | <b>1,553.65</b>        | <b>2,066.81</b>        |
| <b>Current Liabilities</b>                                                             |          |                        |                        |
| (a) Financial Liabilities                                                              |          |                        |                        |
| (i) Trade payables                                                                     | 22       |                        |                        |
| Total outstanding dues of Micro Enterprises and Small Enterprises                      |          | 8,823.15               | 6,963.05               |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises |          | 32,399.37              | 20,527.84              |
| (ii) Lease Liabilities                                                                 | 39       | 166.42                 | 247.91                 |
| (iii) Other Financial Liabilities                                                      | 19 B     | 36,323.10              | 36,636.12              |
| (b) Other Current Liabilities                                                          | 21 B     | 1,10,969.51            | 1,42,032.76            |
| (c) Provisions                                                                         | 20 B     | 76,321.11              | 59,255.95              |
| (d) Current Tax Liabilities (net)                                                      | 23       | 2,519.12               | 1,308.76               |
| <b>Total Current Liabilities</b>                                                       |          | <b>2,67,521.78</b>     | <b>2,66,972.39</b>     |
| <b>Total Equity and Liabilities</b>                                                    |          | <b>4,44,146.19</b>     | <b>5,09,641.09</b>     |

Summary of significant Accounting Policies and accompanying notes form an integral part of these Financial Statements.

1 to 67

This is the Consolidated Balance Sheet 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 : 08 June 2021

Sd/-

Suvendu Kumar Padhi

Company Secretary

PAN : AHYPP2198P

Sd/-

Sanjay Jindal

G.G.M. [F&A]

PAN : AAIPJ4986E

Sd/-

Sunil Bhatia

Director (Finance) & CFO

DIN : 08259936

Sd/-

R.K. Sabharwal

Director (Commercial) &

CEO and C&MD (Addl. Charge)

DIN : 07484946



**Consolidated Statement of Profit and Loss**

FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

| Particulars                                                                | Note No. | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|----------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| <b>Revenue</b>                                                             |          |                             |                             |
| I Revenue From Operations                                                  | 24       | 3,14,416.94                 | 3,23,653.63                 |
| II Other Income                                                            | 25       | 18,877.69                   | 25,553.60                   |
| <b>III Total Income (I+II)</b>                                             |          | <b>3,33,294.63</b>          | <b>3,49,207.23</b>          |
| <b>Expenses</b>                                                            |          |                             |                             |
| Technical assistance/sub-contracts                                         | 26       | 1,14,315.94                 | 1,08,181.40                 |
| Construction materials and equipments                                      | 27       | 51,834.26                   | 46,805.34                   |
| Employee benefits expenses                                                 | 28       | 87,943.58                   | 86,556.95                   |
| Finance costs                                                              | 29       | 369.02                      | 174.47                      |
| Depreciation and Amortisation Expense                                      | 30       | 2,365.22                    | 2,399.91                    |
| Other expenses                                                             | 31       | 25,337.97                   | 36,787.25                   |
| <b>IV Total Expenses</b>                                                   |          | <b>2,82,165.99</b>          | <b>2,80,905.32</b>          |
| <b>V Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>           |          | <b>51,128.64</b>            | <b>68,301.91</b>            |
| VI Exceptional Items                                                       | 55       | 15,496.48                   | -                           |
| <b>VII Profit before Tax (V-VI)</b>                                        |          | <b>35,632.16</b>            | <b>68,301.91</b>            |
| VIII Less: Tax expense                                                     | 32       |                             |                             |
| (1) Current tax                                                            |          |                             |                             |
| - For the year                                                             |          | 15,715.34                   | 22,350.08                   |
| - For earlier years tax adjustments (net)                                  |          | 2.46                        | (49.41)                     |
| (2) Deferred tax                                                           |          | (6,231.20)                  | 2,615.28                    |
| <b>IX Profit for the year from continuing operations (VII-VIII)</b>        |          | <b>26,145.56</b>            | <b>43,385.96</b>            |
| X Profit/(Loss) from discontinued operations (After Tax)                   |          | -                           | -                           |
| <b>XI Profit after tax (IX+X)</b>                                          |          | <b>26,145.56</b>            | <b>43,385.96</b>            |
| XII Share of (loss) in Joint Venture entities                              |          | (1,254.60)                  | (1,004.08)                  |
| <b>XIII Profit for the year (XI+XII)</b>                                   |          | <b>24,890.96</b>            | <b>42,381.88</b>            |
| <b>XIV Other Comprehensive Income</b>                                      |          |                             |                             |
| Items that will not be reclassified to profit and loss                     |          |                             |                             |
| - Re-measurement gains (losses) on defined benefit plans                   |          | (17.30)                     | (3,219.37)                  |
| Income tax effect thereon that will not be reclassified to Profit and Loss |          | 4.34                        | 47.92                       |
| - Net Gain/(Loss) on Equity Shares Carried at Fair value through OCI       |          | -                           | -                           |
| Income tax effect thereon that will not be reclassified to Profit and Loss |          | -                           | -                           |
| Items that will be reclassified to Profit and Loss                         |          |                             |                             |
| - Exchange differences on translation of foreign operations                |          | (80.25)                     | 96.49                       |
| Income tax effect thereon that will be reclassified to profit and loss     |          | 20.20                       | (24.50)                     |
| <b>XV Total Comprehensive Income for the year (XIII+XIV)</b>               |          | <b>24,817.95</b>            | <b>39,282.42</b>            |
| <b>XVI Profit for the year attributable to</b>                             |          |                             |                             |
| Owners of the Parent Company                                               |          | 24,890.96                   | 42,381.88                   |
| Non-controlling interests                                                  |          | -                           | -                           |
|                                                                            |          | <b>24,890.96</b>            | <b>42,381.88</b>            |
| <b>XVII Other comprehensive income attributable to</b>                     |          |                             |                             |
| Owners of the Parent Company                                               |          | (73.01)                     | (3,099.46)                  |
| Non-controlling interests                                                  |          | -                           | -                           |
|                                                                            |          | <b>(73.01)</b>              | <b>(3,099.46)</b>           |
| <b>XVIII Total comprehensive Income for the year attributable to</b>       |          |                             |                             |
| Owners of the Parent Company                                               |          | 24,817.95                   | 39,282.42                   |
| Non-controlling interest                                                   |          | -                           | -                           |
|                                                                            |          | <b>24,817.95</b>            | <b>39,282.42</b>            |
| <b>XIX Earnings per equity share (Face value ₹ 5 per share)</b>            | 33       |                             |                             |
| (for continuing and discontinued operations)                               |          |                             |                             |
| Basic (₹)                                                                  |          | 3.99                        | 6.71                        |
| Diluted (₹)                                                                |          | 3.99                        | 6.71                        |

Summary of significant Accounting Policies and accompanying notes form an integral part of these Financial Statements.

1 to 67

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

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

|                            |                          |                         |                                                                    |
|----------------------------|--------------------------|-------------------------|--------------------------------------------------------------------|
| Sd/-                       | Sd/-                     | Sd/-                    | Sd/-                                                               |
| N. K. Bhargava             | Suvendu Kumar Padhi      | Sanjay Jindal           | Sunil Bhatia                                                       |
| <b>Partner</b>             | <b>Company Secretary</b> | <b>G.G.M. [F&amp;A]</b> | <b>Director (Finance) &amp; CFO</b>                                |
| Membership No. 080624      | PAN : AHYPP2198P         | PAN : AAIPJ4986E        | DIN : 08259936                                                     |
| <b>Place : New Delhi</b>   |                          |                         | <b>Director (Commercial) &amp; CEO and C&amp;MD (Addl. Charge)</b> |
| <b>Date : 08 June 2021</b> |                          |                         | DIN : 07484946                                                     |



## Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2021

### A Equity Share Capital\*

(₹ in Lakhs)

| Particulars                                                             | 2020-21          | 2019-20          |
|-------------------------------------------------------------------------|------------------|------------------|
| Balance at the beginning of the Year                                    | 31,595.58        | 31,595.58        |
| Changes in Equity Share Capital during the year :                       |                  |                  |
| Addition of Equity Share Capital during the year                        | -                | -                |
| Redemption of equity share capital during the year (Buy Back of Shares) | 3,493.45         | -                |
| <b>Balance at the end of the Year</b>                                   | <b>28,102.13</b> | <b>31,595.58</b> |

During the year, pursuant to Public Announcement dated December 21, 2020, published on December 22, 2020 and letter of offer dated January 13, 2021, the Parent company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the company, through tender offer route under Stock Exchange Mechanism and these shares extinguished on February 19, 2021. Post buyback the Parent company's equity share capital as on 31 March 2021 is ₹ 28,102.13 lakhs comprising of fully paid up 56,20,42,373 equity share having face value of ₹ 5/- each. The Parent Company has funded the buyback from its General Reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹ 3,493.45 lakhs equal to the nominal value of the shares bought back as an appropriation from General Reserve.

### 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 | Remeasurement of Defined Benefit Plans | Net gain / (loss) on Equity Shares carried at Fair Value through OCI |                                          |                    |
| <b>Balance as at 1 April 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>-</b>                                 | <b>2,02,853.92</b> |
| 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)                                                            | -                                                       | -                                      | -                                                                    | -                                        | -                  |



(₹ 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 | Remeasurement of Defined Benefit Plans | Net Gain / (Loss) on Equity Shares carried at Fair Value through OCI |                                          |                    |
| <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>-</b>                                 | <b>2,09,006.31</b> |
| Profit for the year                                       | -                    | -                          | -                                | 24,890.96         | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | 24,890.96          |
| Other Comprehensive Income                                | -                    | -                          | -                                | -                 | -                    | -                                                                     | (80.25)                                                 | (17.30)                                | -                                                                    | -                                        | (97.55)            |
| Income tax related to items of Other Comprehensive Income | -                    | -                          | -                                | -                 | -                    | -                                                                     | 20.20                                                   | 4.34                                   | -                                                                    | -                                        | 24.54              |
| Buy Back of equity shares                                 | (58,690.00)          | 3,493.45                   | -                                | -                 | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | (55,196.55)        |
| Expenses for Buy Back of Equity Shares                    | -                    | -                          | -                                | (284.78)          | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | (284.78)           |
| Tax on Buy Back of Equity Shares                          | (13,672.42)          | -                          | -                                | -                 | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | (13,672.42)        |
| Dividend (refer note 37)                                  | -                    | -                          | -                                | (17,663.22)       | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | (17,663.22)        |
| Share Issue Expenses                                      | -                    | -                          | -                                | (10.83)           | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | (10.83)            |
| Change in Ownership interest in Joint Venture             | -                    | -                          | -                                | (27.83)           | -                    | -                                                                     | -                                                       | -                                      | -                                                                    | -                                        | (27.83)            |
| Transfer from retained earnings                           | 6,508.28             | -                          | -                                | (8,258.33)        | 1,224.20             | 525.85                                                                | -                                                       | -                                      | -                                                                    | -                                        | -                  |
| Transfer to retained earnings                             | -                    | -                          | -                                | 1,435.87          | (1,269.84)           | (166.03)                                                              | -                                                       | -                                      | -                                                                    | -                                        | -                  |
| <b>Balance as at 31 March 2021</b>                        | <b>1,27,860.99</b>   | <b>5,591.54</b>            | <b>880.00</b>                    | <b>14,698.11</b>  | <b>2,054.52</b>      | <b>1,283.77</b>                                                       | <b>64.62</b>                                            | <b>(5,464.92)</b>                      | <b>-</b>                                                             | <b>-</b>                                 | <b>1,46,968.63</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 : 08 June 2021

Sd/-

Suvendu Kumar Padhi

**Company Secretary**

PAN : AHYPP2198P

Sd/-

Sanjay Jindal

**G.G.M. [F&A]**

PAN : AAIPJ4986E

Sd/-

Sunil Bhatia

**Director (Finance) & CFO**

DIN : 08259936

Sd/-

R.K. Sabharwal

**Director (Commercial) & CEO and C&MD (Addl. Charge)**

DIN : 07484946



# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

|                                                                             | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|-----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                |                             |                             |
| Profit before tax                                                           | 35,632.16                   | 68,301.91                   |
| <b>Adjustments for:</b>                                                     |                             |                             |
| Depreciation and Amortisation expense                                       | 2,365.22                    | 2,399.91                    |
| Fixed Assets written off                                                    | 2.67                        | 2.49                        |
| Bad Debts written off                                                       | 368.82                      | 161.68                      |
| Allowance for Expected Credit Losses - Trade Receivables and Advances (net) | 277.98                      | 4,041.45                    |
| Provision for Impairment of Exploration Expenditure                         | 119.17                      | 2,839.20                    |
| Provision Employees' post Retirement/Long-Term Benefits                     | 11,805.12                   | (115.30)                    |
| Provision for Corporate Social Responsibility                               | (60.39)                     | (90.37)                     |
| (Reversal of provision)/provision for Contractual Obligations (net)         | 5,385.91                    | 9,534.85                    |
| (Reversal of provision)/provision for expected losses (net)                 | (20.84)                     | (771.03)                    |
| Interest Expense                                                            | 369.02                      | 174.47                      |
| (Profit)/loss on Sale of Fixed Assets                                       | 2.78                        | 11.22                       |
| Interest Income                                                             | (15,826.61)                 | (21,382.27)                 |
| Loss/(gain) on modification of Employee Advances                            | 139.95                      | (68.53)                     |
| Loss/(gain) on modification of Leases                                       | (0.45)                      | -                           |
| Amortization of Deferred Income                                             | (145.86)                    | (150.27)                    |
| Capital gain on redemption of Investments in Mutual Funds                   | (535.17)                    | (247.66)                    |
| Dividend Income                                                             | -                           | (179.40)                    |
| <b>Operating profit before changes in Assets and Liabilities</b>            | <b>39,879.48</b>            | <b>64,462.35</b>            |
| <b>Movement in Assets and Liabilities</b>                                   |                             |                             |
| (Increase)/decrease in Trade and Other Receivables                          | 11,679.29                   | (20,937.28)                 |
| (Increase)/decrease in Inventories                                          | 478.26                      | 23.12                       |
| Increase/(decrease) in Trade and Other Payables                             | (18,541.53)                 | 16,596.65                   |
| <b>Cash Flow from Operations</b>                                            | <b>33,495.50</b>            | <b>60,144.84</b>            |
| Income Tax Paid (net)                                                       | (16,352.18)                 | (22,583.82)                 |
| <b>Net Cash Flow from operating activities (A)</b>                          | <b>17,143.32</b>            | <b>37,561.02</b>            |

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

FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in Lakhs)

|                                                                                                                                                                | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                                                                  |                             |                             |
| Purchase of Property, Plant and Equipment, Investment Property, Intangible Assets and Intangible Assets under development (including capital work-in-progress) | (1,171.55)                  | (1,780.47)                  |
| Sale of fixed assets                                                                                                                                           | 27.01                       | 27.14                       |
| Interest Received                                                                                                                                              | 18,069.82                   | 20,265.93                   |
| Dividend Received                                                                                                                                              | -                           | 179.40                      |
| Receipt of Capital Grant                                                                                                                                       | 25.88                       | 32.66                       |
| Investment in liquid plans of Mutual Funds (net)                                                                                                               | (14,969.91)                 | (64.14)                     |
| Fixed deposit placed with Banks having original maturity of more than three month                                                                              | (1,39,624.33)               | (2,74,450.35)               |
| Fixed deposit with Banks matured having original maturity of more than three months                                                                            | 2,87,315.23                 | 2,48,131.80                 |
| Receipt of Part Capital of Joint Venture                                                                                                                       | 8.39                        | -                           |
| Investment in Joint Ventures (net of equity pick up impact)                                                                                                    | (2,110.00)                  | (15,283.82)                 |
| Other Investment (unquoted Equity Shares)                                                                                                                      | (70,010.50)                 | -                           |
| <b>Net Cash Flows from Investing activities (B)</b>                                                                                                            | <b>77,560.04</b>            | <b>(22,941.85)</b>          |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                                                  |                             |                             |
| Dividend Paid                                                                                                                                                  | (17,437.24)                 | (33,138.41)                 |
| Payment of Lease Liabilities                                                                                                                                   | (287.96)                    | (272.03)                    |
| Buy Back of Equity Shares (including transaction cost & tax)                                                                                                   | (72,647.20)                 | -                           |
| <b>Net Cash used in Financing Activities (C)</b>                                                                                                               | <b>(90,372.40)</b>          | <b>(33,410.44)</b>          |
| <br>Increase/(Decrease) in Cash and Cash equivalents (A+B+C)                                                                                                   | <br>4,330.96                | <br>(18,791.27)             |
| Cash and Cash Equivalents at the begining of the year (refer note 15)                                                                                          | 2,572.88                    | 21,364.15                   |
| <b>Cash and Cash Equivalents at the end of the year (refer note 15)</b>                                                                                        | <b>6,903.84</b>             | <b>2,572.88</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 :** 08 June 2021

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
Sanjay Jindal  
**G.G.M. [F&A]**  
PAN : AAIPJ4986E

Sd/-  
Sunil Bhatia  
**Director (Finance) & CFO**  
DIN : 08259936

Sd/-  
R.K. Sabharwal  
**Director (Commercial) &  
CEO and C&MD (Addl. Charge)**  
DIN : 07484946

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



## Summary of Significant Accounting Policies to the Consolidated Financial Statements for the year ended 31 March 2021

### 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 2021 were authorized and approved for issue by the Board of Directors on 8 June 2021.

### 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 2021 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 2021. 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 2021 | 31 March 2020 |
|-------|-----------------------------------------------|--------------------------|--------------|---------------|---------------|
| 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 2021 | 31 March 2020 |
|-------|--------------------------------------------|--------------------------|---------------|---------------|---------------|
| 1     | TEIL Projects Limited (Under Liquidation)  | India                    | Joint Venture | 50%           | 50%           |
| 2     | Ramagundam Fertilizers & Chemicals Limited | India                    | Joint Venture | 26.70%        | 26.29%        |

A Joint Operation is one whereby the jointly controlling parties, known as the Joint Operators, have rights to the Assets, and Obligations for the Liabilities, relating to the arrangement. A joint operation is generally not structured through a separate legal vehicle.

The particulars of joint operations considered in the Consolidated Financial Statements are as under:

| S.No. | Name of the Entity                                              | Country of Incorporation | Relationship    | 31 March 2021 | 31 March 2020 |
|-------|-----------------------------------------------------------------|--------------------------|-----------------|---------------|---------------|
| 1     | Oil And Gas Exploration And Production Block No. CB-ONN-2010/11 | India                    | Joint Operation | 23.53%        | 23.53%        |
| 2     | Oil And Gas Exploration And Production Block No. CB-ONN-2010/8  | India                    | Joint Operation | 22.22%        | 22.22%        |

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 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 Plus jobs, Lump Sum services, Turnkey Contracts and Inspection Contracts.

Revenue from services is accounted as follows:

- In the case of Cost Plus and Rate Plus jobs, on the basis of services rendered and amount billable under the Contract.
- In the case of Lump Sum Services and Turnkey Contracts as proportion of Actual Direct Costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.
- In the case of Inspection Contracts providing for a Percentage Fee on Project Cost, on the basis of physical progress duly certified.

Contract modifications are accounted for when additions, deletions or changes are approved either to the Contract Scope or Contract Price (or both). The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the Standalone selling price.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected Contract estimates at the Reporting Date.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.





#### *TURNOVER/WORK-IN-PROGRESS*

- a) No income has been taken into account on jobs for which:
- The terms of consideration receivable by the Group have not been settled and/or Scope of Work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
  - The terms have been agreed to at Lumpsum Services/Turnkey Contracts and outcome of job cannot be estimated reliably.
- b) The cost of such jobs as stated in 'a' above is carried forward as work-in-progress at Actual Direct Cost.

#### *EXPORT BENEFIT*

Export benefits constituting Service Export from India Scheme are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the Export Benefits will be received.

#### *DIVIDEND INCOME*

Dividend on units/shares is accounted for when right to receive payment is established.

### **E. INTANGIBLE ASSETS**

#### **Recognition**

Intangible assets (softwares) are stated at their cost of acquisition less accumulated amortization.

#### **Subsequent Measurement (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.

## **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 unrestrictive use. Cash equivalents are Short Term, highly Liquid investments that are readily convertible into known amount of Cash and which are subject to an insignificant risk of changes in value. The Group considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

## U. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

### *Defined Benefit Plans*

Under the Defined Benefit Plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the Defined Benefit Plan have been set aside. Plan Assets may include Assets specifically designated to a Long-Term Benefit Fund as well as qualifying Insurance policies. Defined Benefit Plans include Gratuity, Post-Retirement Medical Benefit and other Retirement Benefit Plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the Liability/Asset are included in Other Comprehensive Income.

### *Other Long-Term Benefits*

The liabilities for leave (earned and half pay leave) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Group has secured these liabilities against the plan assets. The Liability is recognised in the Statement of Financial Position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan Assets.

Liability in respect of Long-Service Awards is recognised in the Statement of Financial Position Basis the present value of Expected Future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method).

### *Short-term Employee Benefits*

Short term Benefits comprise of employee costs such as Salaries, Bonus etc. are accrued in the year in which the associated service are rendered by employees.

### *Defined Contribution Plans*

Contributions with respect to Provident Fund and Superannuation Fund, Defined Contribution Plans, are made to the Trust set-up by the Group for the purpose.

### *Other Benefits*

Voluntary Retirement Expenses are charged to Statement of Profit and Loss in the year of its incurrence.

## V. EARNINGS PER SHARE

Basic Earnings per Share is calculated by dividing the Net Profit or Loss for the period attributable to Equity Shareholders (after deducting attributable taxes) by the weighted average number of Equity Shares outstanding during the period. The weighted average number of Equity Shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted Earnings Per Share, the Net Profit or Loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

## W. RECENT ACCOUNTING PRONOUNCEMENT

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, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

## X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

### **Estimation of uncertainties relating to the Global Health Pandemic from COVID-19:**

The 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. The Group will continue to closely monitor the situation of Covid-19 and take steps, wherever require to optimize the business operations.

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 2021

**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 2019                                                       | 297.91        | 1,489.33        | 21,114.33        | 346.44              | 3,842.50          | 2,009.30                                               | 3.68        | 6.18          | <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>-</b>                 |
| Additions                                                             | -             | -               | 156.70           | 48.73               | 270.74            | 180.88                                                 | -           | 65.43         | <b>722.48</b>     | -                        |
| Reclassification from/to investment property due to change in use     | 0.17          | -               | 721.98           | -                   | -                 | 31.67                                                  | -           | -             | <b>753.82</b>     | -                        |
| Exchange difference on translation of Foreign Operation               | -             | -               | (0.31)           | -                   | (4.05)            | (9.80)                                                 | -           | -             | <b>(14.16)</b>    | -                        |
| Disposals/Assets written off/ Adjustment                              | -             | -               | (45.48)          | -                   | (21.55)           | (20.99)                                                | -           | (0.22)        | <b>(88.24)</b>    | -                        |
| <b>Balance as at 31 March 2021</b>                                    | <b>298.08</b> | <b>-</b>        | <b>24,550.50</b> | <b>415.97</b>       | <b>4,152.26</b>   | <b>2,339.51</b>                                        | <b>3.65</b> | <b>71.38</b>  | <b>31,831.35</b>  | <b>-</b>                 |
| <b>Accumulated Depreciation</b>                                       |               |                 |                  |                     |                   |                                                        |             |               |                   |                          |
| At 1 April 2019                                                       | -             | 85.79           | 3,453.34         | 21.25               | 2,753.84          | 973.60                                                 | 2.74        | 6.18          | <b>7,296.74</b>   | -                        |
| 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>    | -                        |



| (₹ 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 |
| 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>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>  | -                        |
| Charge for the year                                               | -             | -               | 953.08           | 34.12               | 292.47            | 214.09                                                 | 0.08        | 65.43         | 1,559.27         | -                        |
| Reclassification from/to investment property due to change in use | -             | -               | 155.10           | -                   | -                 | 12.88                                                  | -           | -             | 167.98           | -                        |
| Exchange difference on translation of foreign operation           | -             | -               | (0.05)           | -                   | (2.75)            | (0.92)                                                 | -           | -             | (3.72)           | -                        |
| Adjustments for disposals                                         | -             | -               | (24.94)          | -                   | (15.43)           | (10.74)                                                | -           | (0.22)        | (51.33)          | -                        |
| <b>Balance as at 31 March 2021</b>                                | -             | -               | <b>5,417.09</b>  | <b>85.34</b>        | <b>3,522.97</b>   | <b>1,429.15</b>                                        | <b>3.21</b> | <b>71.38</b>  | <b>10,529.14</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>            |
| <b>Net Book Value as at 31 March 2021</b>                         | <b>298.08</b> | -               | <b>19,133.41</b> | <b>330.63</b>       | <b>629.29</b>     | <b>910.36</b>                                          | <b>0.44</b> | -             | <b>21,302.21</b> | <b>108.55</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) 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 2019                                                             | 0.17          | 264.53          | 2,924.12                              | <b>3,188.82</b> |
| Additions                                                                   | -             | -               | 2.09                                  | <b>2.09</b>     |
| Reclassification from/to Property, Plant and Equipment due to change in use | -             | -               | 1,111.24                              | <b>1,111.24</b> |
| Reclassification from/to Right of use Assets due to change in use           | -             | 207.00          | -                                     | <b>207.00</b>   |
| Disposals/Assets written off                                                | -             | -               | (5.92)                                | <b>(5.92)</b>   |
| <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> |
| Additions                                                                   | -             | -               | 81.46                                 | <b>81.46</b>    |
| Reclassification from/to Property, Plant and Equipment due to change in use | (0.17)        | -               | (753.65)                              | <b>(753.82)</b> |
| Disposals/Assets written off                                                | -             | -               | (4.63)                                | <b>(4.63)</b>   |
| <b>Balance as at 31 March 2021</b>                                          | -             | <b>471.53</b>   | <b>3,354.71</b>                       | <b>3,826.24</b> |



(₹ in Lakhs)

| Particulars                                                                 | Freehold Land | Leasehold Land* | Building and related fixtures /assets | Total           |
|-----------------------------------------------------------------------------|---------------|-----------------|---------------------------------------|-----------------|
| <b>Accumulated depreciation</b>                                             |               |                 |                                       |                 |
| At 1 April 2019                                                             | -             | 2.84            | 446.21                                | <b>449.05</b>   |
| Charge for the year                                                         | -             | 1.71            | 132.71                                | <b>134.42</b>   |
| Reclassification from/to Property, Plant and Equipment due to change in use | -             | -               | 23.30                                 | <b>23.30</b>    |
| Adjustments for Disposals                                                   | -             | -               | (3.75)                                | <b>(3.75)</b>   |
| <b>Balance as at 31 March 2020</b>                                          | -             | <b>4.55</b>     | <b>598.47</b>                         | <b>603.02</b>   |
| Charge for the year                                                         | -             | 4.75            | 158.85                                | <b>163.60</b>   |
| Reclassification from/to Property, Plant and Equipment due to change in use | -             | -               | (167.97)                              | <b>(167.97)</b> |
| Adjustments for Disposals                                                   | -             | -               | (1.24)                                | <b>(1.24)</b>   |
| <b>Balance as at 31 March 2021</b>                                          | -             | <b>9.30</b>     | <b>588.11</b>                         | <b>597.41</b>   |
| <b>Net Book Value as at 31 March 2020</b>                                   | 0.17          | 466.98          | 3,433.06                              | <b>3,900.21</b> |
| <b>Net Book Value as at 31 March 2021</b>                                   | -             | <b>462.23</b>   | <b>2,766.60</b>                       | <b>3,228.83</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)

|                                                               | 31 March 2021   | 31 March 2020   |
|---------------------------------------------------------------|-----------------|-----------------|
| Rental Income                                                 | 2,072.14        | 2,330.37        |
| <b>Less:</b>                                                  |                 |                 |
| Direct Operating Expenses Generating Rental Income            | 410.43          | 670.70          |
| Direct Operating expenses that did not generate Rental Income | 258.06          | 128.19          |
| <b>Profit/(Loss) from Leasing of Investment Properties</b>    | <b>1,403.65</b> | <b>1,531.48</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 2021           | 31 March 2020 |
| Residential Flats | 6,093.86                | 6,184.01      |
| Land and Building | 31,007.53               | 35,006.11     |
| Office Premises   | 1,959.76                | 1,985.12      |

**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 2019                                         | 1,801.98          | 1,801.98        |
| 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>2,148.58</b>   | <b>2,148.58</b> |
| Additions                                               | 366.04            | 366.04          |
| Exchange difference on translation of Foreign Operation | (5.06)            | (5.06)          |
| Disposals/Assets written off                            | -                 | -               |
| <b>Balance as at 31 March 2021</b>                      | <b>2,509.56</b>   | <b>2,509.56</b> |
| <b>Accumulated Amortisation</b>                         |                   |                 |
| At 1 April 2019                                         | 1,567.89          | 1,567.89        |
| Amortisation Charge for the year                        | 333.25            | 333.25          |
| Exchange difference on translation of Foreign Operation | 13.95             | 13.95           |
| Adjustments for Disposals                               | -                 | -               |
| <b>Balance as at 31 March 2020</b>                      | <b>1,915.09</b>   | <b>1,915.09</b> |
| Amortisation charge for the year                        | 365.93            | 365.93          |
| Exchange difference on translation of Foreign Pperation | (4.77)            | (4.77)          |
| Adjustments for Disposals                               | -                 | -               |
| <b>Balance as at 31 March 2021</b>                      | <b>2,276.25</b>   | <b>2,276.25</b> |
| <b>Net Book Value as at 31 March 2020</b>               | <b>233.49</b>     | <b>233.49</b>   |
| <b>Net Book Value as at 31 March 2021</b>               | <b>233.31</b>     | <b>233.31</b>   |

## Note : 6B

### Intangible Assets under development

(₹ in Lakhs)

| Particulars                        | Exploration and Evaluation Assets | Total        |
|------------------------------------|-----------------------------------|--------------|
| <b>Gross carrying amount</b>       |                                   |              |
| At 1 April 2019                    | 1,833.94                          | 1,833.94     |
| 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> |
| Additions                          | 50.18                             | 50.18        |
| Transfer/adjustment                | -                                 | -            |
| Provision for Impairment           | (119.17)                          | (119.17)     |
| Disposals/assets written off       | -                                 | -            |
| <b>Balance as at 31 March 2021</b> | <b>27.37</b>                      | <b>27.37</b> |



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 7****A Investments - Non Current****Equity instruments****(i) Investments accounted using Equity Method****Investment in Joint Venture companies (unquoted)**

TEIL Projects Limited - 8.63

5,500,000 (previous year 31 March 2020: 5,500,000) equity shares of ₹10 each fully paid up

Ramagundam Fertilizers and Chemicals Limited\* 41,685.46 40,868.52

447,628,200 (previous year 31 March 2020: 341,528,200) equity shares of ₹ 10 each fully paid up

**Sub-total (a)** **41,685.46** **40,877.15**

**(ii) Other Investment (unquoted)**

Unquoted equity shares (Fair Value) through OCI

Numaligarh Refinery Limited # 70,010.50 -

3,21,46,957 (previous year 31 March 2020: Nil) equity shares of ₹ 10 each fully paid up purchased at ₹217.75 per share during the FY 2020-21

**Sub-total (b)** **70,010.50** **-**

**Grand total (a+b)** **1,11,695.96** **40,877.15**

Aggregate Book Value of unquoted Investments 1,11,695.96 40,877.15

\* Called Capital Commitments outstanding as of 31 March 2021 is Nil (previous year 31 March 2020: ₹ 2,110.00 Lakhs paid on 24 April 2020 against which equity shares has been allotted on 27 April 2020).

\* Includes share application money as of 31 March 2021 is Nil (Previous Year 31 March 2020 :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).

# During the FY 2020-21 Company Has acquired 4.37% Equity Share Capital in Numaligarh Refinery Limited

**B Investments - Current****Liquid plan of Mutual Funds (quoted)**

UTI Treasury Advantage Fund Nil units (Previous year :31 March 2020: 21,347.952 units)

- Direct Daily Dividend Plan (31 March 2020: NAV - ₹ 948.5586) - 202.50

UTI Overnight Fund Nil units (Previous year 31 March 20: 1,82,880.344 units)

- Direct Growth Plan (31 March 2020: NAV - ₹ 2,734.0948) - 5000.12

Baroda Liquid Fund 8,74,006.333 units (Previous year 31 March 2020: Nil units)

- Direct Growth Plan B (31 March 2021 NAV - ₹ 2,369.2850) 20707.70 -

**20,707.70** **5,202.62**

Aggregate book value of quoted investments 20,707.70 5,202.62

Aggregate market value of quoted investments 20,707.70 5,202.62



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note : 8****A Loans - Non-Current****(Considered good unless otherwise stated)****Secured**

|                    |          |          |
|--------------------|----------|----------|
| Loans to Employees | 2,886.25 | 2,145.39 |
|--------------------|----------|----------|

**Unsecured**

|                   |        |        |
|-------------------|--------|--------|
| Security Deposits | 157.01 | 161.97 |
|-------------------|--------|--------|

Loans to related parties:

|                    |      |   |
|--------------------|------|---|
| Loans to Directors | 1.05 | - |
|--------------------|------|---|

|                    |          |          |
|--------------------|----------|----------|
| Loans to Employees | 2,732.27 | 2,429.65 |
|--------------------|----------|----------|

|                 |                 |
|-----------------|-----------------|
| <b>5,776.58</b> | <b>4,737.01</b> |
|-----------------|-----------------|

**B Loans - Current****(Considered good unless otherwise stated)****Secured**

|                    |        |        |
|--------------------|--------|--------|
| Loans to Employees | 416.85 | 296.83 |
|--------------------|--------|--------|

**Unsecured**

Loans to related parties:

|                    |      |   |
|--------------------|------|---|
| Loans to Directors | 0.45 | - |
|--------------------|------|---|

|                    |        |        |
|--------------------|--------|--------|
| Loans to Employees | 735.07 | 701.62 |
|--------------------|--------|--------|

Security Deposits :

|                 |        |        |
|-----------------|--------|--------|
| Considered good | 737.49 | 704.48 |
|-----------------|--------|--------|

|                     |      |      |
|---------------------|------|------|
| Considered doubtful | 4.23 | 4.23 |
|---------------------|------|------|

|                 |                 |
|-----------------|-----------------|
| <b>1,894.09</b> | <b>1,707.16</b> |
|-----------------|-----------------|

**Less: Allowance for expected Credit Losses**

|        |        |
|--------|--------|
| (4.23) | (4.23) |
|--------|--------|

|                 |                 |
|-----------------|-----------------|
| <b>1,889.86</b> | <b>1,702.93</b> |
|-----------------|-----------------|

**Note : 9****A Other Financial Asset - Non-Current**

Bank deposits with maturity more than 12 months

|       |       |
|-------|-------|
| 11.36 | 32.41 |
|-------|-------|

|              |              |
|--------------|--------------|
| <b>11.36</b> | <b>32.41</b> |
|--------------|--------------|

(i) The above includes bank deposits ₹ 11.27 lakhs (previous year 31 March 2020: ₹ 10.34 lakhs) held as margin money/security against bank guarantees.

(ii) The above also includes interest accrued on bank deposits of ₹ 0.09 lakhs (previous year 31 March 2020: ₹ 0.91 lakhs)

**B Other Financial Assets - Current****(Unsecured, considered good unless otherwise stated)**

|                             |       |      |
|-----------------------------|-------|------|
| Retention against Contracts | 14.65 | 0.02 |
|-----------------------------|-------|------|

Work-in-progress\* :

|                 |      |      |
|-----------------|------|------|
| Considered good | 7.82 | 5.37 |
|-----------------|------|------|

|                     |        |        |
|---------------------|--------|--------|
| Considered doubtful | 201.67 | 220.92 |
|---------------------|--------|--------|

Unbilled revenue :

|                 |           |           |
|-----------------|-----------|-----------|
| Considered good | 30,323.22 | 26,951.21 |
|-----------------|-----------|-----------|

|                     |        |        |
|---------------------|--------|--------|
| Considered doubtful | 378.22 | 309.01 |
|---------------------|--------|--------|

|        |          |          |
|--------|----------|----------|
| Others | 1,954.09 | 2,674.44 |
|--------|----------|----------|

|                  |                  |
|------------------|------------------|
| <b>32,879.67</b> | <b>30,160.97</b> |
|------------------|------------------|

**Less: Allowance for expected Credit Losses**

|          |          |
|----------|----------|
| (579.89) | (529.93) |
|----------|----------|

|                  |                  |
|------------------|------------------|
| <b>32,299.78</b> | <b>29,631.04</b> |
|------------------|------------------|

\*As taken, valued and certified by the management



(₹ in Lakhs)

## Particulars

31 March 2021 31 March 2020

## Note :10

## Deferred Tax Assets (Net)

## Deferred Tax Assets arising on:

## Employee benefits:

|                                                                  |           |           |
|------------------------------------------------------------------|-----------|-----------|
| Provision for Leave Encashment                                   | 6,643.39  | 5,809.48  |
| Provision for Post Retirement Medical Benefits                   | 6,295.35  | 6,001.56  |
| Provision for Other Benefits on Retirement                       | 63.37     | 65.35     |
| Provision for Long Service Awards                                | 36.91     | 33.48     |
| Provision for employee related expenses allowed on payment basis | 384.21    | 428.09    |
| Provision for Provident Fund Liability                           | 3,900.15  | -         |
| Provision for Contractual Obligations                            | 13,626.48 | 12,270.96 |
| Provision for Estimated Losses                                   | 56.43     | 61.68     |
| Provision for doubtful Debts and Advances                        | 3,753.24  | 3,683.29  |
| Provision for Impairment of Oil Blocks                           | 744.56    | 714.57    |

## Others:

|                                      |        |        |
|--------------------------------------|--------|--------|
| Provision for loss in Joint Venture  | 126.17 | 126.12 |
| Amortised cost Financial Instruments | 111.47 | 58.16  |
| Leases                               | 4.86   | 3.93   |
| Capital Grant                        | 5.01   | -      |

## Deferred tax liabilities arising on:

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Depreciation                         | (2,132.25)       | (2,046.46)       |
| Others :                             |                  |                  |
| Foreign Currency Translation Reserve | (2.12)           | (7.65)           |
|                                      | <b>33,617.23</b> | <b>27,202.56</b> |

## Movement in above mentoned deferred tax assets and liabilities

(₹ in lakhs)

| Particulars                                 | 1 April 2019     | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2020    | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2021    |
|---------------------------------------------|------------------|------------------------------------------|--------------------------------------------|------------------|------------------------------------------|--------------------------------------------|------------------|
| <b>Assets</b>                               |                  |                                          |                                            |                  |                                          |                                            |                  |
| Employee Benefits                           | 14,604.72        | (83.78)                                  | (2,182.98)                                 | 12,337.96        | 177.94                                   | 4,807.48                                   | 17,323.38        |
| Provision for Contractual Obligations       | 13,705.51        | -                                        | (1,434.55)                                 | 12,270.96        | -                                        | 1,355.52                                   | 13,626.48        |
| Provision for Estimated Losses              | 355.06           | -                                        | (293.38)                                   | 61.68            | -                                        | (5.25)                                     | 56.43            |
| Provision for Impairment of Oil Blocks      | -                | -                                        | 714.57                                     | 714.57           | -                                        | 29.99                                      | 744.56           |
| Provision for Doubtful Debts and Advances   | 3,681.00         | -                                        | 2.29                                       | 3,683.29         | -                                        | 69.95                                      | 3,753.24         |
| Others                                      | 200.39           | (0.78)                                   | (11.40)                                    | 188.21           | -                                        | 59.30                                      | 247.51           |
| <b>Deferred Tax Liabilities arising on:</b> |                  |                                          |                                            |                  |                                          |                                            |                  |
| Depreciation                                | (2,636.63)       | -                                        | 590.17                                     | (2,046.46)       | -                                        | (85.79)                                    | (2,132.25)       |
| Others                                      | -                | (7.65)                                   | -                                          | (7.65)           | 5.53                                     | -                                          | (2.12)           |
| <b>Total</b>                                | <b>29,910.05</b> | <b>(92.21)</b>                           | <b>(2,615.28)</b>                          | <b>27,202.56</b> | <b>183.47</b>                            | <b>6,231.20</b>                            | <b>33,617.23</b> |

- During the year 2019-20, 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 2021

31 March 2020

**Note :11****Non-Current Tax Assets (Net)**

Advance Income Tax (Net of provision for Taxation amounting to ₹ 65,344.53 lakhs (previous year 31 March 2020: ₹ 43,159.47 lakhs)

5,227.34 3,731.96

Advance Fringe Benefit Tax

11.83 11.83

Less: Impairment of Non-Financial Assets

(11.83) (11.83)

5,227.34 3,731.96**Note :12****A Other Non-Current Assets****(Unsecured, considered good unless otherwise stated)**

Capital Advances

23.34 32.77

Prepaid Expense and Rent Advance

1,163.13 1,065.66

1,186.47 1,098.43**B Other Current Assets****(Unsecured, considered good unless otherwise stated)**

Advances to Vendors/Contractors :

Considered good

9,682.29 10,740.21

Considered doubtful

5.02 5.04

Prepaid expenses

620.26 708.20

Deposit with Statutory Authorities

8,879.92 7,269.90

Claims Receivable:

Considered good

0.60 0.60

Considered doubtful

1.79 1.79

Advances to Employees :

Considered good

500.70 2,554.43

Considered doubtful

0.09 0.08

Other advances

5.74 14.12

19,696.41 21,294.37

Less: Impairment of Non-Financial Assets

(6.90) (6.91)

19,689.51 21,287.46**Note :13****Inventories****(Lower of Cost or Net Realizable Value)**

Stores, Spares and Chemicals in hand\*

192.44 670.70

192.44 670.70

\* Includes projects inventory to the tune of ₹ 100.99 lakhs (previous year 31 March 2020: ₹ 568.95 lakhs)

\*Management do not see any need to write down the Inventories in view of COVID-19.



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note - 14****Trade Receivables**

## Trade Receivable (Unsecured)

Considered good

53,249.69 68,019.78

Considered doubtful

14,320.57 14,092.55

**67,570.26 82,112.33**

Less: Allowance for Expected Credit Loss

(14,320.57) (14,092.55)

**53,249.69 68,019.78****Note - 15****Cash and Cash equivalents**

Balances with Banks in Current Account\*

2,497.99 1,663.07

Remittance in Transit

- 67.23

Banks Deposits having maturity of less than three months\*\*

4,397.84 830.59

Cash and Stamps on hand\*

8.01 11.99

**6,903.84 2,572.88**

\* Includes ₹ 95.30 lakhs (previous year 31 March 2020: ₹ 94.80 lakhs) in currencies which are not repatriable.

\*\* Includes interest accrued on Bank Deposits ₹ 0.94 lakhs (previous year 31 March 2020: ₹ 0.07 lakhs)

**Note - 16****Other Bank Balances**

Unpaid Dividend Account #

458.31 180.56

Amount held on behalf of clients

945.72 1,053.17

Banks deposits having Maturity of more than three months but are due for maturity within twelve months from Balance Sheet Date (refer notes below)

1,23,853.01 2,73,943.34

**1,25,257.04 2,75,177.07**

# Includes TDS on Dividend ₹ 225.98 lakhs (previous year 31 March 2020: Nil)

**Notes:**

- (i) Includes Bank Deposits having more than twelve months original maturity of ₹ 5,602.00 lakhs (previous year 31 March 2020: ₹ 42,055.50 lakhs)
- (ii) Includes Bank Deposits ₹ 0.63 Lakhs (previous year 31 March 2020: ₹ 78.18 lakhs) held as Margin Money/Security/Lien against Bank Guarantees.
- (iii) Includes Interest accrued on Bank Deposits ₹ 2,794.50 lakhs (previous year 31 March 2020: ₹ 5,214.16 lakhs)



(₹ in Lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 31 March 2021              | 31 March 2020              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Note - 17</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                            |
| <b>Equity Share Capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                            |
| <b>Authorised Share Capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                            |
| 800,000,000 (previous year 31 March 2020: 800,000,000) equity shares of par value of ₹ 5 each                                                                                                                                                                                                                                                                                                                                                                                                                         | 40,000.00                  | 40,000.00                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>40,000.00</u>           | <u>40,000.00</u>           |
| <b>Issued Share Capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                            |
| 562,123,373 (previous year 31 March 2020: 631,992,420) equity shares of par value of ₹ 5 each                                                                                                                                                                                                                                                                                                                                                                                                                         | 28,106.17                  | 31,599.62                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>28,106.17</u>           | <u>31,599.62</u>           |
| <b>Subscribed and paid up</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                            |
| 562,042,373 (previous year 31 March 2020: 631,911,420) equity shares of par value of ₹ 5 each                                                                                                                                                                                                                                                                                                                                                                                                                         | 28,102.12                  | 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 2020: 2,600 Equity Shares of par value of ₹ 5 each )                                                                                                                                                                                                                                                                                                                                                                |                            |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>28,102.13</u>           | <u>31,595.58</u>           |
| <b>a) Reconciliation of Shares outstanding at the beginning and at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |                            |
| <b>Equity Shares</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Number</b>              | <b>Number</b>              |
| Shares outstanding at the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 63,19,11,420               | 63,19,11,420               |
| Less : Buy back of Shares during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 6,98,69,047                | -                          |
| <b>Shares outstanding at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <u><b>56,20,42,373</b></u> | <u><b>63,19,11,420</b></u> |
| <b>b) Details of Shareholders holding more than 5% equity shares in the Parent Company</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |                            |                            |
| <b>Name of Shareholders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Number</b>              | <b>Number</b>              |
| President of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 28,84,58,584               | 32,54,04,724               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 51.32%                     | 51.50%                     |
| Life Insurance Corporation of India (Previous year 31 March 2020 : Life Insurance Corporation of India)                                                                                                                                                                                                                                                                                                                                                                                                               | 2,89,68,343                | 2,29,70,343                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5.15%                      | 3.64%                      |
| ICICI Prudential Value Fund- Series 20 (Previous year 31 March 2020 : ICICI Prudential Value Fund- Series 20)                                                                                                                                                                                                                                                                                                                                                                                                         | -                          | 4,18,69,388                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.00%                      | 6.63%                      |
| L&T Mutual Fund Trustee Limited - L&T Emerging Fund (Previous Year 31 March 2020: L&T Mutual Fund Trustee Limited - L&T Emerging Fund)                                                                                                                                                                                                                                                                                                                                                                                | -                          | 3,22,52,280                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.00%                      | 5.10%                      |
| <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                                                                                                                                                                                                                                                                                                                                   | 11,18,30,827               | 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, Gain/(Loss) booked on re measurement of Defined Benefit Plans and Gains/(Loss) from Investments in Equity Instruments designated at fair value.

(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

## Note - 19

### A Other Financial Liabilities - Non-Current

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Security Deposits and Retentions | 157.44        | 684.64        |
|                                  | <u>157.44</u> | <u>684.64</u> |

### B Other Financial Liabilities - Current

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Security Deposits and Retentions | 29,303.81        | 28,538.70        |
| Capital Creditors                | 851.99           | 925.69           |
| Accrued Employees Benefits       | 4,989.25         | 5,938.00         |
| Unpaid Dividend*                 | 232.33           | 180.56           |
| Amount held on behalf of Clients | 945.72           | 1,053.17         |
|                                  | <u>36,323.10</u> | <u>36,636.12</u> |

\*Excluding amount due for payment to Investor Education And Protection Fund

## Note - 20

### A Provisions - Non-Current

|                                               |               |               |
|-----------------------------------------------|---------------|---------------|
| Employees' Post Retirement/Long-Term Benefits | 996.04        | 934.14        |
|                                               | <u>996.04</u> | <u>934.14</u> |

### B Provisions - Current

|                                                                  |                  |                  |
|------------------------------------------------------------------|------------------|------------------|
| Employees' Post Retirement/Long-Term Benefits                    | 6,226.81         | 9,962.81         |
| Provision for Contractual Obligations                            | 54,288.90        | 48,902.99        |
| Provision for Expected Losses                                    | 224.22           | 245.06           |
| Provision for Corporate Social Responsibility                    | 84.70            | 145.09           |
| Provision for Impairment in PF Trust Investment (refer note 55 ) | 15,496.48        | -                |
|                                                                  | <u>76,321.11</u> | <u>59,255.95</u> |



(₹ in Lakhs)

| Particulars                                                | 31 March 2021      | 31 March 2020      |
|------------------------------------------------------------|--------------------|--------------------|
| <b>Note - 21</b>                                           |                    |                    |
| <b>A Other Non-Current Liabilities</b>                     |                    |                    |
| Advances received from clients                             | 123.16             | 142.64             |
| Deferred Income                                            | 41.39              | 60.86              |
|                                                            | <u>164.55</u>      | <u>203.50</u>      |
| <b>B Other Current Liabilities</b>                         |                    |                    |
| Advances Received from Clients*                            | 11,103.02          | 10,850.44          |
| Income received in Advance                                 | 87,192.90          | 1,18,316.61        |
| Service Tax / GST payable                                  | 6,528.18           | 6,964.50           |
| Withholding for Employees including Employers Contribution | 1,826.89           | 1,649.28           |
| Withholding for Income Taxes                               | 2,080.52           | 2,133.78           |
| Deferred Income                                            | 65.05              | 122.32             |
| Accrued Provident Fund Liability**                         | 1,725.17           | 1,630.10           |
| Other Liabilities                                          | 447.78             | 365.73             |
|                                                            | <u>1,10,969.51</u> | <u>1,42,032.76</u> |

\* Includes ₹ 7,114.09 lakhs (previous year 31 March 2020 : ₹ 7,114.09 lakhs) received pursuant to the order of Hon'able Court against which appeal has been filed by the client.

\*\* Represents ₹ 1,725.17 Lakhs (previous year 31 March 2020: ₹ 1,630.10 Lakhs) of accrued Provident Fund Liability for default on account of Provident Fund Trust investment.

## Note - 22

### Trade Payables

|                                                                                        |                  |                  |
|----------------------------------------------------------------------------------------|------------------|------------------|
| Total outstanding dues of Micro Enterprises and Small Enterprises (refer Note 53)      | 8,823.15         | 6,963.05         |
| Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | <u>32,399.37</u> | <u>20,527.84</u> |
|                                                                                        | <u>41,222.52</u> | <u>27,490.89</u> |

## Note - 23

### Current Tax Liabilities (net)

|                                                                                                                     |                 |                 |
|---------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Provision for Taxation (Net of advance Tax amounting to ₹ 13692.11 Lakhs (previous year 31 March 2020: ₹ 21,003.29) | 2,519.12        | 1,308.76        |
|                                                                                                                     | <u>2,519.12</u> | <u>1,308.76</u> |



(₹ in Lakhs)

| Particulars                                    | 31 March 2021             | 31 March 2020             |
|------------------------------------------------|---------------------------|---------------------------|
| <b>Note - 24</b>                               |                           |                           |
| <b>I Revenue from Operations*</b>              |                           |                           |
| <b>Consultancy and Engineering Services</b>    | <b>1,42,297.07</b>        | <b>1,58,435.61</b>        |
| <b>Increase/(Decrease) in Work-in-Progress</b> |                           |                           |
| Closing Work-in-Progress                       | 209.49                    | 226.29                    |
| Less: Opening Work-in-Progress                 | 226.29                    | 304.35                    |
|                                                | <u>(16.80)</u>            | <u>(78.06)</u>            |
| <b>Other Operating Income</b>                  |                           |                           |
| Income under service export from India scheme  | -                         | 1,522.02                  |
| <b>Sub-total (A)</b>                           | <b><u>1,42,280.27</u></b> | <b><u>1,59,879.57</u></b> |
| <b>II Turnkey projects</b>                     | <b>1,72,136.67</b>        | <b>1,63,774.06</b>        |
| <b>Increase/(Decrease) in Work-in-Progress</b> |                           |                           |
| Closing Work-in-Progress                       | -                         | -                         |
| Less: Opening Work-in-Progress                 | -                         | -                         |
|                                                | <u>-</u>                  | <u>-</u>                  |
| <b>Sub-total (B)</b>                           | <b><u>1,72,136.67</u></b> | <b><u>1,63,774.06</u></b> |
| <b>Grand total (A+B)</b>                       | <b><u>3,14,416.94</u></b> | <b><u>3,23,653.63</u></b> |

\* Excludes Goods and Services Tax (GST)

**Note - 25****Other Income****Interest Income :**

|                                                                                                                                         |                  |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Bank deposits                                                                                                                           | 14,804.55        | 19,866.09        |
| Loan to Employees                                                                                                                       | 429.94           | 335.58           |
| Income-Tax Refunds                                                                                                                      | 17.07            | 152.48           |
| Others                                                                                                                                  | 575.05           | 1,028.12         |
| Gain on modification of Employee Advances                                                                                               | -                | 68.53            |
| Gain on modification of Leases                                                                                                          | 0.45             | -                |
| Amortization of Deferred Income                                                                                                         | 145.86           | 150.27           |
| Dividend Income from Current Investments                                                                                                | -                | 179.40           |
| Capital Gain on Redemption of Investments in Mutual Funds                                                                               | 535.17           | 247.66           |
| Funds received against Research and Development (netting off the utilisation)                                                           | -                | -                |
| (31 March 2021: Received ₹ 92.00 lakhs and utilised ₹ 92.00 lakhs and 31 March 2020: Received ₹ 63.47 lakhs and utilised ₹ 63.47 lakhs) |                  |                  |
| Profit on sale of Assets                                                                                                                | 1.43             | 4.43             |
| Foreign Exchange difference (Net)                                                                                                       | -                | 786.82           |
| Rental Income                                                                                                                           | 2,072.14         | 2,330.47         |
| Miscellaneous Income                                                                                                                    | 296.03           | 403.75           |
|                                                                                                                                         | <u>18,877.69</u> | <u>25,553.60</u> |

**Note - 26**

|                                           |                           |                           |
|-------------------------------------------|---------------------------|---------------------------|
| <b>Technical Assistance/Sub contracts</b> | <b><u>1,14,315.94</u></b> | <b><u>1,08,181.40</u></b> |
|-------------------------------------------|---------------------------|---------------------------|



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note - 27**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Construction Materials and Equipments | 51,834.26 | 46,805.34 |
|---------------------------------------|-----------|-----------|

**Note - 28****Employee Benefits Expense****Salaries and Allowances@**

|                                                                                                          |                  |                  |
|----------------------------------------------------------------------------------------------------------|------------------|------------------|
| Staff                                                                                                    | 69,320.46        | 70,267.84        |
| Directors                                                                                                | 355.91           | 329.93           |
| Contribution towards Employees Pension and Provident fund and Administration Charges thereon*            |                  |                  |
| Staff                                                                                                    | 7,399.75         | 7,083.26         |
| Directors                                                                                                | 29.36            | 28.18            |
| Contribution towards Employees defined Contributory Superannuation Scheme/ National Pension System (NPS) |                  |                  |
| Staff                                                                                                    | 6,117.81         | 3,763.26         |
| Directors                                                                                                | 32.31            | 21.29            |
| Staff Welfare #                                                                                          |                  |                  |
| Staff                                                                                                    | 3,279.98         | 3,769.87         |
| Directors                                                                                                | 13.04            | 22.14            |
| Contribution to gratuity fund (net of contribution received from others)**                               | 1,394.96         | 1,271.18         |
|                                                                                                          | <b>87,943.58</b> | <b>86,556.95</b> |

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.33 lakhs (previous year : ₹ 0.35 lakhs).

b) ₹ 4,010.48 lakhs (previous year : ₹ 4,521.91 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

c) ₹ 120.78 lakhs (previous year : ₹ 709.83 lakhs) on account of estimated enhanced Gratuity ceiling due to increase in Dearness Allowance in terms of DPE guidelines (refer note no.54)

# Includes expenditure for medical benefits of ₹ 166.03 lakhs (previous year : ₹ 1,389.57 lakhs) for employees retired prior to 01.1.2007.

\*Includes ₹ 1,725.17 Lakhs (previous year: ₹ 1,630.10 Lakhs) of accrued provident fund liability for default 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 | 207.50        | -             |
| Unwinding of discount on security deposit      | 128.13        | 130.40        |
| Interest on Lease Liabilities                  | 33.39         | 44.07         |
|                                                | <b>369.02</b> | <b>174.47</b> |

**Note - 30****Depreciation and amortization**

|                                               |                 |                 |
|-----------------------------------------------|-----------------|-----------------|
| Depreciation on property, plant and equipment | 1,559.27        | 1,676.35        |
| Depreciation of investment property           | 163.60          | 134.42          |
| Amortization of other intangible assets       | 365.93          | 333.25          |
| Depreciation on Right of use Assets           | 276.42          | 255.89          |
|                                               | <b>2,365.22</b> | <b>2,399.91</b> |





(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note - 31****Other expenses****A Facilities**

|                                                                         |                 |                 |
|-------------------------------------------------------------------------|-----------------|-----------------|
| Rent expense - office                                                   | 605.60          | 596.67          |
| Rent - residential accommodation                                        |                 |                 |
| Staff (net of recovery of ₹ 61.86 lakhs (previous year: ₹ 64.73 lakhs)) | 343.10          | 312.05          |
| Light, water and power                                                  | 1,232.43        | 1,328.08        |
| Insurance                                                               | 404.02          | 215.20          |
| Miscellaneous repair and maintenance                                    | 3,583.54        | 3,378.40        |
| Repair and maintenance of own building                                  | 339.89          | 74.89           |
| Repair and maintenance of plant and machinery                           | 416.47          | 474.28          |
| Hire charges of office equipment                                        | 101.61          | 15.51           |
| <b>Sub total (A)</b>                                                    | <b>7,026.66</b> | <b>6,395.08</b> |

**B Corporate costs**

|                                          |                 |                 |
|------------------------------------------|-----------------|-----------------|
| Bank charges                             | 207.89          | 198.01          |
| Sitting fees to independent directors    | 13.55           | 21.90           |
| Advertisement for tender and recruitment | 15.24           | 30.96           |
| Publicity                                | 62.86           | 378.68          |
| Subscription                             | 120.87          | 112.18          |
| Entertainment                            | 29.77           | 174.89          |
| Remuneration to auditors* :              |                 |                 |
| For Audit                                | 17.75           | 15.94           |
| For Tax Audit                            | 3.20            | 3.20            |
| Others                                   | 10.10           | 12.70           |
| Filing fee                               | 0.59            | 0.43            |
| Legal and professional charges           | 400.44          | 1,069.99        |
| Licences and taxes                       | 535.69          | 831.74          |
| Loss on sale of assets                   | 4.21            | 15.65           |
| Foreign exchange difference (net)        | 122.32          | -               |
| Fixed assets written off                 | 2.67            | 2.49            |
| <b>Sub total (B)</b>                     | <b>1,547.15</b> | <b>2,868.76</b> |

\* Excluding remuneration for buy back amounting to ₹ 3.00 lakhs (previous year : Nil)

**C Other costs**

|                                                                             |          |          |
|-----------------------------------------------------------------------------|----------|----------|
| Consumables/stores/equipment - R&D Centre                                   | 105.03   | 98.53    |
| Travel and conveyance :                                                     |          |          |
| Directors*                                                                  | 84.22    | 84.85    |
| Others                                                                      | 7,543.69 | 8,432.28 |
| Printing, stationery and general Office supplies                            | 235.78   | 379.36   |
| Newspapers and periodicals                                                  | 21.93    | 29.08    |
| Postage and telecommunications                                              | 443.63   | 504.20   |
| Courier, transportation and handling                                        | 17.44    | 90.65    |
| Commission to foreign agents                                                | 199.39   | 192.73   |
| Allowance for expected credit losses - trade receivables and advances (net) | 277.98   | 4,041.45 |
| Bad debts written off                                                       | 368.82   | 161.68   |



(₹ in Lakhs)

| Particulars                                            | 31 March 2021    | 31 March 2020    |
|--------------------------------------------------------|------------------|------------------|
| Provision for contractual obligations (net)            | 5,385.91         | 9,534.85         |
| Provision for expected losses (net)                    | (20.84)          | (771.03)         |
| Provision for Impairment of Exploration Expenditure    | 119.17           | 2,839.20         |
| Training Expenses :                                    |                  |                  |
| Travel                                                 | 1.18             | 54.78            |
| Others                                                 | 31.30            | 73.01            |
| CSR Expenses (Refer note below)                        | 1,269.84         | 1,175.34         |
| Expenditure relating to oil and gas exploration blocks | 56.26            | 145.56           |
| Loss on modification of employee advances              | 139.95           | -                |
| Miscellaneous expenses                                 | 513.96           | 530.40           |
|                                                        | <b>16,794.64</b> | <b>27,596.92</b> |
| <b>Less: Inhouse expenditure relating to</b>           |                  |                  |
| Capital works                                          | (30.48)          | (73.51)          |
| <b>Sub total (C)</b>                                   | <b>16,764.16</b> | <b>27,523.41</b> |
| <b>Grand total (A+B+C)</b>                             | <b>25,337.97</b> | <b>36,787.25</b> |

\*Includes recovery of ₹ 1.66 lakhs on account of use of car (previous year : ₹ 1.43 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 2020-21 - ₹ 1,224.20 lakhs (previous year: ₹ 1,109.44 lakhs)

(b) Amount spent during the financial year ended 31 March 2021 and 31 March 2020 on:

(₹ in Lakhs)

| Particulars                               |                      | In cash  | Yet to be paid in cash | Total    |
|-------------------------------------------|----------------------|----------|------------------------|----------|
| (i) Construction/acquisition of any asset | <b>31 March 2021</b> | 141.88   | -                      | 141.88   |
|                                           | <b>31 March 2020</b> | 402.95   | -                      | 402.95   |
| (ii) On purposes other than (i) above     | <b>31 March 2021</b> | 1,043.26 | 84.70                  | 1,127.96 |
|                                           | <b>31 March 2020</b> | 727.98   | 44.41                  | 772.39   |



(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|-------------|---------------|---------------|
|-------------|---------------|---------------|

**Note - 32****Income tax****Tax expense comprises of:**

|                                     |                 |                  |
|-------------------------------------|-----------------|------------------|
| Current Income Tax                  | 15,715.34       | 22,350.08        |
| Earlier years tax adjustments (net) | 2.46            | (49.41)          |
| Deferred tax                        | (6,231.20)      | 2,615.28         |
|                                     | <b>9,486.60</b> | <b>24,915.95</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 :25.168%) and the reported tax expense in statement of profit and loss are as follows:

**Statement of Profit and Loss**

|                                                                          |           |           |
|--------------------------------------------------------------------------|-----------|-----------|
| Accounting profit before tax                                             | 35,632.16 | 68,301.91 |
| At India's statutory income tax rate of 25.168% (31 March 2020: 25.168%) | 8,967.90  | 17,190.22 |

**Adjustments in respect of tax expense**

|                                                    |                 |                  |
|----------------------------------------------------|-----------------|------------------|
| Tax Expense of Buy Back Expense                    | (71.67)         | -                |
| Tax expense on account of joint control operation  | -               | 51.86            |
| Tax impact of exempted income                      | 233.31          | (166.52)         |
| Tax impact of expenses which will never be allowed | 377.65          | 304.43           |
| Earlier years tax adjustments (net)                | 2.46            | (49.41)          |
| Earlier years deferred tax adjustments (net)       | (7.58)          | 7,585.03         |
| Effect of Differential Tax rate Subsidiary         | -               | -                |
| Others                                             | (15.47)         | 0.34             |
|                                                    | <b>9,486.60</b> | <b>24,915.95</b> |

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

**Note - 33****Earnings Per Share (EPS)**

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Parent Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

During the year, pursuant to Public Announcement dated December 21, 2020, published on December 22, 2020 and letter of offer dated January 13, 2021, the Parent company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the Parent company, through tender offer route under Stock Exchange Mechanism and these shares extinguished on February 19, 2021. Post buyback the Parent company's equity share capital as on 31 March 2021 is ₹ 28,102.13 lakhs comprising of fully paid up 56,20,42,373 equity share having face value of ₹ 5/- each .

|                                                                | 31 March 2021 | 31 March 2020 |
|----------------------------------------------------------------|---------------|---------------|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 24,890.96     | 42,381.88     |
| Weighted average number of equity shares                       | 62,40,63,116  | 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                                                          | 3.99          | 6.71          |
| Diluted                                                        | 3.99          | 6.71          |



## 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 2021                                   | Level 1          | Level 2  | Level 3          | Total            |
|-------------------------------------------------|------------------|----------|------------------|------------------|
| <b>Financial assets</b>                         |                  |          |                  |                  |
| Liquid plan of mutual funds                     | 20,707.70        | -        | -                | 20,707.70        |
| Unquoted equity shares (Fair Value) through OCI | -                | -        | 70,010.50        | 70,010.50        |
| <b>Total financial assets</b>                   | <b>20,707.70</b> | <b>-</b> | <b>70,010.50</b> | <b>90,718.20</b> |

### 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        |
| Unquoted equity shares (Fair Value) through OCI | -               | -        | -        | -               |
| <b>Total financial assets</b>                   | <b>5,202.62</b> | <b>-</b> | <b>-</b> | <b>5,202.62</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.

Specific valuation techniques used to value Unquoted equity shares (Fair Value) through OCI include - Discounted Cash flow method using risk adjusted discount rate approach.

### (iv) Reconciliation Level 3 fair values

The following table shows a reconciliation of opening balances to the closing balances for Level 3 fair values:

(₹ in lakhs)

| Particulars                                                    | FY 2020-21 | FY 2019-20 |
|----------------------------------------------------------------|------------|------------|
| Balance as at the beginning of the year                        | -          | -          |
| Add: Additional investment during the year                     | 70,010.50  | -          |
| Add: Fair Value gain recognized in Other Comprehensive Income  | -          | -          |
| Less: Fair Value loss recognized in Other Comprehensive Income | -          | -          |
| Balance as at the end of the year                              | 70,010.50  | -          |

## Note - 35

### Financial instruments

#### (i) Financial instruments by category

(₹ in lakhs)

| Particulars                                          | 31 March 2021    |                  |                    | 31 March 2020 |                 |                    |
|------------------------------------------------------|------------------|------------------|--------------------|---------------|-----------------|--------------------|
|                                                      | FVTOCI           | FVTPL            | Amortised Cost     | FVTOCI        | FVTPL           | Amortised Cost     |
| <b>Financial assets</b>                              |                  |                  |                    |               |                 |                    |
| Investments - Equity Shares (Fair Value) through OCI | 70,010.50        | -                | -                  | -             | -               | -                  |
| Investments - mutual funds                           | -                | 20,707.70        | -                  | -             | 5,202.62        | -                  |
| Trade receivables                                    | -                | -                | 53,249.69          | -             | -               | 68,019.78          |
| Loans (excluding security deposits)                  | -                | -                | 6,771.94           | -             | -               | 5,573.49           |
| Other financial assets                               | -                | -                | 32,311.14          | -             | -               | 29,663.45          |
| Cash and cash equivalents                            | -                | -                | 6,903.84           | -             | -               | 2,572.88           |
| Other bank balances                                  | -                | -                | 1,25,257.04        | -             | -               | 2,75,177.07        |
| Security deposits                                    | -                | -                | 894.50             | -             | -               | 866.45             |
| <b>Total financial assets</b>                        | <b>70,010.50</b> | <b>20,707.70</b> | <b>2,25,388.15</b> | <b>-</b>      | <b>5,202.62</b> | <b>3,81,873.12</b> |
| <b>Financial liabilities</b>                         |                  |                  |                    |               |                 |                    |
| Trade payables                                       | -                | -                | 41,222.52          | -             | -               | 27,490.89          |
| Security deposits and retentions                     | -                | -                | 29,461.25          | -             | -               | 29,223.34          |
| Lease Liabilities                                    | -                | -                | 402.04             | -             | -               | 402.04             |
| Other financial liabilities                          | -                | -                | 6,167.30           | -             | -               | 7,171.73           |
| Capital creditors                                    | -                | -                | 851.99             | -             | -               | 925.69             |
| <b>Total financial liabilities</b>                   | <b>-</b>         | <b>-</b>         | <b>78,105.10</b>   | <b>-</b>      | <b>-</b>        | <b>65,213.69</b>   |

Investment in mutual funds are valued at fair value through P&amp;L at each Balance Sheet date.

Investment in other than subsidiaries, associates &amp; joint ventures and mutual funds are valued at fair value through OCI at each Balance Sheet date.

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 2021 | 31 March 2020 |
|-------------------------|-----------------------------------------------------------------------------------------------------|---------------|---------------|
| A: Low credit risk      | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 2,25,388.15   | 3,81,873.12   |
| B: Moderate credit risk | Trade receivables, loans and other financial assets                                                 | 7,057.56      | 6,646.14      |
| C: High credit risk     | Trade receivables                                                                                   | 7,847.13      | 7,980.57      |

ii) *Concentration of Trade Receivables*

The Group's exposure to credit risk for Trade Receivables is as follows -

(₹ in lakhs)

| Particulars         | 31 March 2021    | 31 March 2020    |
|---------------------|------------------|------------------|
| Chemical Fertilizer | 1,237.56         | 1,577.09         |
| Hydro Carbon        | 57,401.29        | 70,992.64        |
| Infrastructure      | 3,981.82         | 5,315.70         |
| Mettallurgy         | 166.72           | 1,245.95         |
| Power               | 1,924.73         | 1,270.94         |
| Others              | 2,858.14         | 1,710.01         |
| <b>Total</b>        | <b>67,570.26</b> | <b>82,112.33</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 2021**

(₹ in lakhs)

| Particulars                         | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Cash and cash equivalents           | 6,903.84                                   | -                      | 6,903.84                                    |
| Other bank balances                 | 1,25,257.04                                | -                      | 1,25,257.04                                 |
| Loans (excluding security deposits) | 6,771.94                                   | -                      | 6,771.94                                    |
| Security deposits                   | 898.73                                     | 4.23                   | 894.50                                      |
| Other financial assets              | 32,891.03                                  | 579.89                 | 32,311.14                                   |

**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                                   |

## (ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2021

(₹ in lakhs)

| Particulars                         | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|-------------------------------------|-------------|---------------|----------------|----------------|---------------|----------------|
| Gross carrying value                | 19,379.18   | 8,389.64      | 3,985.68       | 3,832.47       | 5,218.93      | 1,167.10       |
| Expected credit loss (provision)    | 200.32      | 732.40        | 538.33         | 1,161.54       | 985.68        | 398.26         |
| Carrying amount (net of impairment) | 19,178.86   | 7,657.24      | 3,447.35       | 2,670.93       | 4,233.25      | 768.84         |

| Particulars                         | 540 - 630 Days | 630-720 Days | 720-1095 Days | >1095 Days |
|-------------------------------------|----------------|--------------|---------------|------------|
| Gross carrying value                | 3,756.36       | 1,914.59     | 2,814.94      | 7,847.13   |
| Expected credit loss (provision)    | 971.35         | 516.41       | 969.15        | 7,847.13   |
| Carrying amount (net of impairment) | 2,785.01       | 1,398.18     | 1,845.79      | -          |

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      | -          |

## 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 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>  |
| Impairment loss recognised/reversed during the year | -                 | 49.96                  | 538.54            |
| Amounts written off                                 | -                 | -                      | (310.52)          |
| <b>Loss allowance on 31 March 2021</b>              | <b>4.23</b>       | <b>579.89</b>          | <b>14,320.57</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 2021                    | Less than 1 year | 1 - 2 years   | More than 2 years | Total            |
|----------------------------------|------------------|---------------|-------------------|------------------|
| <b>Non-derivatives</b>           |                  |               |                   |                  |
| Trade payable                    | 41,222.52        | -             | -                 | 41,222.52        |
| Security deposits and retentions | 29,345.60        | 129.61        | 46.18             | 29,521.39        |
| Capital creditors                | 851.99           | -             | -                 | 851.99           |
| Other financial liabilities      | 6,167.30         | -             | -                 | 6,167.30         |
| <b>Total</b>                     | <b>77,587.41</b> | <b>129.61</b> | <b>46.18</b>      | <b>77,763.20</b> |

(₹ 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> |

## (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 2021 | 31 March 2020 |
|--------------------------------------------------|----------|---------------|---------------|
| Trade payables, security deposits and retentions | AED      | 273.86        | 254.84        |
|                                                  | USD      | 9,706.56      | 10,972.71     |
|                                                  | EURO     | 388.43        | 340.59        |
|                                                  | GBP      | 443.38        | 407.97        |
|                                                  | Others   | 119.26        | 140.93        |
| Trade receivables and security deposits          | AED      | 1,080.60      | 742.76        |
|                                                  | USD      | 19,507.60     | 15,722.03     |
|                                                  | EURO     | 520.15        | 528.17        |
|                                                  | GBP      | 1.51          | 1.39          |
|                                                  | Others   | 85.19         | 172.59        |

(₹ in Lakhs)

| Particulars           | Currency | 31 March 2021 | 31 March 2020 |
|-----------------------|----------|---------------|---------------|
| Cash and bank balance | AED      | 276.73        | 353.64        |
|                       | USD      | 0.16          | 67.26         |
|                       | GBP      | 41.92         | 38.37         |
|                       | Others   | 99.62         | 104.98        |

#### 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 2021                | 31 March 2020 | 31 March 2021                | 31 March 2020 |
| Trade payables, security deposits and retentions | AED      | (2.74)                       | (2.55)        | 2.74                         | 2.55          |
|                                                  | USD      | (97.07)                      | (109.73)      | 97.07                        | 109.73        |
|                                                  | EURO     | (3.88)                       | (3.40)        | 3.88                         | 3.40          |
|                                                  | GBP      | (4.43)                       | (4.08)        | 4.43                         | 4.08          |
|                                                  | Others   | (1.19)                       | (1.41)        | 1.19                         | 1.41          |
| Trade receivables and deposits                   | AED      | 10.81                        | 7.43          | (10.81)                      | (7.43)        |
|                                                  | USD      | 195.08                       | 157.22        | (195.08)                     | (157.22)      |
|                                                  | EURO     | 5.20                         | 5.27          | (5.20)                       | (5.27)        |
|                                                  | GBP      | 0.02                         | 0.01          | (0.02)                       | (0.01)        |
|                                                  | Others   | 0.85                         | 1.73          | (0.85)                       | (1.73)        |
| Cash and bank balance                            | AED      | 2.77                         | 3.54          | (2.77)                       | (3.54)        |
|                                                  | USD      | -                            | 0.67          | -                            | (0.67)        |
|                                                  | GBP      | 0.42                         | 0.38          | (0.42)                       | (0.38)        |
|                                                  | Others   | 1.00                         | 1.05          | (1.00)                       | (1.05)        |

#### (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 2021 | 31 March 2020 |
|--------------------------------|---------------|---------------|
| <b>Price sensitivity</b>       |               |               |
| Price increase by (3 %)- FVTPL | 621.23        | 156.08        |
| Price decrease by (3 %)- FVTPL | (621.23)      | (156.08)      |

#### (D) Other risk - Impact of COVID-19

Financial assets carried at fair value as at 31 March 2021 is ₹ 20,707.70 Lakhs. These financial assets are classified as Level 1 having fair value of ₹ 20,707.70 Lakhs as at 31 March 2021. 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 ₹ 2,25,388.15 Lakhs, consisting of ₹ 1,32,172.24 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 ₹ 93,215.91 Lakhs as at March 31, 2021, 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 ₹ 14,904.69 Lakhs at at 31 March 2021 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 shareholder

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group are summarised as follows:

(₹ in Lakhs)

|                      | 31 March 2021 | 31 March 2020 |
|----------------------|---------------|---------------|
| Equity share capital | 28,102.13     | 31,595.58     |
| Other equity         | 1,46,968.63   | 2,09,006.31   |

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 2021 and 31 March 2020.

During the year, the parent company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the parent company, through tender offer route under Stock Exchange Mechanism and these shares extinguished on February 19, 2021. Post buyback the Group equity share capital as on 31 March 2021 is ₹ 28,102.13 lakhs comprising of fully paid up 56,20,42,373 equity share having face value of ₹ 5/- each.

## Note : 37

### Dividends

(₹ in Lakhs)

| Nature                                                                                                | 31 March 2021    | 31 March 2020    |
|-------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Cash dividend on equity shares declared and paid</b>                                               |                  |                  |
| Final dividend for 31 March 2020 (₹ 1.55 per share) (previous year 31 March 2019: ₹ 0.75 per share)   | 9,794.63         | 4739.34          |
| Dividend distribution tax on final dividend                                                           | -                | 974.18           |
| Interim dividend for 31 March 2021 (₹ 1.40 per share) (previous year 31 March 2020: ₹ 3.60 per share) | 7,868.59         | 22,748.81        |
| Dividend distribution tax on Interim dividend                                                         | -                | 4,676.08         |
| <b>Total</b>                                                                                          | <b>17,663.22</b> | <b>33,138.41</b> |

(₹ in Lakhs)

| Proposed dividend on equity shares                                                                                            | 31 March 2021   | 31 March 2020   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Proposed Final dividend for 31 March 2021 (₹ 0.60 per share) (previous year 31 March 2020: ₹ 1.55 per share)                  | 3,372.25        | 9,794.63        |
| <b>Total</b>                                                                                                                  | <b>3,372.25</b> | <b>9,794.63</b> |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability. |                 |                 |

## 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                       | 26.70%<br>(Previous year: 31 March 2020: 26.29%) |                                                                                   |

| SI No. | Name of the Related Party                                          | Nature of Relationship                                                                                        |
|--------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 1.     | Certification Engineers International Limited ("CEIL")             | Wholly owned subsidiary                                                                                       |
| 2.     | TEIL Projects Limited ("TEIL") – Under Liquidation                 | Joint venture company                                                                                         |
| 3.     | Ramagundam Fertilizers And Chemicals Limited ("RFCL")              | Joint venture company                                                                                         |
| 4.     | Oil And Gas Exploration And Production Block No. CB-ONN-2010/8 *   | Joint operation - Participating Interest 22.22%                                                               |
| 5.     | Oil And Gas Exploration And Production Block No. CB-ONN-2010/11 *  | Joint operation - Participating Interest 23.53%                                                               |
| 6.     | <b>Directors/key management personnel(KMP)<br/>(31 March 2021)</b> |                                                                                                               |
|        | Mr. Rakesh Kumar Sabharwal                                         | Director (Commercial) and CEO<br>(Holding Addl. Charge of Chairman & Managing Director w.e.f 1 February 2021) |
|        | Mr. Jagdish Chander Nakra                                          | Chairman & Managing Director and CEO upto 31 January 2021                                                     |
|        | Mr. B. N. Reddy                                                    | Director (Government Nominee)                                                                                 |
|        | Mr. Sunil Kumar                                                    | Director (Government Nominee)                                                                                 |
|        | Mr. M. Arulmurugan                                                 | Non-Official Independent Director                                                                             |
|        | Mr. Chaman Kumar                                                   | Non-Official Independent Director upto 7 September 2020                                                       |
|        | Mr. Rajesh Kumar Gogna                                             | Non-Official Independent Director upto 7 September 2020                                                       |
|        | Mr. Om Prakash Mishra                                              | Non-Official Independent Director ,CEIL                                                                       |
|        | Ms. Anita Gurjar                                                   | Non-Official Independent Director ,CEIL                                                                       |
|        | Mr. Sunil Bhatia                                                   | Director (Finance) and CFO                                                                                    |
|        | Mr. Sanjeev Kumar Handa                                            | Director (Projects)                                                                                           |
|        | Mr. Ashok Kumar Kalra                                              | Director (Human Resource)                                                                                     |
|        | Smt. Vartika Shukla                                                | Director (Technical) w.e.f. 1 August 2020                                                                     |
|        | Mr. L. K. Vijh                                                     | Director (Technical) upto 31 July 2020                                                                        |
|        | Mr. Amitabh Budhiraja                                              | Director (CEIL)                                                                                               |
|        | Mr. Avneesh Sawhney                                                | Director (CEIL) with effect from 1 September 2020                                                             |
|        | Mr. R. Mahajan                                                     | Director (CEIL) upto 31 August 2020                                                                           |
|        | Mr. G Suresh                                                       | Chief Executive Officer, CEIL                                                                                 |
|        | Mr. Inder Chawla                                                   | CFO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative)<br>with effect from 15 March 2021         |
|        | Mr. Sanjay Jindal                                                  | CFO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative)<br>ceased with effect from 15 March 2021  |
|        | Mr. Basant Kumar Das                                               | Chief Financial Officer, CEIL with effect from 20 January 2021                                                |
|        | Mr. G D Goswami                                                    | Chief Financial Officer, CEIL upto 31 December 2020                                                           |
|        | Mr. S.K. Padhi                                                     | Company Secretary                                                                                             |



| SI No. | Name of the Related Party                                      | Nature of Relationship                                                   |
|--------|----------------------------------------------------------------|--------------------------------------------------------------------------|
| 7.     | Ms. Jaya Totlani                                               | Company Secretary, CEIL                                                  |
|        | <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 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. 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                                                  |

\* 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 | PII#            | Block 2010-11 | Block 2010-8 |           |
| Deputation of employees and reimbursement of expenses (at cost)                              | 31 March 2021 | 487.72                  | -    | -               | -             | -            | 487.72    |
|                                                                                              | 31 March 2020 | 468.41                  | -    | -               | -             | -            | 468.41    |
| Rendering of services and other transactions                                                 | 31 March 2021 | 790.81                  | -    | -               | -             | -            | 790.81    |
|                                                                                              | 31 March 2020 | 837.57                  | -    | -               | -             | -            | 837.57    |
| Equity contribution                                                                          | 31 March 2021 | 2,110.00                | -    | -               | -             | -            | 2,110.00  |
|                                                                                              | 31 March 2020 | 15,283.82               | -    | -               | -             | -            | 15,283.82 |
| Equity /Capital Divestment                                                                   | 31 March 2021 | -                       | 8.39 | -               | -             | -            | 8.39      |
|                                                                                              | 31 March 2020 | -                       | -    | 135.14          | -             | -            | 135.14    |
| (Reversal of Impairment)/impairment in value of investment                                   | 31 March 2021 | -                       | 0.24 | -               | -             | -            | 0.24      |
|                                                                                              | 31 March 2020 | -                       | 0.37 | -               | -             | -            | 0.37      |
| Survey cost, capital expenditure, impairment provision, other costs and dry well written off | 31 March 2021 | -                       | -    | -               | 52.78         | 172.83       | 225.61    |
|                                                                                              | 31 March 2020 | -                       | -    | -               | 1,744.69      | 1,522.97     | 3,267.66  |
| Share of Income/(Expenses)                                                                   | 31 March 2021 | -                       | -    | -               | -             | -            | -         |
|                                                                                              | 31 March 2020 | -                       | -    | 33.98           | -             | -            | 33.98     |

# Petroleum India International ("PII") dissolved on 18 March 2020

**Balances during the year**

(₹ in Lakhs)

| Particulars                                                                        | As at         | Joint Venture Companies |       | Joint Operation |              | Total  |
|------------------------------------------------------------------------------------|---------------|-------------------------|-------|-----------------|--------------|--------|
|                                                                                    |               | RFCL                    | TEIL  | Block 2010-11   | Block 2010-8 |        |
| Outstanding receivables/unbilled/ advances paid/prepaid /deposits and other assets | 31 March 2021 | 602.64                  | -     | 10.00           | 2.72         | 615.36 |
|                                                                                    | 31 March 2020 | 434.01                  | 16.29 | 0.80            | 2.72         | 453.82 |
| Outstanding payable/retentions                                                     | 31 March 2021 | -                       | -     | -               | 126.73       | 126.73 |
|                                                                                    | 31 March 2020 | -                       | -     | 21.31           | 51.33        | 72.64  |
| Intangible assets under development & PPE (net of impairment)                      | 31 March 2021 | -                       | -     | 27.41           | -            | 27.41  |
|                                                                                    | 31 March 2020 | -                       | -     | 26.07           | 70.35        | 96.42  |

**Transactions and balances pertaining to KMP's**

(₹ in Lakhs)

| Particulars                                       | 31 March 2021 | 31 March 2020 |
|---------------------------------------------------|---------------|---------------|
| <b>Transaction during the year</b>                |               |               |
| Remuneration/sitting fees                         | 541.73        | 499.01        |
| Rent paid for residential accommodation           | 1.81          | 2.55          |
| Interest income on loans given                    | 0.03          | -             |
| <b>Balance as at year end</b>                     |               |               |
| Outstanding loans, interest and other receivables | 1.50          | -             |

Chief Executive Officer of CEIL is on deputation from Engineers India Limited (EIL) and the salary for which is paid by EIL. 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 related to Engineers India Limited |                   |               |                           |               |                                           |               |
|--------------------------------------------------------------------------------------------|-------------------|---------------|---------------------------|---------------|-------------------------------------------|---------------|
|                                                                                            | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|                                                                                            | 31 March 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020 |
| Total defined benefit obligation                                                           | 74.35             | 91.43         | 131.25                    | 138.04        | 50.42                                     | 56.76         |

**Unfunded**

(₹ in Lakhs)

| Defined benefit obligation for Key Management Personnel related to Engineers India Limited |                               |               |                                         |               |
|--------------------------------------------------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                                                            | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|                                                                                            | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Total defined benefit obligation                                                           | 0.08                          | 0.04          | 2.14                                    | 2.43          |

(₹ in Lakhs)

| Defined benefit obligation for Key Management Personnel related to Certification Engineers International Limited |                   |               |                             |               |                               |               |
|------------------------------------------------------------------------------------------------------------------|-------------------|---------------|-----------------------------|---------------|-------------------------------|---------------|
|                                                                                                                  | Gratuity (funded) |               | Leave encashment (unfunded) |               | Long service award (unfunded) |               |
|                                                                                                                  | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                 | 31 March 2020 |
| Total defined benefit obligation                                                                                 | 9.23              | 19.84         | 17.80                       | 13.33         | 0.67                          | 0.19          |

**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.

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 2021:

(₹ in Lakhs)

| Particulars                 | Category of ROU asset |          |          | Total    |
|-----------------------------|-----------------------|----------|----------|----------|
|                             | Land                  | Building | Vehicles |          |
| Balance as of 1 April 2020  | 993.39                | 413.81   | 245.72   | 1,652.92 |
| Additions                   | -                     | 169.26   | -        | 169.26   |
| Depreciation                | (13.53)               | (173.34) | (89.55)  | (276.42) |
| Deletion                    | -                     | (4.64)   | -        | (4.64)   |
| Balance as of 31 March 2021 | 979.86                | 405.08   | 156.17   | 1,541.12 |



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>                                    | -                     | <b>176.45</b> | <b>319.27</b> | <b>495.72</b>   |
| 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 2021 | 31 March 2020 |
|-------------------------------|---------------|---------------|
| Current lease liabilities     | 166.42        | 247.91        |
| Non-Current lease liabilities | 235.62        | 244.53        |
| <b>Total</b>                  | <b>402.04</b> | <b>492.44</b> |

The following is the movement in lease liabilities:

(₹ in Lakhs)

| Particulars                          | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--------------------------------------|-----------------------------|-----------------------------|
| <b>Balance at the beginning</b>      | 492.44                      | 503.85                      |
| Additions                            | 169.26                      | 216.55                      |
| Finance cost accrued during the year | 33.39                       | 44.07                       |
| Deletion                             | (5.09)                      | -                           |
| Payment of lease liabilities         | (287.96)                    | (272.03)                    |
| <b>Balance at the end</b>            | <b>402.04</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 2021 | 31 March 2020 |
|-----------------------|---------------|---------------|
| Less than one year    | 206.63        | 278.60        |
| One year to two years | 154.52        | 149.76        |
| More than two years   | 80.53         | 115.59        |
| <b>Total</b>          | <b>441.68</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 ₹ 814.40 Lakhs (previous year: ₹ 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 ₹ 2,072.14 Lakhs (including reimbursement of operating expenditure of ₹ 369.69 Lakhs) (previous year: ₹ 2,330.37 Lakhs (including reimbursement of operating expenditure of ₹ 606.40 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 2021   | 31 March 2020   |
|-----------------------|-----------------|-----------------|
| Less than one year    | 1,099.39        | 1,628.12        |
| One year to two years | 85.67           | 1,126.28        |
| More than two years   | 14.39           | 100.06          |
| <b>Total</b>          | <b>1,199.45</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 ₹ 20,834.87 Lakhs (previous year 31 March 2020: ₹ 16,488.95 Lakhs).

- During the year an amount of ₹ 10.47 Lakhs (previous year: ₹ 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 detailed 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>126.89</b>       | <b>(44.78)</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 ₹ 255.91 Lakhs (including interest) (previous year 31 March 2020: ₹ 237.89 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 2020: ₹ 150.14 Lakhs) 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 ₹ 4,064.57 Lakhs (including interest) (previous year 31 March 2020: ₹ 3,826.84 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 ₹ 32,532.56 Lakhs (including interest) (previous year 31 March 2020: ₹ 30,552.56 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 ₹ 687.68 Lakhs (including interest) (previous year 31 March 2020: ₹ 636.29 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 ₹ 855.20 Lakhs (including interest) (previous year 31 March 2020: ₹ 786.97 Lakhs (including interest)) on 2 May 2019.

Parent Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Taxes dated 30th September 2020 levying tax of ₹ 611.09 Lakhs (including interest) (previous year 31st March 2020: Nil) for the financial year 2015-16.

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:

a) Property, plant and equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 3,249.04 Lakhs (inclusive of taxes wherever applicable) (previous year 31 March 2020: ₹ 109.97 Lakhs (inclusive of taxes wherever applicable)).



- b) Owned Investment property – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to Nil (previous year 31 March 2020: ₹ 14.64 Lakhs (inclusive of taxes wherever applicable)).
- c) 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 2021 is ₹ 4,096.66 Lakhs (previous year 31 March 2020: ₹ 4,190.58 Lakhs).

• **Contingent liabilities and commitments related to Certification Engineers International Limited ('CEIL')**

**A. Contingent liabilities:**

- a) Income Tax assessments have been completed up to the assessment year 2018-2019. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2020-21 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- b) CEIL has opted for Vivad se Vishwas Scheme for the assessment year 2011-12 on 23 March 2020. Form 5 (Final certificate –VSVS) had been issued by Income Tax Department on 5 March 2021.
- c) 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 2020: ₹ 3.05 Lakhs) for the assessment year 2012-13.
- d) 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 2020: ₹ 48.60 Lakhs) in intimation u/s 143(1) for the assessment year 2014-15.
- e) 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 2020: ₹ 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 processing mistakes amounting to ₹ 159.75 Lakhs (inclusive of interest) (Previous Year 31 March 2020: ₹ 7.85 Lakhs (inclusive of interest – Order u/s 143(1))) as demanded in order u/s 143(3) dated 9 April 2021 for the assessment year 2018-19.
- g) CEIL has received rectification order (u/s 154) on 11 May 2021 of short refund of ₹ 2.90 Lakhs (Previous Year 31 March 2020: Nil) for the assessment year 2019-20.
- h) CEIL has filed an appeal against a demand of service tax of ₹ 1,092.02 Lakhs (inclusive of interest and penalty) (Previous Year 31 March 2020: ₹ 1,053.62 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: Nil (previous year 31 March 2020: ₹ 1.20 Lakhs (inclusive of applicable Taxes)).

**Note – 41**

- a) Guarantees issued by the banks and outstanding as on 31 March, 2021: ₹ 72,406.73 Lakhs, inclusive of Expired BG of ₹ 19.75 Lakhs of CEIL (previous year 31 March 2020: ₹ 100,271.41 Lakhs, inclusive of Expired BG of ₹ 14.04 Lakhs of CEIL), against which a provision of ₹ 40,149.82 Lakhs (previous year 31 March 2020: ₹ 37,901.63 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- b) Letter of credit outstanding as on 31 March, 2021: Nil (previous year 31 March 2020: ₹ 1,977.29 Lakhs).
- c) Corporate Guarantees issued by the Group on its behalf for contractual performance and outstanding as on 31 March, 2021: ₹ 15,773.52 Lakhs (previous year 31 March 2020: ₹ 16,486.81 Lakhs).

**Note – 42**

**Land and buildings**

- i) Land and Buildings includes ₹ 0.07 Lakhs (previous year: 31 March 2020: ₹ 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 2021 |      | 31 March 2020 |       |
|--------------------------------------------------------|---------------|------|---------------|-------|
|                                                        | Cost          | WDV  | Cost          | WDV   |
| (a) Four Flats at Naranpura, Ahmedabad                 | 10.31         | 2.80 | 10.31         | 3.05  |
| (b) Two Flats at Viman Nagar, Pune                     | 8.45          | 2.43 | 8.45          | 2.64  |
| (c) Eighty Four Flats at Gokuldharm Goregaon, Mumbai * | -             | -    | 238.19        | 26.66 |
| (d) Six Flats in Andheri East, Mumbai                  | 9.93          | 0.16 | 9.93          | 0.16  |
| (e) One Floor at CBD Belapur, Navi Mumbai              | -             | -    | 101.68        | 34.90 |



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 (c) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldharm, Goregaon (East), Mumbai. Around 4,400 square meter of area only is in the Parent Company's possession. The Parent Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as property, plant and equipment and partially as investment property.

## Note : 43

### Useful life of assets

i) The useful life and depreciation rates for fixed assets in terms of the Accounting Policy defined are as below :

| Sl. No. | Particulars                     | Rates (%age)                                                  | Useful Life (Years)                                           | Sl. No. | Particulars                                                      | Rates (%age) | Useful Life (Years) |
|---------|---------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------|------------------------------------------------------------------|--------------|---------------------|
| 1.      | <b>Land Freehold</b>            | Nil                                                           | Perpetual                                                     | 4.      | <b>Plant and Machinery</b>                                       |              |                     |
| 2.      | <b>Land Leasehold</b>           | Over a lease period except for perpetual lease Nil percentage | Over a lease period except for perpetual lease Nil percentage |         | Plant and Machinery                                              | 8.0          | 12                  |
| 3.      | <b>Building</b>                 |                                                               |                                                               |         | Laboratory Equipment                                             | 9.6          | 10                  |
|         | Office Building                 | 2.4                                                           | 40                                                            |         | Storage Tank                                                     | 6.0          | 16                  |
|         | R&D Centre, Gurgaon             | 4.0                                                           | 24                                                            | 5.      | <b>Furniture and Fixtures, Office and Construction Equipment</b> |              |                     |
|         | Window/Split AC                 | 15.84                                                         | 6                                                             |         | Furniture and Fixtures                                           | 9.6          | 10                  |
|         | AC Central Plant                | 6.5                                                           | 15                                                            |         | Chairs                                                           | 16.0         | 6                   |
|         | Lifts                           | 6.5                                                           | 15                                                            |         | Office Equipment                                                 | 19.2         | 5                   |
|         | Electric Power Sub Station      | 9.6                                                           | 10                                                            |         | Construction Equipment                                           | 12.0         | 8                   |
|         | Invertors                       | 19.2                                                          | 5                                                             |         |                                                                  |              |                     |
|         | Solar photovoltaic modules      | 9.6                                                           | 10                                                            | 6.      | <b>Computer Software/ Hardware</b>                               |              |                     |
|         | Solar power conditioning system | 9.6                                                           | 10                                                            |         | PC/Laptop/Printer                                                | 32.43        | 3                   |
|         | Tube well and Pumps             | 19                                                            | 5                                                             |         | Server, LAN and Networking Components                            | 19.45        | 5                   |
|         | Fire Alarm System               | 6.52                                                          | 15                                                            |         | Projector, Video Conference Equipments                           | 19.20        | 5                   |
|         | Fire Fighting System            | 9.5                                                           | 10                                                            |         | Software *                                                       | 33.33        | 3                   |
|         | Chilling Plant                  | 9.6                                                           | 10                                                            | 7.      | <b>Vehicles</b>                                                  | 13.75        | 7                   |
|         | Rain Harvesting System          | 19.20                                                         | 5                                                             |         |                                                                  |              |                     |
|         | Building Management System      | 6.5                                                           | 15                                                            | 8.      | <b>Library Books</b>                                             | 100          | 1                   |
|         | Hydraulic Access Control System | 6.5                                                           | 15                                                            |         |                                                                  |              |                     |
|         | Roads                           | 9.6                                                           | 10                                                            |         |                                                                  |              |                     |
|         | External Lighting               | 9.6                                                           | 10                                                            |         |                                                                  |              |                     |

\* Software individually costing up to ₹ 5.00 Lakhs is fully amortized during the year of its acquisition.

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 2021 | 31 March 2020 |
|-------------------------------------------------------------------------------------------------------|---------------|---------------|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date | 108.55        | 213.60        |
| <b>Total</b>                                                                                          | <b>108.55</b> | <b>213.60</b> |

## Note : 44

The details of revenue are as below:

(₹ in Lakhs)

| Particulars             | 31 March 2021      | 31 March 2020      |
|-------------------------|--------------------|--------------------|
| Revenue from Operations | 3,14,416.94        | 3,23,653.63        |
| Other Income            | 18,877.69          | 25,553.60          |
| <b>Total Revenue</b>    | <b>3,33,294.63</b> | <b>3,49,207.23</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 2021      | 31 March 2020      |
|----------------------------------------|--------------------|--------------------|
| <b>Revenue by nature of services</b>   |                    |                    |
| Consultancy and engineering projects   | 1,38,332.11        | 1,56,531.02        |
| Turnkey projects                       | 1,72,136.67        | 1,63,774.06        |
| <b>Total</b>                           | <b>3,10,468.78</b> | <b>3,20,305.08</b> |
| <b>Revenues by geographical region</b> |                    |                    |
| India                                  | 2,76,061.74        | 2,84,152.64        |
| Nigeria                                | 27,102.62          | 30,279.93          |
| United Arab Emirates (UAE)             | 3,366.26           | 2,715.08           |
| Oman                                   | 507.14             | 1,168.01           |
| Mongolia                               | 2,935.98           | 1,164.55           |
| Others                                 | 495.04             | 824.87             |
| <b>Total</b>                           | <b>3,10,468.78</b> | <b>3,20,305.08</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 2021 | 31 March 2020 |
|-------------------------------------------------------------------------------------------------|---------------|---------------|
| Trade Receivables (Note No. 14) – Net of Allowance for expected credit losses                   | 51,844.20     | 66,614.60     |
| Contract Assets (Unbilled Revenue) (Note No. 9 B) – Net of Allowance for expected credit losses | 29,811.17     | 26,647.08     |
| Contract Liabilities (Income Received in Advance) (Note No. 21 B)                               | 87,068.21     | 1,18,204.10   |

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.

#### Disclosure related to Engineers India Limited (Parent Company)

During the year ended 31 March 2021 and 31 March 2020, ₹ 15,765.06 Lakhs and ₹ 31,982.33 Lakhs of Contract assets (unbilled revenue) as of 1 April 2020 and 1 April 2019 respectively has been reclassified to Trade receivables upon billing to customers.

During the year ended 31 March 2021 and 31 March 2020, the company recognized revenue of ₹ 92,008.39 Lakhs and ₹ 79,204.54 Lakhs arising from opening Contract liabilities (Income Received in Advance) as of 1 April 2020 and 1 April 2019 respectively.

During the year ended March 31, 2021, the company recognized revenue of Nil (previous year : ₹ 9,662.03 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 2021 is ₹ 7,98,194.05 Lakhs. Out of this, the Company expects to recognize revenue of around 43% 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 2020 is ₹ 9,55,543.00 Lakhs.

#### The revenue recognised with the contracted price of Parent Company is as follows:

(₹ in Lakhs)

| Particulars                                          | 31 March 2021 | 31 March 2020 |
|------------------------------------------------------|---------------|---------------|
| Contracted price                                     | 3,29,168.99   | 3,29,569.69   |
| Reduction towards variable consideration components* | 18,700.21     | 9,264.61      |
| Revenue recognised                                   | 3,10,468.78   | 3,20,305.08   |

\* 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.

#### Disclosure related to Certification Engineers International Limited ('CEIL')

The following table provides information about Trade receivable, Contract assets and Contract Liabilities from Contract with Customers:

(₹ in Lakhs)

| Particulars                                                     | 31 March 2021 | 31 March 2020 |
|-----------------------------------------------------------------|---------------|---------------|
| Trade Receivables – Net of Allowance for expected credit losses | 1,651.57      | 1,934.56      |
| Contract Assets ( Unbilled Revenue)                             | 600.51        | 419.52        |
| Contract Liabilities ( Income Received in Advance)              | 124.69        | 112.51        |

During the year ended March 31, 2021, ₹ 419.52 Lakhs of unbilled revenue as of April 1, 2020 (Previous year ₹ 446.63 Lakhs) has been reclassified to Trade receivables by CEIL upon billing to customers.

During the year ended March 31, 2021, CEIL recognized revenue of ₹ 112.51 Lakhs arising from opening unearned revenue as of April 1, 2020 (Previous year ₹ 202.54 Lakhs)

During the year ended March 31, 2021, CEIL recognised revenue of ₹ 3.09 Lakhs ((Previous year ₹ 1.46 Lakhs) from obligations satisfied in previous periods.

#### Remaining performance obligations of CEIL

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 CEIL 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 2021 is ₹ 4253.47 Lakhs (Previous year ₹ 4305.91 Lakhs). Out of this, the CEIL expects to recognize revenue of around 35% within the next one year and the remaining thereafter.

#### **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, the impact on account of expected delay has already been considered in the recognition of revenue. Moving forward, management expects no significant impact on the continuity of operations of the business on long term basis.

## **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 2020: ₹ 1,500 lakhs) and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2020: ₹ 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 2020 ₹ 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 2020, the Company's share of negative 'other equity' of ₹ 541.37 Lakhs has been accounted for as impairment in value of investment.

During the current financial year 2020-21, TEIL had a net loss of ₹ 0.48 lakhs. The Company's share of loss of ₹ 0.24 lakhs has been recorded as impairment in value of investments.

During the current year, ₹ 8.39 lakhs towards final distribution of remaining funds of TEIL on account of return of Share capital of Company has been received by the Company.

#### **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 2020: ₹ 200,000 Lakhs) consisting 20,000 Lakhs (previous year: 31 March 2020: 20,000 Lakhs) equity shares of face value of ₹ 10 each.

The Shareholding of the RFCL, on the finalisation of project cost and requirement of equity for funding the project cost 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 A/s: 3.90%

Danish Agribusiness Fund IK/S: 3.90%

Investment Fund For Developing Countries: 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. 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.

Till financial year 2019-20 revised project was estimated to ₹ 6,12,055.00 Lakhs, to be funded through equity of ₹ 1,72,163.00 Lakhs to FCIL was worked out at ₹ 18,938 Lakhs. During the Financial year 2020-21 project cost estimate was revised to ₹ 6,33,816.00 Lakhs to be funded through equity of ₹ 1,89,025.00 Lakhs and accordingly additional equity of ₹ 1,854.37 Lakhs to be issued to FCIL and same has been treated as consideration of leasehold land. Thus, total equity issuance to FCIL based on revised project cost will be ₹ 20,793 Lakhs.





The paid up capital by Joint Venture Partners as on 31 March 2021 is as under:

(in Lakhs)

| Shareholder                   | 31 March 2021                                 |                       | 31 March 2020                                 |                       |
|-------------------------------|-----------------------------------------------|-----------------------|-----------------------------------------------|-----------------------|
|                               | 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                           | 4,476.28                                      | ₹ 44,762.82           | 3,415.28                                      | ₹ 34,152.82           |
| NFL                           | 4,476.28                                      | ₹ 44,762.82           | 3,415.28                                      | ₹ 34,152.82           |
| FCIL                          | 1,893.93                                      | ₹ 18,939.27           | 1,444.93                                      | ₹ 14,449.27           |
| State Government of Telangana | 1,440.47                                      | ₹ 14,404.74           | 1,300.47                                      | ₹ 13,004.73           |
| GAIL (India) Limited          | 2,461.91                                      | ₹ 24,619.05           | 1,878.41                                      | ₹ 18,784.05           |
| Others                        | 2,014.18                                      | ₹ 20,141.77           | 1,536.88                                      | ₹ 15,368.77           |
| <b>Total</b>                  | <b>16,763.05</b>                              | <b>₹ 1,67,630.47</b>  | <b>12,991.25</b>                              | <b>₹ 1,29,912.46</b>  |

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

| Particulars                                                                 | 31 March 2021      | 31 March 2020      |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| Cash and cash equivalents                                                   | 2,405.76           | 14,529.44          |
| Other Current assets                                                        | 11,820.15          | 7,700.43           |
| <b>Total Current assets (A)</b>                                             | <b>14,225.91</b>   | <b>22,229.87</b>   |
| <b>Non-current assets (B)</b>                                               | <b>5,77,844.53</b> | <b>4,78,061.84</b> |
| Current financial liabilities(excluding trade payables and provisions)      | 18,783.09          | 5,946.75           |
| Trade payables and provisions                                               | 31,365.34          | 17,372.66          |
| Other Current liabilities                                                   | 1,797.92           | 435.07             |
| <b>Total Current liabilities (C)</b>                                        | <b>51,946.35</b>   | <b>23,754.48</b>   |
| Non current financial liabilities (excluding trade payables and provisions) | 3,79,253.51        | 3,40,002.72        |
| Other Non current liabilities                                               | 4,765.82           | 4,909.04           |
| <b>Total Non-current liabilities (D)</b>                                    | <b>3,84,019.33</b> | <b>3,44,911.76</b> |
| <b>Net assets (A+B-C-D)</b>                                                 | <b>1,56,104.76</b> | <b>131,625.47</b>  |
| <b>Net assets recognised in consolidated financial statements</b>           | <b>41,685.46</b>   | <b>40,868.52</b>   |

Summarised Statement of Profit and Loss

(₹ in Lakhs)

| Particulars                             | 31 March 2021     | 31 March 2020     |
|-----------------------------------------|-------------------|-------------------|
| Interest income                         | 551.31            | 406.10            |
| Other income                            | 490.70            | 467.42            |
| <b>Total revenue (A)</b>                | <b>1,042.01</b>   | <b>873.52</b>     |
| Depreciation and Amortization           | 695.90            | 3.74              |
| Interest Expenses                       | 789.90            | 627.90            |
| Other expense                           | 5,512.13          | 4,059.72          |
| <b>Total expenses (B)</b>               | <b>6,997.93</b>   | <b>4,691.36</b>   |
| Profit before tax (C = A-B)             | (5,955.92)        | (3,817.84)        |
| Tax expense (D)                         | (1,257.93)        | -                 |
| <b>Loss for the year (E = C-D)</b>      | <b>(4,697.99)</b> | <b>(3,817.84)</b> |
| Other comprehensive income (F)          | (0.16)            | (0.11)            |
| <b>Total Comprehensive Income (E+F)</b> | <b>(4,698.15)</b> | <b>(3817.95)</b>  |

## Note : 47

### Employee benefits

#### Disclosure related to Engineers India Limited (Parent Company)

##### Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

(₹ in Lakhs)

| Particulars                                                      | 31 March 2021 | 31 March 2020 |
|------------------------------------------------------------------|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995* | 7,305.41      | 6,992.93      |
| Employees Defined Contributory Superannuation Scheme             | 6,078.13      | 3,716.81      |

\* The employee benefit of PF is administered through a separate EIL Employees Provident Fund Trust. Out of the investments made by PF Trust in the past, some issuers of securities have defaulted in interest payments and / or principal repayments. Company, as principal employer under the Provident fund regulations has to make good the loss in value of these investments. The cumulative interest and principal default upto 31 March 2021 has been of ₹ 3,355.27 Lakhs. Out of which ₹ 1,725.17 Lakhs and ₹ 1,630.10 Lakhs has been provided in books as Accrued provident fund liability as on 31 March 2021 and 31 March 2020 respectively.

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, 2021 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 2021 and 31 March 2020.

The details of fund obligations are given below:

(₹ in Lakhs)

| Particulars                 | 31 March 2021 | 31 March 2020 |
|-----------------------------|---------------|---------------|
| Present value of obligation | 1,61,035.40   | 1,67,433.06   |

##### 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 2021     | 31 March 2020   | 31 March 2021             | 31 March 2020   | 31 March 2021                             | 31 March 2020   |
| Present value of obligations as at the end of year       | 21,788.93         | 21,600.78       | 25,730.58                 | 22,500.50       | 25,013.13                                 | 23,845.84       |
| Fair value of plan assets as at the end of the year      | 21,133.69         | 19,854.41       | 21,719.78                 | 18,085.47       | 23,638.82                                 | 20,836.88       |
| Funded status                                            | (655.24)          | (1,746.37)      | (4,010.80)                | (4,415.03)      | (1,374.31)                                | (3,008.96)      |
| <b>Net (asset)/liability recognized in balance sheet</b> | <b>655.24</b>     | <b>1,746.37</b> | <b>4,010.80</b>           | <b>4,415.03</b> | <b>1,374.31</b>                           | <b>3,008.96</b> |

## b) Expenses recognized in Statement of Profit and Loss

(₹ in Lakhs)

|                                                            | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |               |
|------------------------------------------------------------|-------------------|-----------------|---------------------------|-----------------|-------------------------------------------|---------------|
|                                                            | 31 March 2021     | 31 March 2020   | 31 March 2021             | 31 March 2020   | 31 March 2021                             | 31 March 2020 |
| Current service cost                                       | 1,246.44          | 1,194.13        | 3,854.55                  | 3,695.88        | 442.39                                    | 418.58        |
| Past service cost                                          | -                 | -               | -                         | -               | -                                         | -             |
| Interest cost on defined benefit obligation                | 1,468.85          | 1,560.10        | 1,530.03                  | 1,422.01        | 1,621.52                                  | 1,586.13      |
| Interest income on plan assets                             | (1,350.10)        | (1,529.42)      | (1,229.81)                | (1,079.34)      | (1,416.91)                                | (1,483.39)    |
| Re-measurements                                            | -                 | -               | (144.29)                  | 483.36          | -                                         | -             |
| <b>Expenses recognized in statement of profit and loss</b> | <b>1,365.19</b>   | <b>1,224.81</b> | <b>4,010.48</b>           | <b>4,521.91</b> | <b>647.00</b>                             | <b>521.32</b> |

## c) Expenses recognized in Other Comprehensive Income

(₹ in Lakhs)

|                                                          | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |                 |
|----------------------------------------------------------|-------------------|---------------|---------------------------|---------------|-------------------------------------------|-----------------|
|                                                          | 31 March 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020   |
| Return on plan assets                                    | (80.07)           | 80.02         | -                         | -             | (181.22)                                  | (5.88)          |
| Actuarial (gains)/loss                                   | (609.71)          | 443.28        | -                         | -             | 908.53                                    | 2,643.01        |
| <b>Expenses recognized in other comprehensive income</b> | <b>(689.78)</b>   | <b>523.30</b> | <b>-</b>                  | <b>-</b>      | <b>727.31</b>                             | <b>2,637.13</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 2021     | 31 March 2020    | 31 March 2021             | 31 March 2020    | 31 March 2021                             | 31 March 2020    |
| Present value of obligations as at beginning of year  | 21,600.78         | 20,527.63        | 22,500.50                 | 18,710.62        | 23,845.84                                 | 20,870.11        |
| Interest cost                                         | 1,468.85          | 1,560.10         | 1,530.03                  | 1,422.01         | 1,621.52                                  | 1,586.13         |
| Current service cost                                  | 1,246.44          | 1,194.13         | 3,854.55                  | 3,695.88         | 442.39                                    | 418.58           |
| Actuarial (gains)/losses arising from                 |                   |                  |                           |                  |                                           |                  |
| Changes in demographic assumptions                    | -                 | 6.48             | -                         | 5.65             | -                                         | 4.77             |
| Changes in financial assumptions                      | -                 | 1,287.36         | -                         | 785.31           | -                                         | 1,995.97         |
| Experience adjustments                                | (609.71)          | (850.55)         | 65.59                     | (164.12)         | 908.53                                    | 642.27           |
| Past service cost                                     | -                 | -                | -                         | -                | -                                         | -                |
| Benefits paid                                         | (1,917.43)        | (2,124.37)       | (2,220.09)                | (1,847.82)       | (1,805.15)                                | (1,522.40)       |
| Benefits paid directly by employer                    | -                 | -                | -                         | (107.03)         | -                                         | (149.59)         |
| <b>Present value of obligations as at end of year</b> | <b>21,788.93</b>  | <b>21,600.78</b> | <b>25,730.58</b>          | <b>22,500.50</b> | <b>25,013.13</b>                          | <b>23,845.84</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 2021     | 31 March 2020    | 31 March 2021             | 31 March 2020    | 31 March 2021                             | 31 March 2020    |
| Fair value of plan assets as on beginning of year                                                      | 19,854.41         | 20,124.00        | 18,085.47                 | 14,201.86        | 20,836.88                                 | 19,518.21        |
| Interest income                                                                                        | 1,350.10          | 1,529.42         | 1,229.81                  | 1,079.34         | 1,416.91                                  | 1,483.38         |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense) | 80.07             | (80.01)          | 209.89                    | 143.48           | 181.22                                    | 5.88             |
| Contributions from the employer                                                                        | 1,766.54          | 405.37           | 4,521.73                  | 4,508.61         | 3,158.55                                  | 1,351.81         |
| Received from Fund for Benefits paid directly by employer through provision                            | -                 | -                | (107.03)                  | -                | (149.59)                                  | -                |
| Benefits paid                                                                                          | (1,917.43)        | (2,124.37)       | (2,220.09)                | (1,847.82)       | (1,805.15)                                | (1,522.40)       |
| <b>Fair value of plan assets at the end of year</b>                                                    | <b>21,133.69</b>  | <b>19,854.41</b> | <b>21,719.78</b>          | <b>18,085.47</b> | <b>23,638.82</b>                          | <b>20,836.88</b> |

## f) Actuarial Assumptions

|                                         | Gratuity (funded) |                 | Leave encashment (funded) |                 | Post-retirement medical benefits (funded) |               |
|-----------------------------------------|-------------------|-----------------|---------------------------|-----------------|-------------------------------------------|---------------|
|                                         | 31 March 2021     | 31 March 2020   | 31 March 2021             | 31 March 2020   | 31 March 2021                             | 31 March 2020 |
| Discount rate                           | 6.80%             | 6.80%           | 6.80%                     | 6.80%           | 6.80%                                     | 6.80%         |
| Expected rate of future salary increase | 9.00%             | 9.00%           | 9.00%                     | 9.00%           | -                                         | -             |
| Increase in compensation levels         | -                 | -               | -                         | -               | 8.50%                                     | 8.50%         |
| <b>Retirement age</b>                   | <b>60 years</b>   | <b>60 years</b> | <b>60 years</b>           | <b>60 years</b> | <b>-</b>                                  | <b>-</b>      |

Mortality rates inclusive of provision for disability -100% of IALM (2012 - 14).



## g) Maturity profile of defined benefit obligation

(₹ in Lakhs)

|                                                    | Gratuity (funded) |                  | Leave encashment (funded) |                  | Post-retirement medical benefits (funded) |                  |
|----------------------------------------------------|-------------------|------------------|---------------------------|------------------|-------------------------------------------|------------------|
|                                                    | 31 March 2021     | 31 March 2020    | 31 March 2021             | 31 March 2020    | 31 March 2021                             | 31 March 2020    |
| Weighted average of the defined benefit obligation | 13.53 years       | 13.42 years      | 13.53 years               | 13.42 years      | 13.53 years                               | 13.42 years      |
| Duration of defined benefit obligation             |                   |                  |                           |                  |                                           |                  |
| Duration (years)                                   |                   |                  |                           |                  |                                           |                  |
| 1                                                  | 1,962.75          | 2,509.01         | 2,020.77                  | 2,416.79         | 1,909.11                                  | 1,718.35         |
| 2                                                  | 1,689.79          | 1,505.51         | 1,785.63                  | 1,741.14         | 2,073.97                                  | 1,828.02         |
| 3                                                  | 1,589.33          | 1,514.02         | 1,758.23                  | 1,605.30         | 2,183.71                                  | 1,924.75         |
| 4                                                  | 1,404.07          | 1,423.51         | 1,575.18                  | 1,553.84         | 2,273.46                                  | 2,058.28         |
| 5                                                  | 1,198.09          | 1,269.16         | 1,432.41                  | 1,397.84         | 2,364.01                                  | 2,200.02         |
| Above 5                                            | 13,944.90         | 13,379.57        | 17,158.36                 | 13,785.59        | 14,208.87                                 | 14,116.42        |
| <b>Total</b>                                       | <b>21,788.93</b>  | <b>21,600.78</b> | <b>25,730.58</b>          | <b>22,500.50</b> | <b>25,013.13</b>                          | <b>23,845.84</b> |
| Duration of defined benefit payments               |                   |                  |                           |                  |                                           |                  |
| Duration (years)                                   |                   |                  |                           |                  |                                           |                  |
| 1                                                  | 2,049.17          | 2,619.49         | 2,109.74                  | 2,508.52         | 1,965.55                                  | 1,718.35         |
| 2                                                  | 1,922.97          | 1,713.26         | 2,032.04                  | 1,944.48         | 2,263.40                                  | 1,924.83         |
| 3                                                  | 1,971.42          | 1,814.06         | 2,180.93                  | 1,928.95         | 2,526.15                                  | 2,097.61         |
| 4                                                  | 1,898.38          | 1,833.54         | 2,129.73                  | 2,008.94         | 2,787.77                                  | 2,321.64         |
| 5                                                  | 1,765.67          | 1,757.34         | 2,110.99                  | 1,944.53         | 3,072.74                                  | 2,568.37         |
| Above 5                                            | 40,949.31         | 38,182.54        | 35,694.48                 | 27,631.42        | 86,799.28                                 | 88,489.90        |
| <b>Total</b>                                       | <b>50,556.92</b>  | <b>47,920.23</b> | <b>46,257.91</b>          | <b>37,966.84</b> | <b>99,414.89</b>                          | <b>99,120.70</b> |

## h) Major Categories of Plan Assets (as percentage of total plan assets)

(₹ in Lakhs)

|                         | Gratuity (funded) |               | Leave encashment (funded) |               | Post-retirement medical benefits (funded) |               |
|-------------------------|-------------------|---------------|---------------------------|---------------|-------------------------------------------|---------------|
|                         | 31 March 2021     | 31 March 2020 | 31 March 2021             | 31 March 2020 | 31 March 2021                             | 31 March 2020 |
| 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in discount rate        | +/-1%                | +/-1%         | 1,968.95                               | 1,920.13      | 1,820.36                               | 1,774.27      |
| Expected rate of future salary increase     | +/-1%                | +/-1%         | 320.26                                 | 312.33        | 333.29                                 | 333.40        |

(₹ 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in discount rate                | +/-1%                | +/-1%         | 1,498.40                               | 1,112.10      | 1,328.44                               | 1,092.45      |
| Expected rate of future salary increase             | +/-1%                | +/-1%         | 1,430.18                               | 1,162.40      | 1,324.82                               | 1,083.64      |

(₹ 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in discount rate                                | +/-1%                | +/-1%         | 3,584.06                               | 3,416.80      | 2,838.85                               | 2,706.37      |
| Expected rate of future salary increase                             | +/-1%                | +/-1%         | 3,067.66                               | 2,924.50      | 2,448.62                               | 2,334.35      |

\*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 benefit 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 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Present value of obligations as at the end of year | 120.71                        | 110.22        | 251.77                                  | 259.68        |
| Net (asset)/liability recognized in balance sheet  | 120.71                        | 110.22        | 251.77                                  | 259.68        |

##### b) Expenses recognized in Statement of Profit and Loss

(₹ in Lakhs)

|                                                     | Long service award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|-----------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                     | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Current service cost                                | 9.20                          | 8.67          | 13.95                                   | 14.07         |
| Past Service Cost                                   | -                             | -             | -                                       | -             |
| Interest cost                                       | 7.49                          | 7.41          | 17.66                                   | 19.69         |
| Re-measurements                                     | 1.64                          | 3.14          | -                                       | -             |
| Expenses recognized in statement of profit and loss | 18.33                         | 19.22         | 31.61                                   | 33.76         |



## c) Expenses recognized in Other Comprehensive Income

(₹ in Lakhs)

|                                                   | Long Service Award (unfunded) |               | Other benefits on Retirement (unfunded) |               |
|---------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                   | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Return on plan assets                             | -                             | -             | -                                       | -             |
| Actuarial (gains)/losses                          | -                             | -             | (5.27)                                  | 3.18          |
| Expenses recognized in Other Comprehensive Income | -                             | -             | (5.27)                                  | 3.18          |

## d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

|                                                             | Long Service Award (unfunded) |               | Other benefits on Retirement (unfunded) |               |
|-------------------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                             | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Present value of obligations as at beginning of year        | 110.22                        | 97.52         | 259.68                                  | 259.04        |
| Interest cost                                               | 7.49                          | 7.41          | 17.66                                   | 19.69         |
| Current service cost                                        | 9.20                          | 8.67          | 13.95                                   | 14.07         |
| Actuarial (gains)/losses arising from                       |                               |               |                                         |               |
| Changes in demographic assumptions                          | -                             | (0.06)        | -                                       | (0.06)        |
| Changes in financial assumptions                            | -                             | 4.65          | -                                       | 14.68         |
| Experience adjustments                                      | 1.64                          | (1.45)        | (5.27)                                  | (11.43)       |
| Past service cost, including losses/(gains) on Curtailments | -                             | -             | -                                       | -             |
| Benefits paid                                               | (7.84)                        | (6.52)        | (34.25)                                 | (36.31)       |
| <b>Present value of obligations as at end of year</b>       | <b>120.71</b>                 | <b>110.22</b> | <b>251.77</b>                           | <b>259.68</b> |

## e) Actuarial Assumptions

|                                 | Long Service Award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|---------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                 | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Discount rate                   | 6.80%                         | 6.80%         | 6.80%                                   | 6.80%         |
| Increase in compensation levels | -                             | -             | 5.00%                                   | 5.00%         |

Mortality rates inclusive of provision for disability -100% of IALM (2012 - 14).



**f) Maturity profile of defined benefit obligation**

(₹ in Lakhs)

|                                                    | Long Service Award (unfunded) |               | Other benefits on retirement (unfunded) |               |
|----------------------------------------------------|-------------------------------|---------------|-----------------------------------------|---------------|
|                                                    | 31 March 2021                 | 31 March 2020 | 31 March 2021                           | 31 March 2020 |
| Weighted average of the defined benefit obligation | 13.57 years                   | 13.42 years   | 13.57 years                             | 13.42 years   |
| Duration of defined benefit obligation             |                               |               |                                         |               |
| Duration (years)                                   |                               |               |                                         |               |
| 1                                                  | 12.50                         | 9.75          | 18.65                                   | 33.27         |
| 2                                                  | 19.76                         | 11.26         | 21.38                                   | 17.15         |
| 3                                                  | 19.20                         | 17.03         | 20.70                                   | 15.86         |
| 4                                                  | 14.02                         | 17.69         | 17.78                                   | 19.80         |
| 5                                                  | 12.82                         | 17.03         | 14.50                                   | 18.03         |
| Above 5                                            | 42.41                         | 37.46         | 158.76                                  | 155.57        |
| <b>Total</b>                                       | <b>120.71</b>                 | <b>110.22</b> | <b>251.77</b>                           | <b>259.68</b> |
| Duration of defined benefit payments               |                               |               |                                         |               |
| Duration (years)                                   |                               |               |                                         |               |
| 1                                                  | 12.87                         | 9.91          | 19.20                                   | 34.52         |
| 2                                                  | 21.57                         | 12.39         | 23.33                                   | 19.14         |
| 3                                                  | 22.21                         | 20.23         | 23.95                                   | 19.04         |
| 4                                                  | 17.19                         | 22.66         | 21.80                                   | 25.59         |
| 5                                                  | 16.67                         | 23.56         | 19.41                                   | 25.06         |
| Above 5                                            | 109.43                        | 93.62         | 519.23                                  | 492.30        |
| <b>Total</b>                                       | <b>199.94</b>                 | <b>182.37</b> | <b>626.92</b>                           | <b>615.65</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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in discount rate                  | +/-1%                | +/-1%         | 7.24                                   | 7.04          | 6.76                                   | 6.74          |

(₹ 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 2021        | 31 March 2020 | 31 March 2021                          | 31 March 2020 | 31 March 2021                          | 31 March 2020 |
| Increase/(Decrease) in discount rate                            | +/-1%                | +/-1%         | 21.52                                  | 21.87         | 18.66                                  | 18.96         |
| Expected rate of future salary increase                         | +/-1%                | +/-1%         | 21.48                                  | 21.92         | 18.50                                  | 19.01         |

**\*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 2021 | 31 March 2020 |
|-----------------------------------------------------------------|---------------|---------------|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 123.70        | 118.51        |
| Contributory National Pension System (NPS)                      | 71.99         | 67.74         |

### 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 2021 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 risk |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 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 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Present value of obligations as at the end of year       | 427.43            | 421.68        | 665.47                      | 582.19        | 25.93                          | 22.79         |
| Fair value of plan assets as at the end of the year      | 429.62            | 377.34        | -                           | -             | -                              | -             |
| Amount Not Recognised due to asset limit                 | -                 | -             | -                           | -             | -                              | -             |
| Funded status                                            | (2.19)            | 44.34         | (665.47)                    | (582.19)      | (25.93)                        | (22.79)       |
| <b>Net (asset)/liability recognized in Balance Sheet</b> | <b>(2.19)</b>     | <b>44.34</b>  | <b>665.47</b>               | <b>582.19</b> | <b>25.93</b>                   | <b>22.79</b>  |

### b) Expenses recognized in Statement of Profit and Loss

(₹ in Lakhs)

|                                                            | Gratuity (funded) |               | Leave Encashment (unfunded) |               | Long Service Awards (unfunded) |               |
|------------------------------------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                                            | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Current service cost                                       | 10.88             | 11.79         | 122.47                      | 115.94        | 2.38                           | 2.19          |
| Past service cost                                          | -                 | -             | 47.11                       | -             | -                              | -             |
| Interest on net benefit asset/liability                    | 2.67              | (1.68)        | 38.27                       | 37.02         | 1.44                           | 1.45          |
| Re-measurements gains/losses                               | -                 | -             | (8.86)                      | 44.92         | 0.17                           | 1.28          |
| <b>Expenses recognized in statement of profit and loss</b> | <b>13.55</b>      | <b>10.11</b>  | <b>198.99</b>               | <b>197.88</b> | <b>3.99</b>                    | <b>4.92</b>   |

## c) Expenses recognized in Other Comprehensive Income

(₹ in Lakhs)

|                                                          | Gratuity (funded) |               | Leave Encashment (unfunded) |               | Long Service Awards (unfunded) |               |
|----------------------------------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                                          | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Actuarial (gains)/loss                                   |                   |               |                             |               |                                |               |
| Change in financial assumption                           | (8.76)            | 55.34         | -                           | -             | -                              | -             |
| Change in demographic assumption                         | -                 | (0.22)        | -                           | -             | -                              | -             |
| Experience adjustments                                   | (4.18)            | 2.70          | -                           | -             | -                              | -             |
| Actual return on plan assets                             | (2.06)            | 1.07          | -                           | -             | -                              | -             |
| Adjustments to recognise the effect of asset ceiling     | -                 | (1.16)        | -                           |               |                                |               |
| <b>Expenses recognized in Other Comprehensive Income</b> | <b>(15.00)</b>    | <b>55.73</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 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Present value of obligations as at beginning of year  | 421.68            | 331.02        | 582.19                      | 493.62        | 22.79                          | 18.90         |
| Interest cost                                         | 27.82             | 25.65         | 38.27                       | 37.02         | 1.44                           | 1.45          |
| Current service cost                                  | 10.88             | 11.79         | 122.47                      | 115.94        | 2.38                           | 2.19          |
| Past service cost                                     | -                 | -             | 47.11                       | -             | -                              | -             |
| Actuarial (gain)/loss on obligations                  | (12.95)           | 55.82         | (8.86)                      | 44.91         | 0.17                           | 1.28          |
| Benefit paid                                          | (20.00)           | (2.60)        | (115.71)                    | (109.30)      | (0.85)                         | (1.03)        |
| <b>Present value of obligations as at end of year</b> | <b>427.43</b>     | <b>421.68</b> | <b>665.47</b>               | <b>582.19</b> | <b>25.93</b>                   | <b>22.79</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 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Fair value of plan assets as on beginning of year                                | 377.34            | 353.61        | -                           | -             | -                              | -             |
| Interest on plan assets                                                          | 25.15             | 27.40         | -                           | -             | -                              | -             |
| Re-measurements due to actual return on plan assets less interest on plan assets | 2.06              | (1.07)        | -                           | -             | -                              | -             |
| Contributions                                                                    | 45.07             | -             | -                           | -             | -                              | -             |
| Benefits paid                                                                    | (20.00)           | (2.60)        | -                           | -             | -                              | -             |
| <b>Fair value of plan assets at the end of year</b>                              | <b>429.62</b>     | <b>377.34</b> | <b>-</b>                    | <b>-</b>      | <b>-</b>                       | <b>-</b>      |


**f) Actuarial Assumptions**

|                                         | Gratuity (funded) |               | Leave Encashment (unfunded) |               | Long Service Awards (unfunded) |               |
|-----------------------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                                         | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Discount rate                           | 6.95%             | 6.80%         | 6.95%                       | 6.80%         | 6.95%                          | 6.80%         |
| 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 2021     | 31 March 2020 | 31 March 2021                              | 31 March 2020 | 31 March 2021                                | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Weighted average of the defined benefit obligation | 13.49 Years       | 13.79 Years   | 12.20 Years                                | 12.55 Years   | 8.76 Years                                   | 7.70 Years    | 4.81 Years                     | 4.95 Years    |
| Duration of defined benefit obligation             |                   |               |                                            |               |                                              |               |                                |               |
| Duration (years)                                   |                   |               |                                            |               |                                              |               |                                |               |
| 1                                                  | 5.97              | 25.07         | 15.82                                      | 25.21         | 14.70                                        | 13.60         | 4.00                           | 3.25          |
| 2                                                  | 5.94              | 5.68          | 16.31                                      | 14.78         | 15.06                                        | 13.04         | 6.05                           | 0.92          |
| 3                                                  | 6.24              | 5.65          | 17.13                                      | 15.26         | 15.45                                        | 13.33         | 3.03                           | 5.47          |
| 4                                                  | 7.00              | 5.94          | 18.26                                      | 16.04         | 15.85                                        | 13.64         | 0.71                           | 2.72          |
| 5                                                  | 7.41              | 6.62          | 19.21                                      | 17.06         | 16.26                                        | 13.97         | 2.68                           | 0.66          |
| 6                                                  | 8.17              | 7.01          | 20.52                                      | 17.97         | 16.68                                        | 14.30         | 0.85                           | 2.42          |
| 7                                                  | 27.64             | 7.73          | 21.64                                      | 19.07         | 25.41                                        | 14.64         | 4.98                           | 0.78          |
| 8                                                  | 42.50             | 27.05         | 52.24                                      | 21.54         | 18.14                                        | 14.99         | 2.53                           | 4.50          |
| 9                                                  | 8.96              | 41.34         | 22.49                                      | 50.39         | 16.31                                        | 14.63         | 0.41                           | 2.28          |
| Above 10                                           | 1,103.20          | 1,090.96      | 1,034.46                                   | 987.18        | 255.48                                       | 139.16        | 11.45                          | 10.65         |

**h) Major Categories of Plan Assets (as percentage of total plan assets)**

|                         | Gratuity (funded) |               | Leave Encashment (unfunded) |               | Long Service Awards (unfunded) |               |
|-------------------------|-------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
|                         | 31 March 2021     | 31 March 2020 | 31 March 2021               | 31 March 2020 | 31 March 2021                  | 31 March 2020 |
| Fund managed by insurer | 100%              | 100%          | -                           | -             | -                              | -             |

**i) Sensitivity analysis Gratuity (funded)**

| Particulars                                                | Discount Rate |               | Salary Escalation Rate |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -6.47%        | -6.60%        | 1.09%                  | 1.14%         |
| Impact of decrease in 50 bps on defined benefit obligation | 7.04%         | 7.21%         | -1.15%                 | -1.38%        |

**Leave Encashment (Earned Leave) (unfunded)**

| Particulars                                                | Discount Rate |               | Salary Escalation Rate |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -5.86%        | -6.02%        | 6.20%                  | 6.38%         |
| Impact of decrease in 50 bps on defined benefit obligation | 6.36%         | 6.55%         | -5.78%                 | -5.92%        |

**Leave Encashment (Half Pay Leave) (Unfunded)**

| Particulars                                                | Discount Rate |               | Salary Escalation Rate |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -4.24%        | -3.74%        | 4.42%                  | 3.87%         |
| Impact of decrease in 50 bps on defined benefit obligation | 4.53%         | 3.97%         | -4.18%                 | -3.68%        |

**Long Service Awards (unfunded)**

| Particulars                                                | Discount Rate |               | Salary Escalation Rate |               |
|------------------------------------------------------------|---------------|---------------|------------------------|---------------|
|                                                            | 31 March 2021 | 31 March 2020 | 31 March 2021          | 31 March 2020 |
| Impact of increase in 50 bps on defined benefit obligation | -2.33%        | -2.40%        | -2.53%                 | -2.59%        |
| Impact of decrease in 50 bps on defined benefit obligation | 2.44%         | 2.51%         | 2.88%                  | 2.26%         |

**Note : 48**

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 2021 | 31 March 2020 |
|----------------------------------------|---------------|---------------|
| Revenue expenditure                    | 56.26         | 145.56        |
| Provision for impairment of Oil Blocks | 119.17        | 2,839.20      |
| Capital expenditure                    | 50.18         | 282.90        |



\* 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 2019-20, Group has received its share of ₹ 46.39 Lakhs against settlement of default component in Block No. CB-ONN-2010/08.

## Note – 49

### 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 2021      | 31 March 2020      |
|-----------------------------------------------|--------------------|--------------------|
| <b>Segment revenue</b>                        |                    |                    |
| Consultancy and engineering projects          | 1,42,280.27        | 1,59,879.57        |
| Turnkey projects                              | 1,72,136.67        | 1,63,774.06        |
| <b>Total</b>                                  | <b>3,14,416.94</b> | <b>3,23,653.63</b> |
| <b>Segment profit</b>                         |                    |                    |
| Consultancy and engineering projects          | 39,390.72          | 51,063.99          |
| Turnkey projects                              | 5,580.64           | 6,544.96           |
| <b>Total (a)</b>                              | <b>44,971.36</b>   | <b>57,608.95</b>   |
| Interest                                      | 369.02             | 174.47             |
| Other un-allocable expenditure *              | 27,847.87          | 14,686.17          |
| <b>Total (b)</b>                              | <b>28,216.89</b>   | <b>14,860.64</b>   |
| <b>Other income (c)</b>                       | <b>18,877.69</b>   | <b>25,553.60</b>   |
| <b>Profit before tax (a-b+c)</b>              | <b>35,632.16</b>   | <b>68,301.91</b>   |
| Income Tax Expense                            | 9,486.60           | 24,915.95          |
| <b>Profit after Tax</b>                       | <b>26,145.56</b>   | <b>43,385.96</b>   |
| Less: Share of Loss in joint venture entities | (1,254.60)         | (1,004.08)         |
| <b>Profit for the Year</b>                    | <b>24,890.96</b>   | <b>42,381.88</b>   |
| <b>Capital employed**</b>                     | <b>1,75,070.76</b> | <b>2,40,601.89</b> |

\* Includes expenditure on Oil and Gas exploration blocks including impairment amounting to ₹ 175.43 Lakhs (previous year : ₹ 2,984.83 Lakhs).

\* Includes ₹ 17,221.65 Lakhs (previous year: ₹ 1,630.10 Lakhs) of accrued provident fund liability/provision for impairment 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 2021                        | 31 March 2020      | 31 March 2021      | 31 March 2020      |
| India                      | 1,03,925.07                          | 1,20,378.58        | 1,72,136.67        | 1,63,774.06        |
| Nigeria                    | 27,102.62                            | 30,279.93          | -                  | -                  |
| United Arab Emirates (UAE) | 3,366.26                             | 2,715.08           | -                  | -                  |
| Oman                       | 507.14                               | 1,168.01           | -                  | -                  |
| Mongolia                   | 2,935.98                             | 1,164.55           | -                  | -                  |
| Others                     | 495.04                               | 824.87             | -                  | -                  |
| <b>Total</b>               | <b>1,38,332.11</b>                   | <b>1,56,531.02</b> | <b>1,72,136.67</b> | <b>1,63,774.06</b> |

## Segment revenue with major customers of Parent Company

During the year 31 March 2021, ₹ 57,316.46 Lakhs (previous year 31 March 2020: ₹ 62,729.68 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 2020: two) customers.

During the year 31 March 2021, ₹ 1,51,181.41 Lakhs (previous year 31 March 2020: ₹ 1,62,359.36 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from two (previous year 31 March 2020: four) customers.

## Note – 50

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 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 for ₹ 12,907.15 Lakhs 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 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. The Parent company has approached Arbitral Tribunal and NCLT for revival of its counter claims wherein Parent company has been directed to approach the appropriate forum and accordingly company has filed an impleadment application before the Hon'ble Supreme Court. The management does not consider any possible obligation on this account requiring future probable outflow of resources of the Group.

## Note – 51

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 2021           | 31 March 2020    | 31 March 2021   | 31 March 2020 |
| 1       | Opening balance                      | 48,902.99               | 39,368.14        | 245.06          | 1,016.09      |
| 2       | Additional provision during the year | 12,445.51               | 15,135.88        | 57.00           | 11.78         |
| 3       | Provision used during the year       | -                       | -                | 5.94            | 62.26         |
| 4       | Provision reversed during the year   | 7,059.60                | 5,601.03         | 71.90           | 720.55        |
| 5       | <b>Closing balance</b>               | <b>54,288.90</b>        | <b>48,902.99</b> | <b>224.22</b>   | <b>245.06</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 – 52

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 – 53

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the Group is given below:

(₹ in Lakhs)

| S. No. | Particulars                                                                             | 31 March 2021 | 31 March 2020 |
|--------|-----------------------------------------------------------------------------------------|---------------|---------------|
| i      | Amount due and payable at the year end                                                  |               |               |
|        | - Principal                                                                             | 8,823.15      | 6,963.05      |
|        | - 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 – 54

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 2021 based on actuarial valuation. To the extent of the impact of such an increase of ₹ 120.78 Lakhs (previous year 31 March 2020: ₹ 709.83 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 – 55

The employee benefit of PF is administered through a separate EIL Employees Provident Fund Trust. Out of the investments made by PF Trust in the past, some issuers of securities have defaulted in interest payments and / or principal repayments. The amortised value of probable future principal defaults is ₹ 19,370.59 lakhs as at 31 March 2021. Considering the Employer's obligation to make good the loss in value of these investments under the Provident Fund regulations, the Company has provided in its books of account 80% of the amortised value (of probable future principal defaults) amounting to ₹ 15,496.48 lakhs in the current year and charged to consolidated statement of Profit & Loss.



The above has been disclosed as Exceptional item in the consolidated statement of Profit & Loss of the Company.

## **Note – 56**

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 – 57**

The statement of profit and loss account includes research and development expenditure of ₹ 2,636.15 Lakhs (previous year 31 March 2020: ₹ 2,430.96 Lakhs).

## **Note – 58**

### **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 2021 is of ₹ 45.79 Lakhs (previous year 31 March 2020: ₹ 30.45 Lakhs). During the year, the Group has recognised ₹ 10.55 Lakhs (previous year: ₹ 4.75 Lakhs) in the statement of profit and loss as amortisation of capital grants.

## **Note – 59**

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 – 60**

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 – 61**

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 – 62**

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 – 63**

The Parent company on March 26, 2021, completed the acquisition of, and acquired 3,21,46,957 equity shares at a value of ₹ 70,000.00 Lakhs in the share capital of Numaligarh Refinery Limited (NRL) from Bharat Petroleum Corporation Limited (BPCL) pursuant to the Share Purchase Agreement (SPA) dated March 25, 2021 in consortium with OIL India Limited (OIL).

Post this acquisition, Group's equity shareholding in NRL stands at 4.37%.

## **Note – 64**

Pursuant to Public Announcement dated December 21, 2020, published on December 22, 2020 and letter of offer dated January 13, 2021, the parent company has bought back its 6,98,69,047 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 84/- per share on a proportionate basis from the equity shareholders of the parent company, through tender offer route under Stock Exchange Mechanism and extinguished these shares on February 19, 2021.

Pursuant to above, Government of India (Promoter) Shareholding was reduced from 51.50% to 51.32%.

## **Note – 65**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to the figures of the current year.



## Note – 66

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                                     | 71.73                                                | 1,25,570.56         | 103.06                              | 25,652.06           | 115.31                              | (84.19)             | 103.02                              | 25,567.87           |
| <b>Subsidiaries:</b>                                        |                                                      |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Indian:</b>                                              |                                                      |                     |                                     |                     |                                     |                     |                                     |                     |
| Certification Engineers International Limited               | 4.46                                                 | 7,814.74            | 1.98                                | 493.50              | (15.36)                             | 11.22               | 2.03                                | 504.72              |
| <b>Joint Ventures (Investment as per the equity method)</b> |                                                      |                     |                                     |                     |                                     |                     |                                     |                     |
| <b>Indian:</b>                                              |                                                      |                     |                                     |                     |                                     |                     |                                     |                     |
| Ramagundam Fertilizers and Chemicals Limited                | 23.81                                                | 41,685.46           | (5.04)                              | (1,254.36)          | 0.05                                | (0.04)              | (5.05)                              | (1,254.40)          |
| TEIL Projects Limited                                       | -                                                    | -                   | -                                   | (0.24)              | -                                   | -                   | -                                   | (0.24)              |

## Note – 67

### SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ASSOCIATES/ JOINT VENTURE AS PER COMPANIES ACT, 2013

| Part "A": Subsidiaries |                                                                                                                             |                                                      |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 1                      | Sl. No.                                                                                                                     | 1                                                    |
| 2                      | Name of Subsidiary                                                                                                          | <b>Certification Engineers International Limited</b> |
| 3                      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 31st March, 2021                                     |
| 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                                                                                                          | ₹ 7,167.27 Lakhs                                     |
| 7                      | Total assets                                                                                                                | ₹ 9,809.63 Lakhs                                     |
| 8                      | Total Liabilities                                                                                                           | ₹ 1,742.36 Lakhs                                     |
| 9                      | Investments                                                                                                                 | Nil                                                  |
| 10                     | Turnover                                                                                                                    | ₹ 4,911.00 Lakhs                                     |
| 11                     | Profit before taxation                                                                                                      | ₹ 1,502.15 Lakhs                                     |
| 12                     | Provision for taxation                                                                                                      | ₹ 379.56 Lakhs                                       |
| 13                     | Profit after taxation                                                                                                       | ₹ 1,122.59 Lakhs                                     |
| 14                     | Proposed Dividend                                                                                                           | ₹ 423.00 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                                                                | Under Liquidation                                  | Audited 31 March 2021                                |
| 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 | 447,628,200 Equity shares of ₹ 10 each fully paid up |
|                                                                                                                   | Amount of Investment in Associates/ Joint Venture                                                | ₹ 550.00 Lakhs                                     | ₹ 44,762.82 Lakhs                                    |
|                                                                                                                   | Extent of Holding %                                                                              | 50.00%                                             | 26.70%                                               |
| 3                                                                                                                 | Description of how there is significant influence                                                | Due to Control                                     | Due to Control                                       |
| 4                                                                                                                 | Reason why the associate/joint venture is not consolidated                                       | N.A                                                | N.A                                                  |
| 5                                                                                                                 | Net worth attributable to shareholding as per latest audited Balance Sheet/ Liquidator Statement | Nil                                                | ₹ 41,685.46 Lakhs                                    |
| 6                                                                                                                 | Profit/(Loss) for the year:                                                                      |                                                    |                                                      |
| i.                                                                                                                | Considered in Consolidation                                                                      | ₹ (0.24) Lakhs                                     | ₹ (1,254.36) Lakhs                                   |
| ii.                                                                                                               | Not Considered in Consolidation                                                                  | ₹ (0.24) Lakhs                                     | ₹ (3,443.63) Lakhs                                   |

Name of Joint Ventures which are yet to commence operations:- Nil

Name of Joint Ventures which have been liquidated or sold during the year:- Nil

**For N K Bhargava & Co.**  
Chartered Accountants  
FRN No. 000429N

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

Sd/-  
N. K. Bhargava  
**Partner**  
Membership No. 080624

Sd/-  
Suvendu Kumar Padhi  
**Company Secretary**  
PAN : AHYPP2198P

Sd/-  
Sanjay Jindal  
**G.G.M. [F&A]**  
PAN : AAIPJ4986E

Sd/-  
Sunil Bhatia  
**Director (Finance) & CFO**  
DIN : 08259936

Sd/-  
R.K. Sabharwal  
**Director (Commercial) &  
CEO and C&MD (Addl. Charge)**  
DIN : 07484946

**Place :** New Delhi  
**Date :** 08 June 2021



## Comments of the Comptroller and Auditor General of India Under Section 143(6)(b) Read with Section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of Engineers India Limited for the year ended 31 March, 2021

The preparation of consolidated financial statements of Engineers India Limited for the year ended 31 March 2021 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 08.06.2021.

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 2021 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Engineers India Limited but did not conduct supplementary audit of the financial statements of Certification Engineers International Limited and Ramagundam Fertilizers and Chemicals Limited 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 being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

### **A. Balance Sheet 1. Notes to the Financial Statements - Contingent Liabilities (Note-40 A)**

#### **Claims against the Company not acknowledged as debts: ₹ 20834.87 lakh**

Above includes an amount of ₹ 6271.58 lakh as commercial claim pending in respect of ongoing cases with M/s SS Aggarwal (₹ 190.05 lakh) in the High Court of Orissa and M/s JRMEHL & JRMMEI (₹ 6081.53 lakh) in the High Court of Delhi on account of contractual issues.

The Company had lost one case before Arbitrator as well as Distt court and the other case before Arbitrator. The Company had challenged the verdicts of both cases in the High Courts. The Company is just having only old legal opinions, but the Management has not produced any document having its own assessment about the case and provided any experience of winning of such cases.

Under these circumstances, Management should have created the provision of ₹ 6271.58 lakh in compliance of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

This has resulted into overstatement of 'Contingent Liabilities' and understatement of Provisions' apart from overstatement of 'Profits' by an amount of ₹ 6271.58 lakh each.

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

(D.K.Sarkar)

Director General of Audit (Energy), Delhi

Place: New Delhi

Date: 09 August 2021

## Management's Reply on Comments of the Comptroller and Auditor General of India under Section 143(6)(b) read with section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of Engineers India Limited for the year ended 31 March 2021

| Comments of the Comptroller and Auditor General of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Management's Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>A Balance Sheet</b></p> <p><b>1. Notes to the Financial Statements - Contingent Liabilities (Note-40 A)</b></p> <p><b>Claims against the Company not acknowledged as debts : ₹ 20834.87 lakh</b></p> <p>Above includes an amount of ₹ 6271.58 lakhs as commercial claim pending in respect of ongoing cases with M/s SS Aggarwal (₹ 190.05 lakh) in the High Court of Orissa and M/s JRMEHL &amp; JRMMEI (₹ 6081.53 lakh) in the High Court of Delhi on account of contractual issues.</p> <p>The Company had lost one case before Arbitrator as well as Distt court and the other case before Arbitrator. The Company had challenged the verdicts of both cases in the High Courts. The Company is just having only old legal opinions, but the Management has not produced any document having its own assessment about the case and provided any experience of winning of such cases.</p> <p>Under these circumstances, Management should have created the provision of ₹ 6271.58 lakh in compliance of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>This has resulted into overstatement of 'Contingent Liabilities' and understatement of 'Provisions' apart from overstatement of 'Profits' by an amount of ₹ 6271.58 lakh each.</p> | <p>The financial statements of the company have been prepared in accordance with Companies (Indian Accounting Standards) Rules 2015 (Ind AS).</p> <p>The disclosures of an amount of ₹ 6271.58 lakhs in respect to two cases pointed by Audit has been disclosed as Contingent Liabilities in terms of provisions of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets." The matters are subjudice before the respective High Courts and the company in compliance with the applicable accounting standards, has disclosed them as contingent liability in its financial statements. This is based on legal opinion taken for each case, which states that the arbitral awards can be challenged respectively on the grounds that the Award in the case of M/s JRMEHL &amp; JRMMEI is (i) contrary to substantive provisions of law, (ii) against terms of contract and (iii) patently illegal as well. In the case of M/s SS Aggarwal the legal opinion states that the (i) claims are baseless and imaginary and (ii) the manner in which award has been passed clearly establishes misconduct of arbitrator by not assigning any reason.</p> <p>The applicable accounting standard Para-16 of Ind AS 37 states that "in a lawsuit, it may be disputed either whether certain events have occurred or whether those events result in a present obligation. In such a case, an entity determines whether a present obligation exists at the end of the reporting period by taking account of all available evidence, including, for example, the opinion of experts;" Further as per para-16(b) "On the basis of such evidence, where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote."</p> <p>Considering the legal opinions for each case and applicable accounting standards, it was concluded that in these cases which are subjudice and therefore no present obligation exists and hence, the financial amount as observed by C&amp;AG, totaling ₹ 6271.58 Lakhs as on 31st March, 2021 has been disclosed as a contingent liability in the notes to financial statements.</p> <p>Therefore, there is no overstatement of Contingent Liabilities and understatement of Provisions and overstatement of Profits by ₹ 6271.58 Lakh.</p> |

# Corporate Information

## COMPANY SECRETARY

**Suvendu Kumar Padhi**

## STATUTORY AUDITORS

**N. K. Bhargava & Co.**  
Chartered Accountants

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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,  
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New Delhi-110055  
Tel No.: 011-42541234  
Fax No.: 011-42541201  
Email: jksingla@alankit.com  
Website: www.alankit.com

## REGISTERED & HEAD OFFICE

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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 Bhawan  
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## 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

### **Union Bank of India**

3, Ansal Chamber - I, Bhikaiji Cama Place, New Delhi - 110 066

### **HDFC Bank Ltd.**

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