

## 46<sup>th</sup> Annual Report 2010-11



Engineering a greener tomorrow...



## Our Vision

To be a world-class globally competitive EPC and total solutions Consultancy Organisation.

## 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.

## Our 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 organisation.
- 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.

## Risk Management Policy

- 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.



## Engineering a greener tomorrow

The Oil & Gas sector right from upstream oil wells, through primary treatment, transportation downstream processing, product distribution and marketing has always been and continues to attract large investments of magnitude unheard of in any sector. The human quest for better living, exploding world population have only accelerated the energy appetite of a world which over the last five decades has attracted massive investments and the trend does not seem to reverse. The growth and spurt of energy scenario has not left India untouched whereby the rapid economic development of this world's second largest populated country has seen manifold increase in investment both in Public and Private Sector. Propelling the oil and gas sector, are companies like ONGC, IOCL, BPCL, Reliance, to name the few, and entities such as EIL which over its existence of last over four decades has provided a home grown solution from concept to commissioning of mega oil & gas projects. The company ever since its birth in 1965 has partnered with all the major players in the entire value chain of hydrocarbon in execution of practically all upstream, midstream and downstream projects.

The growth projections of the Hydrocarbon, Power and Infrastructure sector will offer considerable business opportunities for the company. In the next decade, EIL while maintaining its leadership position in areas of consultancy and strengthening its EPC business in the hydrocarbon sector will also explore diversification opportunities in high growth areas like city gas distribution, power (solar & nuclear), gas based fertilizers, water and waste management, coal to liquid and deep-sea engineering. EIL will also continue to expand its international operations in the Middle East, North Africa, Latin America, and South East Asia countries where it can provide cost and operational advantages to clients.

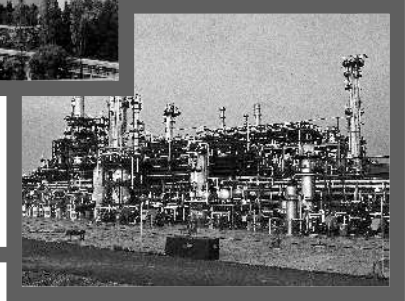
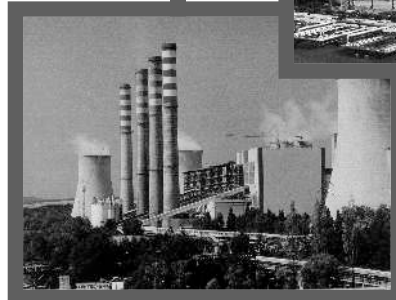
The most pressing challenge in the next decade is likely to be environmental - and more about the 'peak carbon carrying capacity' of our atmosphere than the availability of fossil fuels. The company notwithstanding its formidable legacy and propelled by present competent management team shall continue as leader in wealth creation by adopting appropriate technologies for harmonizing conventional hydrocarbon industry with environment protection, reduced carbon foot print, extensive harnessing of renewable sources of energy and enhanced global foot print.



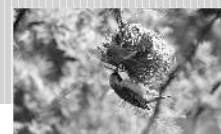
# Engineers India Limited

*A technologically driven evolution*

- One of India's leading Consultancy and EPC Company in Hydrocarbon and Petrochemicals
- Focused diversification into related sectors
  - 1973 : Diversified business into Mining & Non-ferrous Metallurgy
  - 2001: Diversified into Infrastructure sectors
  - 2010-11: Diversification initiatives into City Gas Distribution, Nuclear and Fertilizer
- Part of Govt's energy security initiative to set up strategic crude oil storage
- Technology driven organization with an in-house and collaborative R&D
- Overseas presence in the Middle East, North Africa and South East Asia
- Zero debt firm with reserves of over ₹ 21 Billion with consistent record of healthy earnings and dividend payout







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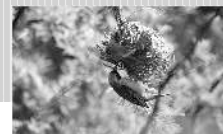
## Appeal to Members

The Ministry of Corporate Affairs vide circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has undertaken a 'Green Initiative in the Corporate Governance' and allowed Companies to service the documents to shareholders through electronic mode. As your Company is committed to the Green Initiative, Members are requested to support this by registering/updating their e-mail address, with the Company or concerned depository. The Company has sent a letter dated 4.07.2011 to all the Members in this regard and the same is also available on the website of the Company at [www.engineersindia.com](http://www.engineersindia.com).



*I*nnovation is the need of the hour to meet the challenges of the changing business dynamics. We have to devise new and efficient methods of doing our work without compromising on the quality. I firmly believe that every design and system can go in for improvement.

**A. K. Purwaha**  
Chairman & Managing Director



## Chairman's Statement

Dear Shareholders

As EIL completes 46 years of its memorable journey in the Hydrocarbon Sector which began in 1965, it gives me immense pleasure to review our growth, and plan for the exciting opportunities that lie ahead of us.

EIL, as it has evolved since its inception in 1965, is a great tribute to its founding fathers, who had the intuition, foresight and vision of a vibrant industrialized India capable of holding its own in the community of advanced nations and who dared to dream high. It is also a tribute to those dedicated people who worked tirelessly with an unflinching commitment to translate those dreams into reality. They deserve our rich tributes for the successes we have seen lately.

EIL has been venturing into uncharted territories during the recent years and has taken long strides. It has registered a phenomenal growth recently, which has been made possible by the untiring efforts put in by our dedicated work-force. The results are there for everyone to see. This year the company completed work on the Bina Refinery of BORL, the company's 9<sup>th</sup> Greenfield Refinery which was dedicated to the nation on 20<sup>th</sup> May 2011, by Dr. Manmohan Singh, the Hon'ble Prime Minister of India.

The company during the financial year 2010-11 has registered a Turnover of ₹ 2823 crore, a growth of 42% over the Turnover of ₹ 1994 crore for previous Financial Year. Profit from Operations has grown by 31% to ₹ 626 crore from ₹ 478 crore. The order book which stood at around ₹ 6300 crores at the end of fiscal 2009-10 is currently over ₹ 7500 crores. The company's best-practices which have sustained this consistent growth were recognized this year with the Award of 'Star PSU of the year 2010'. This prestigious award, instituted by Business Standard and bestowed by Dr. Manmohan Singh, the Hon'ble Prime Minister of India.

The Indian hydrocarbon sector has enormous potential in the coming years, as it will continue to play a pre-eminent role in meeting the country's energy requirements and will be the key driver, after infrastructure, of India's economic growth. The strong momentum in the refining sector is expected to continue, since India has emerged as a major export oriented refining destination and because of the growing domestic demand in the back of robust economic growth. We are the only player in the Indian hydrocarbon sector to provide complete 'concept to commissioning' services under one umbrella and have emerged as the only 'total solution' engineering consultancy company, principally focused on the oil and gas and petrochemical industries. With an experience of four and half decades, we have developed an extensive track record of working with almost all the major players present in the entire value chain of hydrocarbon (upstream, midstream and downstream).

As part of strategic initiatives for enhanced growth and to leverage our strong engineering consultancy and EPC capabilities and track record, we intend to selectively diversify, where we believe there is high growth potential and we enjoy competitive advantage. We intend to explore opportunities in sectors like renewable energy, nuclear power, infrastructure, city gas distribution and fertilizer. The Indian infrastructure sector provides attractive opportunities, given the expected \$1-trillion investment in the next five years. The new sectors will contribute considerably to the top and bottom line of the company for the next three to five years. This will be followed by healthy margins. However our focus will continue to be in the hydrocarbon sector, as that is our area of core competence.

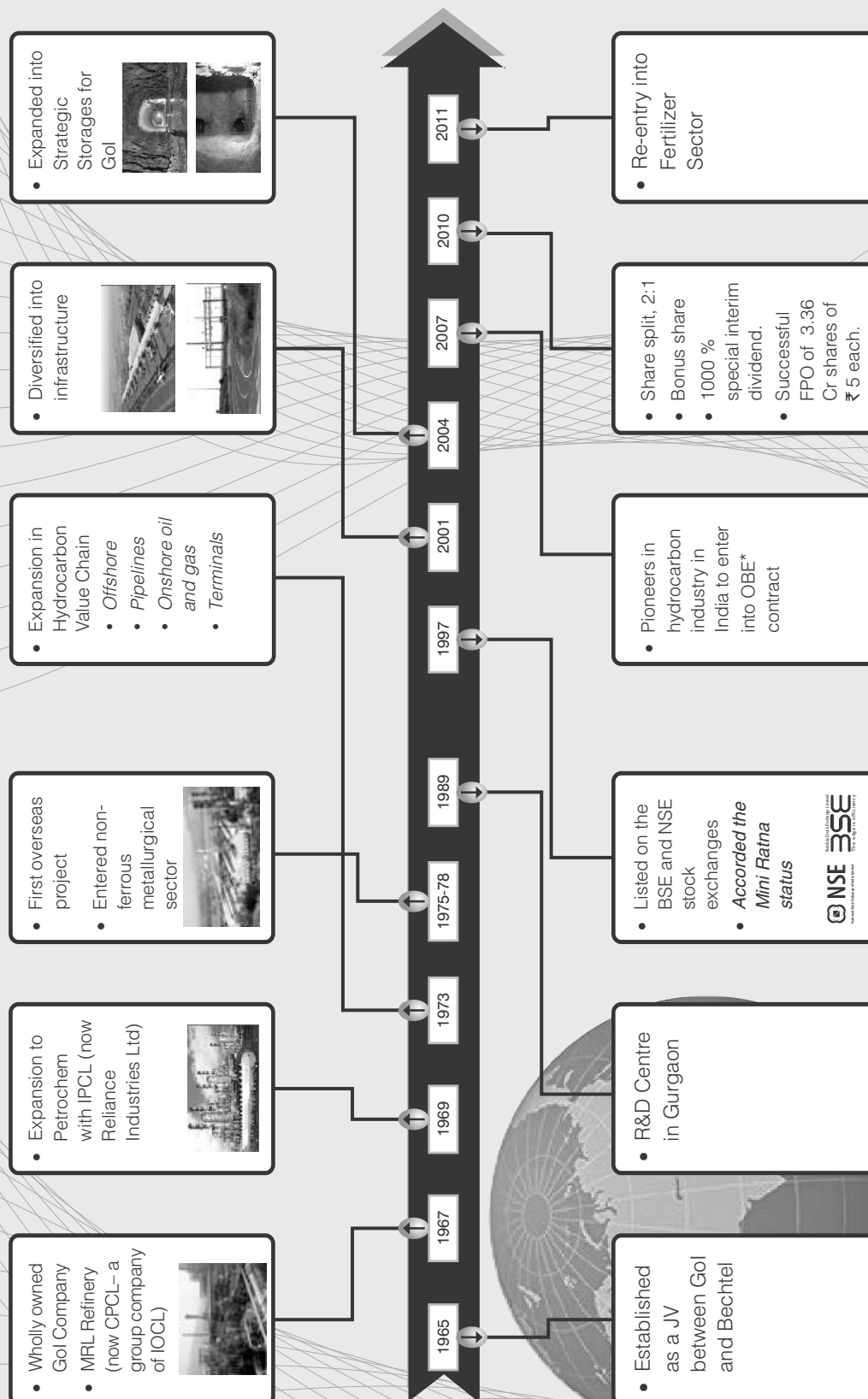
We are at a cross roads today. The business dynamics is changing. Competition is increasing. Clients are more demanding today. Innovation is the need of the hour to meet the challenges of the changing business dynamics. I acknowledge that organizations are built on a strong management-stakeholder relationship, which is a two-way channel. The investor cell at EIL is active in developing our relationship with shareholders and with potential investors and analysts. Various new HR initiatives are focused towards providing our employees with the right working environment. Our various e-procurement initiatives such as online vendor registration, tender downloading, e-bill tracking etc are oriented for the ease-of-operations of our suppliers. Efforts to empower our key stake-holders will continue, with greater focus in the year ahead. Further the company remains committed to good corporate governance and ethical practices as per our listing agreement and government guidelines.

I would in the end like to say that EIL enjoys enormous credibility in the energy sector. With consistence in our ingenuity, imagination and initiative, we strive to make it a dynamic institution capable to respond to the new and evolving challenges of the future. We are confident to maintain the growth momentum in the next decade, given our planned investments, leadership position in the hydrocarbon sector and diversification initiatives. For FY 2011-12, we will strive to maintain and improve the growth margins seen in FY 2010-11.

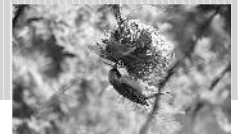
I take this opportunity to congratulate all stakeholders of EIL for their contributions in nourishing this organization to its present glory and wish your families all the very best of prosperity and good health.

A. K. Purwaha  
Chairman & Managing Director







## Evolution and Key Milestones



\* OBE: Open Book Estimate

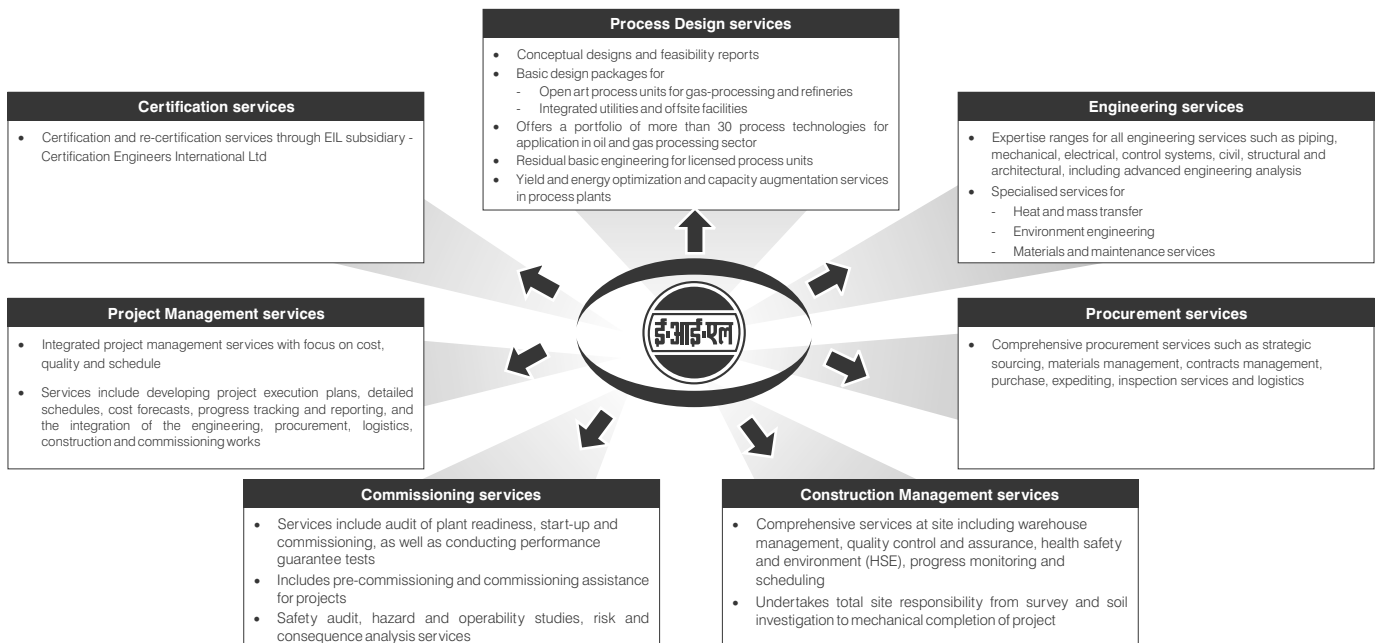


## Presence Across the Hydrocarbon Value Chain

	Offshore Oil & Gas	Oil & Gas Transportation	Onshore Oil & Gas	Refineries	Petrochemicals	Storage, Ports & Terminals
						
<b>Overview</b>	<ul style="list-style-type: none"> <li>Work for various engineering consultancy services on the Indian West Coast and East Coast</li> </ul>	<ul style="list-style-type: none"> <li>Engineering consultancy services for more than 10,000 km of onshore and subsea pipeline projects in India and internationally</li> </ul>	<ul style="list-style-type: none"> <li>Experience and engineering capabilities for the design of onshore facilities such as Group gathering stations, multistage separation, crude desalting and dehydration, heavy oil and sour oil processing</li> </ul>	<ul style="list-style-type: none"> <li>Range of services from concept to commissioning of refinery projects ranging from single unit revamp projects to mega refinery or refinery cum petrochemical complexes</li> </ul>	<ul style="list-style-type: none"> <li>EIL's experience in the field of petrochemicals covers the design and construction of major fully-integrated petrochemical complexes, as well as a large number of individual petrochemical units</li> </ul>	<ul style="list-style-type: none"> <li>Engineering consultancy services on various coastal engineering projects, including geo-technical engineering, layout preparation for ports and shipyards and materials handling</li> </ul>
<b>Key highlights</b>	<ul style="list-style-type: none"> <li>Engineering consultancy services on more than 150 well platforms and 30 process platforms in India for ONGC</li> <li>Executed international projects in Qatar and Abu Dhabi</li> <li>Engaged in the offshore platform projects for the Deen Dayal Field Development Project of GSPC on Indian East Coast</li> </ul>	<ul style="list-style-type: none"> <li>EIL was involved in the development of the HBJ pipeline – India's largest gas pipeline network</li> <li>Engineering consultancy services to GAIL on one of the world's longest LPG pipeline</li> <li>Developed strategic pipelines for HPCL, BPCL, BORL, IOCL and HMEL</li> </ul>	<ul style="list-style-type: none"> <li>Developed gas processing complexes at Hazira and Uran and the C2/C3 and LPG recovery units at Auraiya</li> <li>Currently engaged in the onshore platform projects for the Deen Dayal Field Development Project of GSPC</li> <li>International projects executed in Algeria and Abu Dhabi</li> </ul>	<ul style="list-style-type: none"> <li>EIL has worked on over 49 refinery projects in India</li> <li>Worked on 8 grassroot refinery projects from concept to commissioning</li> <li>Expertise in LP modelling for configuration studies and energy savings in refining process</li> </ul>	<ul style="list-style-type: none"> <li>EIL has been involved in the establishment of seven out of the eight mega petrochemical complexes in India</li> <li>EPCM services for GAIL, NOCIL, Petrofils Limited, IOCL, IPCL (now RIL) and others</li> </ul>	<ul style="list-style-type: none"> <li>Developed expertise for storage of crude oil in unlined underground caverns - security initiative for strategic crude oil storage as part of the Integrated Energy Policy of GoI</li> </ul>

Over four decades of experience in the Hydrocarbon space with a presence across the entire value chain

## Service Offering: From Concept to Commissioning



## Board of Directors



**A. K. Purwaha**  
Chairman & Managing Director

- ▶ Company Secretary
- ▶ Corporate Quality Management
- ▶ Vigilance
- ▶ Internal Audit



**G. D. Goyal**  
Director (Commercial)

Corporate Strategy

Business Development

Marketing

Joint Ventures

Equity Participation  
Business

Mergers & Acquisitions

Procurement Services  
(including RPOs)

Project Services-Cost Engg

Overseas Operations



**D. Moudgil**  
Director (Projects)

Project Management

Project Engineering  
Management

Project Services

Planning & Scheduling

MIS

Construction  
Management

Regional Offices



**P. K. Rastogi**  
Director (HR)

Human Resource  
Management

Administration

Estate Management

Training & Development

Corporate Planning

Corporate  
Communication

Corporate Social  
Responsibility

Raj Bhasha



**P. Mahajan**  
Director (Technical)



Process Design  
& Development

Plant Operation  
& Safety

Heat & Mass Transfer

Research &  
Development

Information Technology  
Services

Environment  
Engineering

Specialist Materials &  
Maintenance Services

Engineering

Library

**Ram Singh**  
Director (Finance)



Financial Management

Project Finance  
& Appraisal

Financial Accounting  
& Budgeting

Budgetary Control &  
Cost Management

Disbursement

Receivable Management

Tax Planning &  
Management

## Non-Executive Directors



**L. N. Gupta**  
Director (Govt. Nominee)



**Dependra Pathak**  
Director (Govt. Nominee)



**B. N. Bankapur**  
Director



**U. N. Bose**  
Director



**A. K. Purwar**  
Non-official  
Independent Director



**Dr. Avinash Chandra**  
Non-official  
Independent Director



**Adit Jain**  
Non-official  
Independent Director



**Dr. (Prof.) K. D. P. Nigam**  
Non-official  
Independent Director

## Company Secretary

**Rajan Kapur**



### Statutory Auditors

M/s Jagdish Chand & Co.  
Chartered Accountants,  
H-20, LGF, Green Park (Main),  
New Delhi - 110 016

### Company Secretary

Rajan Kapur

### Stock Exchanges where Shares of the Company are listed

#### The Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

#### National Stock Exchange of India Ltd.

Exchange Plaza,  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051

### Registrar and Share Transfer Agent

#### M/s Karvy Computershare Private Limited

305, New Delhi House,  
27, Barakhamba Road,  
Connaught Place  
New Delhi - 110 001  
Tel No. 011-43681700  
Fax No. 011-43681710  
Email: delhi@karvy.com

or

Plot No. 17-24, Vittalrao Nagar  
Madhapur, Hyderabad - 500 081  
Tel No. 040-23420815-820  
Fax No. 040-23420814  
Toll Free No. 18003454001  
Email : mailmanager@karvy.com/  
einward.ris@karvy.com  
Website : www.karvy.com/  
www.karvycomputershare.com

### Main Bankers

Indian Overseas Bank	F-47, Malhotra Building, Janpath New Delhi - 110 001
State Bank of India	Corporate Accounts Group, 11th Floor, Jawahar Vyapar Bhawan, 1, Janpath New Delhi - 110 001
HDFC Bank Ltd.	B-6/3, Safdarjung Enclave, DDA Complex, New Delhi - 110 029
Bank of Baroda	Ansal Chamber-I 3, Bhikaiji Cama Place, New Delhi - 110 066
Corporation Bank	3, Ansal Chamber-I Bhikaiji Cama Place, New Delhi - 110 066
State Bank of Travancore	3, Ansal Chamber-I Bhikaiji Cama Place, New Delhi - 110 066

### Registered & Head Office

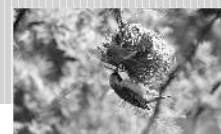
Engineers India Bhavan,  
1, Bhikaiji Cama Place,  
R K Puram, New Delhi-110066

### Subsidiary Companies

Certification Engineers International Ltd.  
Engineers India Bhavan,  
1, Bhikaiji Cama Place, R.K. Puram,  
New Delhi - 110 066

EIL Asia Pacific Sdn. Bhd. Suite B-02-05,  
Dataran 3 Two, No. 2, 19/1,  
46300 Petaling Jaya, Selangor Darul Ehsan  
Kuala Lumpur - Malaysia





## Ten Years' Performance at a Glance

(₹ in Lakhs)

PARTICULARS/YEARS	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
<b>A. OPERATING STATISTICS</b>										
Turnover*	53699.44	81826.92	106953.03	91580.11	79048.04	57108.13	73775.21	153246.28	199379.70	282328.44
Other Income	7003.84	4100.96	4759.33	5786.74	6666.63	10778.65	13557.26	22152.52	18367.10	16036.63
Expenditure	49456.19	74812.58	98713.29	80073.64	65551.08	47450.86	57702.15	123351.90	151619.05	219334.16
Prior Period Adjustments										
(Net)	–	–	–	627.63	185.67	(28.07)	242.27	0.13	79.96	577.45
Profit before Tax	11247.09	11115.30	12999.07	16665.58	19977.92	20463.99	29388.05	52046.77	66047.79	78453.46
Tax	3829.14	5452.49	5407.75	6989.22	8025.57	8647.19	10904.48	19385.10	24972.04	29613.15
Fringe Benefit Tax	–	–	–	–	255.00	275.00	270.20	286.67	–	–
Deferred Tax (Assets)/ Liability	(733.20)	(753.65)	(426.78)	(1,587.15)	(2,166.99)	(2757.61)	(1246.50)	(2,078.37)	(2,481.76)	(3,411.63)
Profit after Tax @@	2470.88	6416.46	8018.10	11263.51	13864.34	14299.41	19459.87	34453.37	43557.51	52251.94
Amount transfer from General Reserve	–	–	–	–	–	–	–	–	56156.10	–
Dividend including										
Dividend Tax @@@	1544.40	2533.96	4117.15	4811.75	5122.57	6183.11	7205.74	12124.72	69620.58	19510.55
Retained Surplus	926.48	3882.50	3900.95	6451.76	8741.77	8116.30	12254.13	22328.65	30093.03	32741.39
<b>B. FINANCIAL POSITION</b>										
Capital Employed**	71240.28	75122.78	79023.73	86292.27	95034.04	103150.34	115205.00	137533.65	111470.58	144211.97
i) Fixed Assets***	5045.59	4408.52	4729.79	4148.89	4001.49	3967.54	5035.89	6077.39	7189.38	8201.26
ii) Net current Assets	51210.93	52869.28	56958.71	63394.15	71017.71	77135.37	85856.47	104397.83	80056.68	67205.59
Shareholders' Funds	71240.28	75122.78	79023.73	86292.27	95034.04	103150.34	115205.00	137533.65	111470.58	144211.97
i) Share Capital	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	16846.84
ii) Reserve & Surplus@	65624.66	69507.16	73408.11	80676.65	89418.42	97534.72	109589.38	131918.03	105854.96	127365.13
<b>C. RATIOS</b>										
PBT / Turnover	20.94%	13.58%	12.15%	18.20%	25.27%	35.83%	39.83%	33.96%	33.13%	27.79%
PBT / Capital Employed	15.79%	14.80%	16.45%	19.31%	21.02%	19.84%	25.51%	37.84%	59.25%	54.40%
PAT / Net Worth	3.47%	8.54%	10.15%	13.05%	14.59%	13.86%	16.89%	25.05%	39.08%	36.23%
Turnover / Net Worth										
(number of times)	0.75	1.09	1.35	1.06	0.83	0.55	0.64	1.11	1.79	1.96
Sundry Debts / Turnover										
(Month's Turnover)	4.43	3.15	2.06	4.23	3.40	4.21	2.87	2.35	1.91	1.35
Turnover to Total Assets										
(number of times)	0.46	0.48	0.82	0.58	0.52	0.35	0.37	0.53	0.74	0.86

### Notes :

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

\*\* Includes Investments.

\*\*\* Fixed Assets includes Capital Work-in-progress.

@ Includes Capital Grant of ₹ 2 Crores received in 1984-85 for R&D Centre.

@@ Profit after tax for 2001-2002 is after adjustment of provision for dimunition in the value of long term investments of ₹ 56.80 crores.

@@@ Includes excess/short provision of dividend / dividend tax for earlier years.



## Notice

NOTICE is hereby given that the 46<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Wednesday, the 7th day of September, 2011 at 10.00 A.M. at Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi - 110 049 to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended March 31, 2011 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To consider declaration of final dividend.
3. To appoint a director in place of Shri Ram Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri P.K. Rastogi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Adit Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Dr. (Prof.) KDP Nigam, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix remuneration of Auditors for the financial year 2011-12 and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2011-12."

### SPECIAL BUSINESS:

8. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:  
**"RESOLVED THAT** Shri P. Mahajan, who was appointed as an Additional Director, in the capacity of Director (Technical) by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from Shri P. Mahajan himself in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

9. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** Shri Dependra Pathak, who was appointed as an Additional Director by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from a member in writing proposing the candidature of Shri Dependra Pathak for the office of director, be and is hereby appointed as a director of the Company."

10. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** Shri D. Moudgil, who was appointed as an Additional Director, in the capacity of Director (Projects) by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from Shri D. Moudgil himself in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

11. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members and Index of Members, in respect of Shares/Securities issued by the Company and the copies of all Annual Returns, prepared under Sections 159 and 160, together with the copies of the certificates and documents required to be annexed thereto under Sections 160 and 161, be kept at the office of Registrar & Share Transfer Agent of the Company viz. M/s Karvy Computershare Private Limited, 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi - 110 001 or at any other place of office of the existing Registrar and Share Transfer Agent or of any other Registrar and Share Transfer Agent, as may be appointed by the Board of Directors from time to time, in New Delhi."

By order of the Board

Place : New Delhi  
Date : July 29, 2011

(Rajan Kapur)  
Company Secretary



## Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of business under item nos. 8 to 11 is annexed herewith.
3. Members/proxies should bring their copy of Annual Report and Attendance Slip, duly filled in, to the meeting. Members holding shares in dematerialized form are requested to bring their Client Id and DP Id Numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 30th day of August, 2011 to Wednesday, the 7th day of September, 2011 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.
5. Dividend, if any, approved at the 46<sup>th</sup> Annual General Meeting of the Company will be paid to those shareholders whose names appear:
  - a) As Beneficial Owners as at the end of the business hours on August 29, 2011 as per the list to be furnished by the Depositories in respect of shares held in Electronic form, and
  - b) As Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before August 29, 2011.
6. M/s Karvy Computershare Private Limited, have been appointed as Registrar and Share Transfer Agent (RTA) of the Company for handling all matters relating to the shares of EIL (both physical as well as demat mode) w.e.f. 1<sup>st</sup> July, 2011 in place of M/s Mas Services Limited. Members holding shares in physical form are requested to notify immediately Change of Address, if any, quoting their Folio Number to M/s Karvy Computershare Private Limited at Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500081 (Tel No. 040-23420815-820, Fax No. 040-23420814 Toll Free No. 18003454001 Email: mailmanager@karvy.com/einward.ris@karvy.com Website : [www.karvy.com/www.karvycomputershare.co](http://www.karvy.com/www.karvycomputershare.co)) or at 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001 (Tel No. 011-43681700, Fax No. 011-43681710 Email: [delhi@karvy.com](mailto:delhi@karvy.com)) to ensure prompt receipt of communications and other corporate actions. Similarly, members holding shares in Electronic / Demat form are requested to notify any change of address and change of Bank Account to their respective Depository Participant (DP) with whom the Demat account is maintained as the Company is obliged to use only the data provided by NSDL / CDSL.
7. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their Bank Account Number, Name and address of the Bank / Branch to the Registrar and Share Transfer Agent of the Company i.e. M/s Karvy Computershare Private Limited in respect of shares held in physical mode and to their respective DPs for demat mode to enable them to incorporate the same in the dividend warrant.
8. Shareholders may avail the facility of National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) for receiving direct credit of Dividend to their accounts with the Banks. This will enable expeditious credit of dividend amount and protect from loss, theft and postal delay of dividend warrant, if any.
9. The balance lying in the unpaid dividend account of the Company in respect of dividend declared on 15.09.2004 for the financial year 2003-2004 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 14.10.2011 (tentative date). Members who have not encashed their dividend warrants pertaining to the said year may approach to the Company or its Registrar & Share Transfer Agent for obtaining the payments thereof.
10. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 10.30 A.M. to 12.30 P.M. prior to the Annual General Meeting.
11. Pursuant to the requirements of Corporate Governance, a brief resume of the Directors proposed for appointment/re-appointment is included in the Corporate Governance Report attached to Directors' Report.
12. Members desirous of obtaining any information / clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of meeting to Company Secretary at the Registered Office of the Company so that the same may be attended to appropriately.
13. Members may kindly note that the Company has sent a letter dated July 4, 2011 to all the members towards the "Green Initiative in the Corporate Governance" in view of circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs. The said letter is also posted on the website of the Company at [www.engineersindia.com](http://www.engineersindia.com).
14. **No Gifts shall be distributed in the AGM or afterwards.**

By order of the Board

Place : New Delhi  
Date : July 29, 2011

(Rajan Kapur)  
Company Secretary



## Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

### Item Nos. 8 to 10

The Board of Directors of the Company have appointed Additional Directors as per the following details:-

Name	Designation	w.e.f.
Shri P. Mahajan	Director (Technical)	15.11.2010
Shri Dendrapa Pathak	Director (Government Nominee)	22.02.2011
Shri D. Moudgil	Director (Projects)	22.03.2011

In terms of Section 260 of the Companies Act, 1956, the above additional directors shall hold office up to the date of Annual General Meeting of the Company. The Company has received valid notices along with requisite deposits from the Directors/Members under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors. In view of the background and vast experience, it will be in the interest of the Company that they continue as Directors of the Company. Brief resume of these Directors have been given in the Corporate Governance report attached to the Directors' Report. Shri Dendrapa Pathak, non-executive Director has disclosed that he is not holding any shares in the Company.

Your Directors recommend the resolutions for approval of members.

None of the Directors, except the directors who are proposed to be appointed, are interested in the resolutions.

### Item No. 11

The Company had obtained approval of members at its 40<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2005 for

keeping the Register of Members, Index of Members and copies of Annual Return etc. at the office of the then Registrar & Share Transfer Agent of the Company viz. M/s Mas Services Limited, New Delhi or any other Registrar and Share Transfer Agents, as may be appointed by the Board of Directors from time to time, in New Delhi.

The Board of Directors of the Company at its 286<sup>th</sup> Meeting held on 26<sup>th</sup> May, 2011, have appointed M/s Karvy Computershare Private Limited, as Registrar and Share Transfer Agent of the company with effect from 1.07.2011, having offices at Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500081 and 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001.

In view of this, fresh approval of the members is desirable/required for maintaining the Register of Members, Index of Members and copies of Annual Return etc. at the address of new Registrar & Share Transfer Agent of the Company viz. M/s Karvy Computershare Private Limited, at 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001.

Your Directors recommend the resolution for approval of members.

None of the Directors is interested in the resolution.

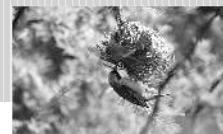
By order of the Board

Place : New Delhi

Date : July 29, 2011

(Rajan Kapur)

Company Secretary



## Directors' Report



To  
The Shareholders  
**Engineers India Limited**  
**Ladies & Gentlemen,**

Your Directors have great pleasure in presenting the 46th Annual Report together with audited accounts of the Company for the year ended March 31, 2011 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

### 2010-11 in Retrospect

EIL continued its good performance during the year 2010-11. The salient features are as follows:

Turnover	:	₹ 282328 lakhs
Profit Before Tax (PBT)	:	₹ 78453 lakhs
Profit After Tax (PAT)	:	₹ 52251 lakhs

Turnover from core consultancy business increased y-o-y by 7 % to ₹ 112794 lakhs. LSTK business increased y-o-y by 81 % to ₹ 169534 lakhs.

### Dividend

The Board of Directors of the Company has recommended for the financial year 2010-11, a final dividend of ₹ 4/- per share (of face value of ₹ 5/- each) in addition to ₹ 1/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2010-11 works out to ₹ 5/- per share. Payment of final dividend is, however, subject to approval of the shareholders in the Annual General Meeting.

### Investor Relations

Company is committed to continually improve its Corporate Governance Practices for effectively managing its businesses and for protecting the interests of all stakeholders. Our management is responsive for ensuring that the performance of the Company is adequately reported to its shareholders, investment community, relevant regulators and concerned public on a regular basis.

An Investor Relations (IR) Cell has been constituted under Director (Finance), as a nodal intermediary with investment community for disseminating information on Company in timely, accurate and consistent manner. IR Cell is responsible for creative effective channels of communication in form of press, website, conference, road-show and analyst meets for periodically disseminating company information such as financial results, dividend policy, shareholding pattern, investor/analyst reports and presentations and news updates.

Senior Management is actively engaged in annual meets and conferences for enabling financial community to understand Company's business model and to share with them business outlook strategic direction and growth plans.

Company plans to exploit potentialities of various channels of communication for effective business communication and information sharing. Online discussion forums, group conferencing, webcasts, newsletters and tablet computing are being planned.

EIL remains committed to creation of an open and transparent environment for reaching out to existing and potential investors and other stakeholders.

## Management Discussion & Analysis

A separate report on Management Discussion and Analysis is annexed to this Report.

Sector wise details of operations of the Company are given below:

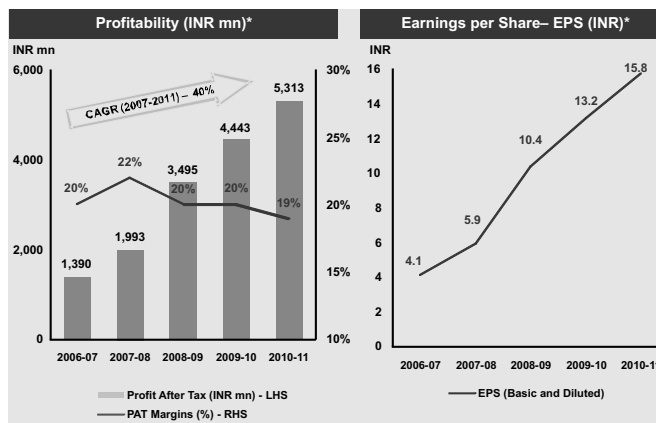
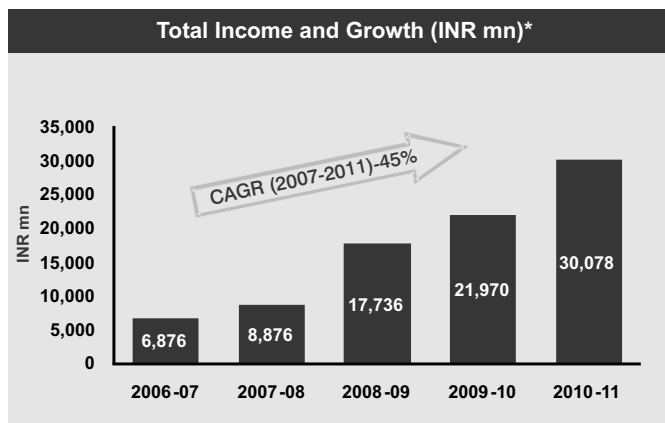
### Petroleum Refining

Petroleum Refining sector continued to play a dominant role in Company's business. During the year, EIL has achieved good progress on the following major jobs, some of which were commissioned / likely to be commissioned in the next financial year. These jobs include :

- 6 MMTPA grassroot Bina Refinery of Bharat Oman Refineries Ltd. (BORL): All the process units were commissioned during the year. BORL is now taking up commercial production. This refinery has full conversion hydrotreater unit integrated with diesel hydrotreater. The pet coke produced in Delayed Coking Unit (DCU) will be used for power generation in the Captive Power Plant (CPP).
- 11.5 MMTPA BPCL-Kochi Refinery's CEMP-II Project (Capacity Expansion & Modernization Project - II) at Kochi : All the process units of this project were mechanically completed and commissioned during the year. Petroleum products meeting Euro III & IV specifications are being dispatched to consumers from the Kochi Refinery. Completion of this project was indeed challenging, given the geographic constraints and long spell of one of the highest rainfalls in the country.
- Euro-IV Project of CPCL : The project comprising of NHT-Isom and DHDT Units executed on LSTK-OBE mode was commissioned during the year.
- For the implementation of Euro III & Euro -IV fuel compliance in north-east Assam, EIL was engaged for upgradation of Refinery of IOCL at Bongaigaon and by NRL for their Numaligarh Refinery for the following units :

- 1.2 MMTPA Diesel Hydrotreater Project (DHDT) of IOCL-Bongaigaon Refinery was completed during the year. For DHDT Unit, EIL-IOCL, indigenously developed technology was used and for the HGU, Sulphur Block (SRU, SWS & ARU) and associated Utilities & Offsites, EIL's indigenously developed technology was used.
- Diesel Quality Upgradation Project (DQUP) of NRL : The project was completed within a shut-down period of 50 days and this could be achieved by adopting meticulous planning of material and resources available at site.
- Panipat Refinery Additional Expansion Project (PRAEP) : EIL has successfully executed, a mega revamp project of IOCL's Panipat Refinery raising the refining capacity from 12 MMTPA to 15 MMTPA. The mega shutdown was executed concurrently in Crude and Vacuum units, Hydrocracker, Delayed Coking Unit and Amine Regeneration unit with zero lost time incident and involving huge quantity of existing piping and equipment replaced with new facilities.
- CDU/VDU-III and NHT/CCR Revamp projects of Chennai Refinery of CPCL were completed and are under full commercial production.
- FCC Project at HPCL's Mumbai Refinery was mechanically completed in December, 2010, and fully commissioned thereafter.
- 9 MMTPA grassroot Guru Gobind Refinery Project of HPCL - Mittal Energy Limited at Bathinda has made steady progress and 96.4% of physical progress has been achieved as on 31.03.2011. The facilities at SPM ( Onshore & Offshore) for receiving crude from tankers and crude oil terminal for storage and onward pumping to refinery through 1014 km of 30" / 28" pipeline have been mechanically completed / tested with water and are ready for crude-in upto COT facilities. All the major equipments have been delivered and installed in position at Bathinda site. CDU / VDU, the mother unit has been mechanically completed. The balance work on all other





downstream process units is progressing in full swing and the units are being mechanically completed progressively enabling commissioning of the entire complex by the third quarter of 2011-12.

- Mangalore Refinery Ph-III Project of MRPL involves capacity expansion from 12 MMTPA to 15 MMTPA with product quality improvement to Euro-IV specifications. The entire project is being implemented on hybrid mode of execution including LSTK/OBE/conventional system. The project activities are in full swing with LSTK/ OBE & EPCM contractors having fully mobilized for all the units and Utilities & Offsites. Engineering and procurement activities are nearly complete. Construction activities of the project are at the peak despite the obstacles posed by inclement weather during the monsoon spread over 5-6 months period.

MRPL under Phase-III Expansion Project have embarked upon a major initiative to not only upgrade the value of the products from their existing refinery, but also to enhance their profitability considerably by installing a Petrochemical Fluidised Catalytic Cracking (PFCC) for production of Polymer Grade Propylene. The PFCC Unit has been awarded to EIL on OBE convertible to LSTK mode. The PFCCU forms the key secondary processing facility of this Project and is one of the pivotal units which add substantive value to the Project. The unit has been licensed by M/s. Shaw Stone & Webster and is designed for a high severity operation with a capacity of 2.2 MMTPA to produce about 445,000 TPA of Polymer Grade Propylene. The challenge in this project is highly exacerbated on account of the extreme criticalities arising out of the unit size and associated complications. The sheer magnitude and the volume of work involved in the Project itself poses critical challenges of building one of the most complex process units in the Refining industry, implemented hitherto in India.

SRU Block is also being implemented on OBE convertible to LSTK mode. Engineering and procurement activities are nearing completion and construction is in full swing for the SRU Block.

MRPL also awarded the Polypropylene Unit (PPU) to EIL on OBE convertible to LSTK mode of implementation. Detailed engineering and procurement activities are in the advanced stage of completion. The site execution of PPU at MRPL, was one of the most challenging tasks, due to uneven terrain at the

site. Work at this site included piling, foundations and superstructure works, which are currently progressing well at site.

Engineering, procurement and construction are in advanced stages for the Wet Air Oxidation (WAO) Unit at MRPL Phase-III, awarded to EIL on LSTK basis. This is the first WAO unit where EIL is the licensor.

- EIL is also providing PMC services for implementation of 366 MW Captive Power Project (CPP) of IOCL's 15 MMTPA Paradip Refinery Project. BHEL is the LSTK contractor for this Project. Various activities for this project are in full swing.
- Engineering and procurement activities for CDU/VDU-II Revamp of CPCL are progressing well.
- EIL is also offering PMC Services for New Coke Chambers & Allied Modernization Facilities at Guwahati Refinery of IOCL.

**Turnover from consultancy and engineering segment increased by 7 % to ₹ 112794 lakh. Lumpsum Turnkey project segment increased by 81 % to ₹ 169534 lakh.**

A number of new project assignments were bagged by EIL during the year 2010-11 and work has commenced on all these projects. These include :

- DFR for grassroot Refinery in Maharashtra for HPCL, Mumbai.
- EIL is also awarded the contract for Project Management Services for BPCL-Kochi Refinery for their new Integrated Refinery Expansion Project (IREP) at Kochi. The scope of work includes selection of licensors, preparation of detailed feasibility report and site grading. The work on this project has commenced.
- EPCM services contract for Wax Project of NRL was awarded to EIL during the year. The project involves setting up of Wax Plant, consisting of Solvent De-oiling Unit (Licensor: EIL along with IIP) and Wax Hydro Finishing Unit (Licensor: Axens, France) and associated Utilities and Offsites to produce 50,000 MMTPA of Paraffin Wax including 4,500 MMTPA Semi Micro-Crystalline Wax.

In addition number of new project studies were taken up during the year. Many of our major project assignments originate from these studies. This is a sign of confidence that our customers

repose in our Company's technological expertise, particularly our ability to provide complete range of services from concept to commissioning.

### Petrochemicals

This year also witnessed significant growth in the Company's Petrochemical segment. During the year, EIL continued to make significant progress on following major jobs.

- Assam Gas Cracker Project of Brahmaputra Cracker and Polymer Limited (BCPL), a grassroot Petrochemical project being executed on conventional mode at Lepetkata near Dibrugarh has made significant progress during the year. Procurement for critical equipment & award of major construction contracts has been completed. Engineering is in advanced stage. Once completed, this complex will produce HDPE/LLDPE and PP and availability of these products shall boost the development of plastic industry in North-East region.
- Dahej Petrochemical Complex of ONGC Petro-additions Limited (OPaL) is being executed on PMC - LSTK mode. Construction activities for upstream cracker unit are in full swing. Significant progress has been achieved in award of LSTK packages for various downstream units, Utilities & Offsites. The Project consists of 11,000 KTA Dual Feed Ethylene Cracker, HDPE, LLDPE, PP Units and associated Utilities and Offsites.
- EIL has been awarded the prestigious, fast track, GAIL Petrochemical Complex - II Project during the year. The

project has facilities at Vijaipur & Pata consisting of Gas Sweetening, Gas Cracker, C2/C3 recovery, LLDPE/HDPE Swing, Butene-I units as well as Utilities & Offsites. The Gas Processing Unit (GPU) at Vijaipur at a capacity of 21.71 MMSCMD, apparently is one of the largest gas plants being designed in the world for recovery of C2/C3 fraction as feed to GCU.

- GAIL took the unique initiative of nominating the Licensor (M/s Shaw Stone & Webster) for GCU thereby giving impetus to the project. Licensor selection for downstream units is also completed. Utilities & Offsites facilities have been sized and infrastructure works are proceeding in full swing at both sites. Advance action has been taken for procurement of long lead items like compressors, steam generation package, columns etc.
- The Butadiene Extraction Unit (BDEU), IOCL's Panipat Naphtha Cracker Project (PNCP) has been awarded to EIL in Oct 2010 and is being executed on EPCM basis. The 138,000 TPA capacity unit has been licensed by CB & I Lummus. Engineering & procurement activities for the project are in progress.

### Pipelines

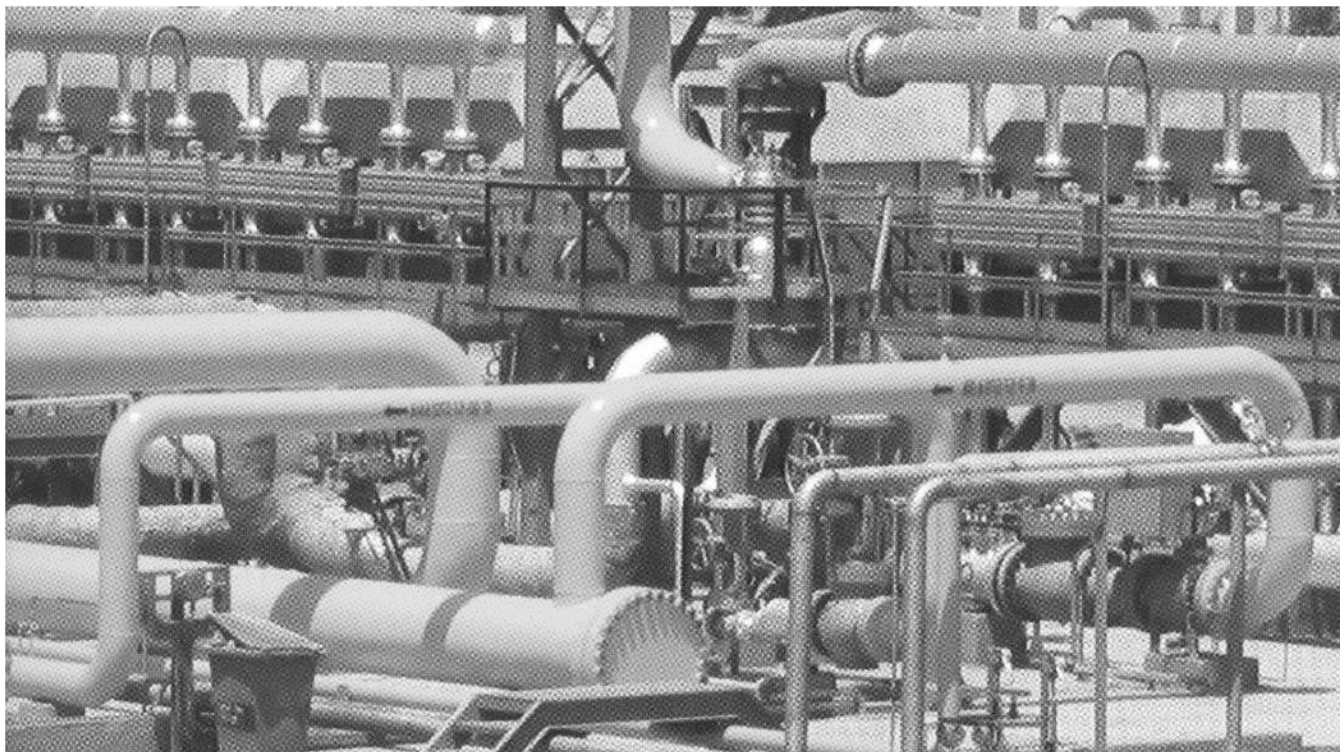
EIL has been aggressively working in areas of oil & gas transportation and distribution in India and abroad. Following pipeline projects were successfully completed and commissioned during the year:

- 48" (largest diameter gas pipeline) x 498 km Vijaipur-Dadri



Hon'ble Minister of Petroleum & Natural Gas, Shri S Jaipal Reddy dedicated Panipat Naphtha Cracker Plant to the Nation on February 15, 2011. This project has been completed and commissioned within a record time of 46 months, duly coordinated by EIL with other EPC agencies.





and 36" /20"x 95 km Dadri-Bawana Natural Gas Pipeline of GAIL. The project was completed well in time despite the challenges of river crossings at Chambal & Yamuna.

- 18" x 257 km Bina-Kota multi product pipeline of BPCL.
- Short connectivity Gas Pipelines from Dadri-Bawana Pipeline to Sonapat, Meerut, Agra, Ferozabad for GAIL, NDPL and IOCL Dadri Terminal .
- 30"/24"x300 km NGL Pipeline of GASCO, Abu Dhabi.

Following pipeline/ associated projects handling oil & natural gas are under execution :

- Two additional Compressor stations at Chainsa (Haryana) and at Kailaras (Madhya Pradesh) on Vijapur-Dadri Pipeline of GAIL.
- 30"/28" x 1014 km Mundra-Bathinda Crude Oil Pipeline of HMPL
- 36"/30"/24"/18" x 995 km Dabhol-Bangalore Natural Gas Pipeline of GAIL.
- 10" X 26 km LPG Onshore/Offshore Pipeline from BPCL/HPCL Mahul Refineries to Uran for BPCL.
- 18"/16" x 275 km Natural Gas Pipeline from Vijapur to Kota & Spurline to Chittorgarh for GAIL.

During the year, EIL has been selected for the following new major pipeline projects for which work is under progress:

- EIL bagged South Jetty Development Pipeline Project at Paradip for loading/unloading of petroleum products and crude oil from IOCL Paradip Refinery comprising 21 nos. 4" to 38" pipelines with a total length of 140 kms. This jetty will handle variety of oil & gas products including crude and is first of its kinds in India.
- 46 no. of flow lines of various sizes(3" to 20") totalling to 240 km for NPCC/ADCO, Abu Dhabi

- Health & Integrity Check of City Gas Distribution network of Adani Gas in Lucknow City and its integration with Green Gas Limited.
- Detailed Feasibility Report (DFR) for augmentation of Jamnagar - Loni, LPG Pipeline of GAIL. The Jamnagar Loni pipeline is one of the longest LPG Pipelines in the world .
- 12" x 100 km Hazira-Dahej Naphtha Pipeline for ONGC.

In addition, EIL intends to diversify into City Gas Distribution on owner/ operator mode and bid for various cities as equity partner for new pipeline projects currently under bidding for PNGRB.

#### Offshore Oil & Gas

During the year, EIL continued to provide PMC services to GSPC for the following projects for their Offshore Block.

- Wellhead Platform
- Process -cum-Living Quarters Platform

EIL is executing SPM and Associated Facilities Project of MRPL at Mallavaram (A.P.) on open book estimate basis. After installation of these facilities, MRPL shall be able to import crude by VLCC Tankers upto 300000 DWT capacity resulting in cost savings.

EIL is also providing pre-award services to ONGC for WO-16 Cluster, Cluster-7, BHE and associated sub-sea pipelines projects.

EIL has received work orders for providing post-award services of WIN Revamp project of ONGC and crude handling facilities for IOCL at Paradip. The crude handling facility shall meet the requirements of Paradip Refinery including other eastern refineries of IOCL.

EIL is also entering into cooperation agreements with multinational companies having expertise in deep water engineering. This is viewed as an emerging sector for the Company.

### Onshore Oil & Gas

GSPC, as a part of Deen Dayal Field Development Project, is implementing an Onshore Gas Terminal (OGT) facility at Mallavaram (A.P.). The project is being executed on OBE - LSTK mode consists of two trains of 100 MMSFD each with GDU, GSU, CSU and Sulphur Recovery Unit and associated Utilities & Offsites. The process package has been finalized and engineering procurement are in progress.

EIL is also providing PMC services for additional gas processing facilities for ONGC at Hazira.

### Strategic Storages

In view of rapid economic growth and increasing energy demand, the issue of energy security has assumed importance. The country's high dependence on import for its oil and gas needs, Government of India has decided to accord high priority to securing India's energy security objectives; and is constructing a buffer for reserve supply of crude oil to deal with any disruption in the supply chain.

Under Phase-I of the crude oil strategic storage programme, Government of India is developing crude oil storages at three locations, viz. Visakhapatnam, Mangalore and Padur. Sub-surface Projects Division (SSPD) of EIL is executing these three underground rock cavern projects. The project at Visakhapatnam is in advanced stage and mechanical completion is expected to be achieved by October 2011.

Under Phase-II of the crude oil strategic storage programme, EIL prepared the pre-feasibility report for storage of crude oil and petroleum products in underground rock caverns, in-ground concrete tanks and salt caverns. Subsequently, EIL has, on advice of Indian Strategic Petroleum Reserves Ltd., submitted a

proposal for preparation of detailed feasibility report for such storages, at four locations. EIL expects to be awarded the project shortly.

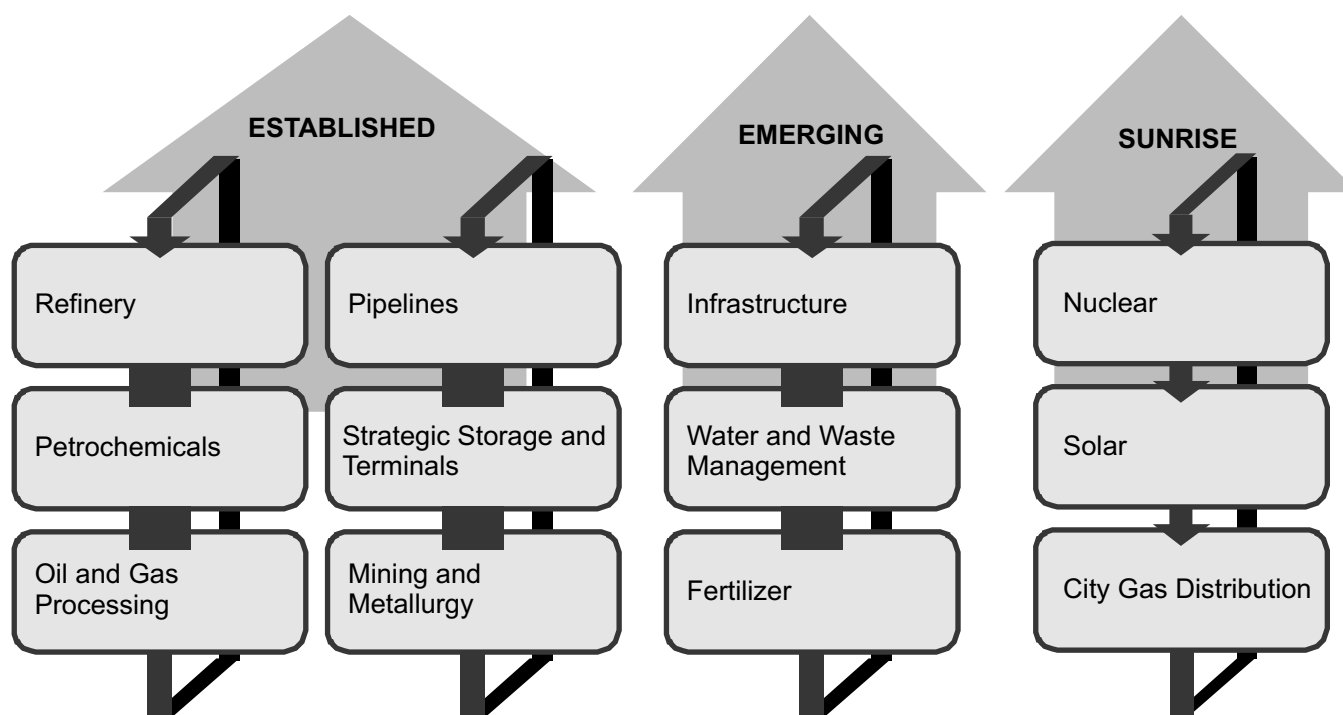
EIL is striving to attain design capability in such areas of underground storage. Having engaged and gained expertise from foreign back-up consultants for the projects at Mangalore and Visakhapatnam, EIL is executing the Padur project independently without the services of a back-up consultant. Services of an expert have been sought solely for the review of design of critical items executed by EIL.

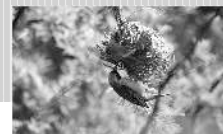
### Metallurgy

The Metallurgy Division of EIL continued to excel during the year, far exceeding the client's expectations. The following major projects were implemented/ and are in various stages of implementation :

- The Second Phase Expansion of NALCO Aluminium Smelter (from 345,000 TPA to 460,000 TPA) at Angul, Orissa has been completed.
- The Second Phase Expansion of NALCO Alumina Refinery at Damanjodi, Orissa (from 1.575 MMTPA to 2.1 MMTPA) Bauxite Mines at Panchpatmali (from 4.8 MMTPA to 6.3 MMTPA) are under execution.
- Fourth Stream Upgradation Project (from 0.525 MMTPA to 0.7 MMTPA) of Alumina Refinery at Damanjodi of NALCO is under execution.
- Engineering services are being provided for Mahan Aluminium Smelter (capacity 360,000 TPA) of HIL (Hindalco Industries Ltd), at Singrauli, M.P and for Aditya Aluminium Smelter Project (capacity 360,000 TPA) of HIL at Lapanga, Orissa. Engineering for these projects is in advanced stages.

## Lines of Business - Diversifying the Portfolio





### Infrastructure

The Infrastructure Division of EIL is providing Project Management services, Third Party Inspection services, Quality Assurance services, as "Independent Engineers" services and working also on "Deposit Concept" for various clients.

The clients include State Trading Corp, Indian National Science Academy, Petroleum Conservation Research Association, Apparel Export Promotion Council of India, Indira Gandhi National Open University, Oil India Limited, Indraprastha Gas Limited, Defence Research Development Organization, National Highways Authority of India, Airports Authority of India, Sardar Sarovar Narmada Nigam Limited, Delhi Jal Board, Delhi University, New Delhi Municipal Corporation and Housing & Urban Development Corporation.

The projects like Extension Campus of IIT Roorkee at Greater NOIDA, Development of Rugby Stadium for Commonwealth Games 2010 at Delhi University & OADB Bhawan for Oil India Development Board (OIDB) were completed during the year.

During the year, EIL was awarded PMC services for Development of Regional Biotech Centre at Faridabad for National Institute of Immunology and Data Centers for Unique Identification Authority of India at Delhi/ Bengaluru were secured. Also TPI works for Indo-China Border Road works has been secured from Ministry of Home Affairs.

The current financial year witnessed commencement of the assignment for development of campus for Rajiv Gandhi Institute of Petroleum Technology at Sibsaigar, Assam.

Efforts are on to venture into EPC/ PPP projects in different sectors, especially the water sector. A special Water Initiative has been taken forward by the department to secure major jobs in the water sector in the country. Also efforts are on for gaining consultancy services for infrastructure projects in the areas of Urban Development, Intelligent and Green buildings, Highways and Airports, Solid Waste Management etc.

### EIL's Business Growth Initiatives

EIL has diversification plans for the following strategic areas :

#### Fertilizers

Under the business growth initiatives pursued by the Company, EIL targeted 'Gas based fertilizer plants' as one of the growth areas for exploring new business opportunities. To secure new jobs, EIL made continual efforts which culminated into award of an EPCM services contract from M/s Jaiprakash Associates Ltd, New Delhi for their fertilizer units at Panki, Kanpur. The new units of Ammonia (2200MTPD) and Urea (2x1925MTPD) along with associated Utilities/Offsites shall be completed within a schedule of 33 months. The basic process design package shall be provided by M/s KBR, USA for Ammonia and M/S TOYO, Japan, for Urea. EIL's scope shall consist of residual process engineering, detailed engineering for all Utilities and Offsites with overall project management services.

#### Water and Waste Management

In this sector, EIL intends to focus on water desalination and treatment projects, urban water distribution projects, waste water collection and treatment, waste water disposal; and residue disposal projects. EIL will continue to target engineering consultancy and PMC opportunities as well as EPC projects. A major project of Laying of Interceptor Sewerage System along Najafgarh, supplementary & Shahdara Drains for Delhi Jal Board (DJB) is under execution.

#### City Gas Distribution

This sector is another sector which has a high growth potential. EIL believes that given its track record of providing engineering consultancy and EPC services for urban infrastructure projects and cross-country hydrocarbon projects, the city gas distribution sector provides attractive opportunities. EIL intends to pursue strategic city gas distribution projects through equity investments to own and operate such networks. Memorandum of Understanding (MoU) has been signed with GSPC in this area.



Shri A K Purwaha, C&MD, EIL and Shri S K Jain, C&MD, NPCIL signed an MoC on February 1, 2011. Directors and other senior officials from NPCIL are also seen in the picture.

## Power

Power Division has been created during the last quarter of 2010 with a vision to diversify in the power sector and benefit from the considerable opportunities in Nuclear, Thermal, Solar and other renewal energy projects. The decision to diversify has been taken considering an estimated investment of the order of ₹12.9 lakh crores in the electricity sector in the next five years.

### • Nuclear

With a view to expand its operations in the Nuclear Sector, EIL has signed a Memorandum of Cooperation (MOC) with Nuclear Power Corporation of India Ltd. (NPCIL). Under this agreement, EIL shall carryout the engineering, procurement, construction and project management for nuclear and balance of plant areas of nuclear power plants. EIL has also been selected by NPCIL for carrying out Environment Impact Assessment (EIP) for their upcoming nuclear power project in Gujarat. EIL has also signed a Memorandum of Association with ITER, India, against which EIL is providing engineering services for cooling water and heat removal systems.

### • Captive Power Plants

EIL is providing PMC and technical services for captive power plants for various clients and has also undertaken a Detailed Project Report along with tender preparation and evaluation for CPP for Kribhco.

### • Renewable Energy

As a part of its efforts to enter into renewable energy sector, EIL participated in the first phase of the National Solar Mission to bid for a 5 MW Solar Photovoltaic Power Project along with GAIL PMC services were also provided to GAIL for their bid for a 50 MW Solar Thermal Project. EIL intends to aggressively pursue solar thermal projects which offer synergy with EIL's capabilities.

## Turnkey Projects

EIL is executing turnkey projects either on LSTK mode or on the 'Open Book Estimate' (OBE) basis. Following jobs made substantial progress during the year.

- Euro-IV Project of CPCL comprising of NHT-Isom unit and DHDT unit being executed on LSTK-OBE mode was commissioned during the year.
- Significant progress was achieved on three OBE convertible to LSTK packages, namely PFCC, SRU Block and PP of MRPL Refinery Expansion Phase III Project.
- Wet Air Oxidation (WAO) package of MRPL Phase -III Refinery Expansion Project is being executed as LSTK package by EIL.
- SPM and associated facilities project of MRPL Phase-III project is being executed on OBE mode.
- Basic Engineering was completed and other project activities are in progress for the On-shore Gas Terminal Project of GSFC at Kakinada, AP. This is being executed on OBE mode.

## Overseas Assignments

There has been steady progress with EIL's global expansion plans during the year. Apart from continuing success with existing projects, EIL was also able to bag new overseas assignments during this year.

Assignments completed during the year include:

- Replacement of NGL Pipelines Network Project, for M/s GASCO, Abu Dhabi
- Olefins Conversion Unit (OCU) and Polypropylene Unit (PPU) of Abu Dhabi Polymer Company Ltd. (Borough) of Ruwais, Abu Dhabi

Work progressed well on the following jobs during the year:

- Design & detailed engineering services to NPCC for Qusahwira Field Development 1.8 MM BOPD Project of ADCO for Abu Dhabi.



EIL signs MoU with NPCC

Abu Dhabi Company for Onshore Oil Operation (ADCO) has awarded Qusahwira Project to National Petroleum Construction Company (NPCC), Abu Dhabi on EPC basis. NPCC, in turn have awarded detailed engineering services to EIL. Qusahwira Project (Phase-1) mainly consists of two group gathering and crude processing stations, namely, Central Degassing Station (CDS) and Remote Degassing Station (RDS-1) and a 14" - 80 km. long main crude transfer oil line. EIL was qualified as an engineering consultant under stiff international evaluation and competition. EIL shall also provide field engineering support, commissioning support and inspection & expediting support to NPCC on call-basis (reimbursement basis).

- Replacement of GUP Hydrophor Fire Water System Pumps at Ruwais Refinery of Abu Dhabi Oil Co., Abu Dhabi.
- New Services Contract (till January 2013) for Development of Engineering Capabilities for M/s SONATRACH, Algeria.
- Rehabilitation and Adaptation Project of Skikda Refinery and Algiers Refinery of SONATRACH, Algeria
- Engineering Services to M/s Bahrain National Gas Company, Bahrain.

*There has been steady progress with EIL's global expansion plans during the year. Apart from continuing success with existing projects, EIL was also able to bag new overseas assignments during this year*

New major assignments secured by EIL during the year include:

- Pre-bid engineering services for Inter Refinery Pipeline-II (IRP-II) - Project of TAKREER, UAE of M/s National Petroleum Construction Company (NPCC), Abu Dhabi
- Engineering services for assess & select for Heat Exchanger



## Global Presence

Overseas Clients	
CLIENT	COUNTRY
SONATRACH	Algeria
SONATRACH	Algeria
SONATRACH	Algeria
KNPC	Kuwait
Qatar Petroleum	Qatar
NPCC	U.A.E
ADCO	U.A.E
BANOCO	Bahrain
Sohar Refinery Company	Oman
Takreer, Abu Dhabi	U.A.E
GASCO	U.A.E



Study - ZWSC/ GGII for M/s Abu Dhabi Marine Operating Company (ADMA-OPCO), Abu Dhabi

- Pre-bid engineering services for Hasbah-Arabiya Field Development Project of Saudi Aramco for M/s National Petroleum Construction Company (NPCC), Abu Dhabi
- Design and Engineering services for Water Injection Plant and Cathodic Protection System for Pipelines for M/s Petro Venezolana S.A., El Tigre, Venezuela
- Engineering services to M/s BAPCO, Bahrain
- Design and detailed engineering services to M/s Bahrain National Gas Company, Bahrain
- Feasibility study & FEED for revamp of Effluent & Drainage Facilities at Sabhan & Ahmadi Depots for KNPC, Kuwait
- Licensor selection for Sohar Refinery expansion Project for ORPC, Oman
- Consultancy Services for pre-project works in respect of DUQM Refinery and Petrochemicals Complex for Oman Oil Company (OOC), Oman.

### Engineering

In the course of providing basic and detailed engineering services for our ongoing projects, Engineering Division of EIL continues its pursuit of excellence. All work processes in Engineering are fully computerized and workflows of different departments are seamlessly integrated. Engineering teams working at all our regional offices are also integrated and follows same mode. Some of the major independent assignments undertaken by Engineering Division during the year include:

- Procurement engineering for 34 MW Gas Turbine Driven Pipeline Compressors for GAIL Projects.
- Review of procurement engineering for 65 MW Steam Turbine Driven Cracked Gas Compressor and 35 MW Refrigerant Compressors for OPaL Project. These are the largest machines of its kind undertaken by EIL.
- Engineering, supply and installation of one of the World's largest P.P. Extruders for MRPL.
- Design, engineering and review of Tall Towers of maximum weight 1450 MT, 11072 mm dia and 124650 mm height executed by Climbing Jack Method for OPaL Project.
- Design, engineering and installation of VGO, HDS reactor of alloy steel construction of maximum weight 780 MT, 4485 mm dia and 37885 mm height erected by Strand Jack Method at BPCL, Kochi Refinery Project.
- Procurement engineering for 2.5 MW Diesel Engine driven pump packages, the largest of its kind ever engineered & procured by EIL for SPM of MRPL Project.
- Conceptual design & review of special Duplex SS cavern pumps for crude service & seepage water service for approx. 90m depth underground rock caverns, first time by EIL.
- Engineering, layout and composite analysis involving very high pipe sizes for PFCC unit of MRPL including a maximum size of 127" for the first time.
- Engineering for 220 kV, 180 MVA regulating & rectifier transformers for Hindalco's Aditya & Mahan Aluminum Smelter projects.
- Engineering for 360 MW CPP involving Frame-9, 118 MW GTGs, 30 MW STGs and 66kV Double bus Gas Insulated Switchgear for bulk power distribution for IOCL Paradip Refinery Project.
- Engineering for 66 kv in plant Power distribution involving 66 kv GIS & 66 kv Cables for OPaL, Dahej Project.
- Implementation of state-of-the-art Wireless TETRA (Terrestrial



Trunked Radio) based mobile communication for voice and short data services and emergency services like Public Address/General Alarm (PAGA) system in Guru Gobind Singh Refinery of HMEL.

- Implementation of state-of-the-art Wireless based Process Plant Perimeter surveillance system in BCPL Dibrugarh.
- Implementation of High Integrity Pressure Protection System(HIPPS) for Downstream Pressure Protection at 15000psi for GSPC well head platform
- Implementation of state-of-the-art sand measurement and alarm system at 15000psi pressures at Well head platform of GSPC, first time in India.
- Set-up of FGL and finalization of earthwork quantities involved in a project through 3D modeling implemented by the Company for the first time.
- Development activity related to upheaval buckling of pipeline has been carried out.
- Based on the requirement of Nuclear Industry, capability has been developed in generation of floor response spectra from the site specific seismic spectra.
- Standardization of mounded bullets based on code PD 5500 has been done for various lengths upto 90 meters.
- Adopting and implementing green building design concepts (to achieve minimum 3 star rating of GRIHA) for Administration Buildings at GAIL's Compressor Station complexes at Kailaras (MP) and Chainsa (Haryana) to comply with directive from the Ministry of New & Renewable Energy (MNRE).
- Innovative and aesthetically pleasing architectural design (including complete interior works) of Control Rooms (at MRPL and GSPC)
- Implementation of web based electronic Document Management System (eDMS) for document archiving, transfer and structured Knowledge Management(KM).

#### Project Services

Project Services Division of EIL continued to provide critical planning and costing services to various projects both at Head Office and various project sites. Using state-of-the-art tools and its data base, the Division caters to diverse project execution roles of the Company viz. EPCM, PMC, LSTK/ OBE.

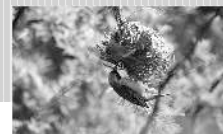
The Division utilizes Primavera and various in-house software packages for project planning and monitoring activities. Apart from providing services for all the projects undertaken by EIL, the Division continued to provide project monitoring services to Ministry of Petroleum and Natural Gas for the 29th successive year.

The Division provides services such as preparation of cost estimates and economic analysis in diverse activities ranging from technology selection to preparation of feasibility reports and other project cost related support such as cost monitoring and control during execution of projects under conventional and LSTK mode of execution. The vast data base and capabilities help in providing valuable support for bid evaluation and award of major contracts as well as in providing effective cost control services.

This Division also supports man-hour control and manpower planning activities of the Company.

#### Construction

Construction Division of EIL continued to provide Construction Management services for various clients at 47 domestic diverse project locations and 3 overseas locations. The Division offers services for total construction management including contract administration, construction quality surveillance, feedback



analysis, HSE and warehouse management for various projects of EIL.

Current major commitments for the Division involve grassroots refinery at Bathinda for HMEL, MRPL Phase-III project involving four OBE-LSTK contracts and other PMC/ EPCM facilities, Petrochemical complexes at Dahej and Lepetkata, Strategic Storages at three locations and Pipeline Projects etc.

The highly skilled and totally motivated EIL construction team has been instrumental in establishing & monitoring adherence of construction Quality Management System comprising of quality plans, test plans, including record keeping, monitoring special processes for concreting, welding (involving latest NDT techniques, radiography, ultrasonic test etc.) during all phases of construction to ensure trouble free commissioning/operation of critical units.

Company has clocked 80 million Lost Time Accident Free (LTA-Free) man hours at PNCP, Panipat which is a unique achievement.

### Process Design & Development

The Process Design & Development Division of EIL continued its efforts to secure business from new clients besides serving various existing clients, both in India and abroad. Prominent jobs undertaken by the Division during the year include the following:

- Configuration study for expansion of existing CPCL Refinery.
- Configuration study for expansion of existing BPCL-Kochi Refinery.
- Configuration study for expansion of HPCL Visakh Refinery.
- Pre-Feasibility report for low cost expansion of BORL Refinery.
- Configuration study for a grassroots refinery in Maharashtra for HPCL.
- Basic Engineering Package for grassroots Solvent Deoiling unit for NRL (Numaligarh Refinery Limited) based on Solvent Deoiling technology jointly developed by EIL & IIP.
- Basic Engineering Package for installation of Soaker internals for Visbreaker unit of HPCL Visakh based on the technology jointly developed by IIP & EIL.
- Basic Engineering Package for a grassroots IndaDept unit for IOCL Guwahati based on technology jointly developed by IOCL & EIL R&D.
- Feasibility Report for a grassroots Olefin complex for BPCL, Kochi.
- Licensor selection for the new licensed process units of Sohar Refinery of Oman Refineries & Petrochemicals Company (ORPC), Oman.

The Division also continues to provide requisite support in process design & development, pre-commissioning and start-up activities to the following major projects:

- GGSRL Refinery of HMEL
- New DHT Facilities at BRPL
- Bina Refinery Project of BORL
- Euro-IV Project of CPCL
- Phase-II Expansion Project of KRL

### Research & Development (R&D)

R&D has contributed significantly in the consolidation of existing capabilities, development of new technologies & hardware and

enhancement of the portfolio for special technology related services. Accordingly, the R&D Division of EIL is pursuing developmental activities, both in-house and in-collaboration with other R&D institutes/organizations like IOCL-R&D, IIP, BPCL (R&D), etc.

- In line with Company's identification of Clean Coal Technology as a thrust area, activities have been initiated for the Coal to Liquid (CTL) technology development Project with BPCL (R&D). The project is partly funded by Centre for High Technology with a total project budget of ₹ 33 crores. Combiend expenditure (by EIL & BPCL) so far on the projects is ₹ 3.31 crore. Micro & bench scale reactors have been procured and installed at BPCL. Catalyst synthesis and procurement of other facilities are in progress.
- Another project for development of new amine based solvent (i.e. new formulation of amine blend) for CO<sub>2</sub> removal from natural gas and development of simulation software for gas sweetening process has been undertaken in association with IIT, Kharagpur. It consists of experimental studies like VLE, kinetic data and physicochemical property generation will be carried out at IIT for development of new solvent. The data generated from experimentation will be used in development of simulation model.
- EIL along with IIT Delhi and IOCL (R&D) successfully completed the CHT sponsored research project for development of Trickle Bed Reactor (TBR) Technology. Knowledge base developed on various hydrodynamic studies has been utilized in the commercial design of 1.2 MMTPA Diesel Hydro-desulphurization (DHDS) Unit of IOCL Bongaigaon Refinery and 20000 TPA Food Grade Hexane Unit of HMEL Bathinda.



- In-house developed ejector design software (DESMIX) has been upgraded with graphic user interface (GUI) and efforts are on to upgrade it further for reduced energy consumption.
- EIL continued its successful commercialization of CFC technology developed along with IOCL-R&D. The LPG units at Bina and CPCL, Chennai designed on this technology have been successfully commissioned.
- Two trains of TEG based gas dehydration units with Glycol Contractors (V-5420/5460) and Glycol Still (V-5550/5650) at NQG Platform which were revamped with EIL developed proprietary structured packings (PARLPAK) under NQRC Reconstruction Project of ONGC were commissioned successfully.
- CATSOL Technology for acid gas treatment in Sulphur Recovery unit (sponsored by DSIR) is under commercialization for GSPC-SRU.





- Utilizing the knowledge base developed over the years, R & D team successfully completed the job of setting up laboratory facilities for Naphtha Cracker, MEG, HDPE, PP, LLDPE/HDPE Swing & its Utility services of IOCL Petrochemical complex, Panipat. This is the first time R&D has provided its services for setting up laboratory facility for a commercial plant.
- EIL and IOCL jointly developed INDAdapt Technology for Naphtha & diesel Desulfurization based on IOCL developed catalyst. IOCL is planning to setup a demonstration-cum-commercial unit for INDAdapt G technology at Guwahati Refinery. A demonstration unit of 39000 MTA capacity is being set up at Guwahati Refinery to treat heavy gasoline cut of INDMAX (FCC) Naphtha. The sulphur content will be reduced from 1000 ppmw to 50 ppmw. It will not only permit blending of complete heavy gasoline to BS III MS pool but also provide an edge to Guwahati Refinery to meet future more stringent specifications of BS IV MS pool with respect to Sulphur. OI DB has in principle agreed to fund a major cost of the unit (70 %).
- EIL /IIP have been awarded the job of providing soaker internals for existing Visbreaker Unit of HPCL, Visakh. The soaker internal capability is joint effort of EIL & IIP & the subject job is going to be the first commercial application. The quantitative advantages in yield are being worked out currently.
- EIL was also awarded the job of preparing BDEP for the Solvent Dewaxing / Deoiling unit by NRL for production of Paraffin & Semi-Microcrystalline wax. The process design is first grassroot application of EIL/IIP Solvent Dewaxing / Deoiling technology.
- A project to carry out energy conservation study for NRL has been undertaken in association with CHT. A multidisciplinary core group for conducting energy audit / studies is being constituted. Efforts are being made to obtain membership of PCRA (Petroleum Conservation Research Association) and BEE (Bureau of Energy Efficiency).
- The Division has filed for two patents based on innovative work done during the year. Four patents have been granted for the applications filed earlier.

### Plant Operations and Safety

The Plant Operations and Safety Division (POSD) of EIL

continued to provide services in the following areas during the year:

- Process design for Offsite facilities of Refinery, Petrochemicals, Gas Processing Units, Oil Terminals, On-Shore Terminal, Topsides of strategic storages (underground caverns), cross country pipelines etc.
- Safety related studies like Hazards and Operability study (HAZOP), Hazard Analysis, Risk Analysis, Safety Integrity Level (SIL), Safety Audits, Safety Reviews and Emergency Planning.
- Pre-commissioning & Commissioning of process plants, utilities, offsites, terminals, pipelines etc including total responsibility for LSTK project and Operating manuals preparation.

The following major assignments were completed/were in progress during the year:

- Process design package for Topside facilities for Strategic Storage of Crude Oil at Padur for ISPRL.
- Process design package for Feed, intermediate & product storage and transfer facilities for OPaL, Dahej.
- Process design of Feed, Intermediate & Product storage and transfer facilities for Brahmaputra Cracker and Polymers Ltd. (BCPL).
- Process Design of off-sites facilities for GAIL Petrochemical II project under progress.
- Process Design of Dabhol-Bangalore Pipeline of GAIL, Hazira-Dahej Naphtha Pipeline of ONGC, Pipelines network for Qusahwira Field Development Project of ADCO -Abu Dhabi, SPM & Pipeline Project of MRPL.

The Division has successfully completed the following major commissioning assignments during the year:

- Commissioning of 6.0 MMTPA grassroot Bina Refinery of (BORL).
- Commissioning of various facilities under CEMP Phase-II Project of BPCL-Kochi Refinery.
- Commissioning of Revamped FCC of HPCL's Vizag Refinery and new FCCU at HPCL-Mumbai.
- Commissioning of NHT/ISOM Unit of CPCL's Euro-IV Project (executed on LSTK-OBE basis)







- Commissioning of LLDPE/HDPE Swing unit of IOCL-PNCP (EPCC-3) at Panipat (executed on LSTK), PRAEP-IOCL

The following pre-commissioning/commissioning activities were under progress during the year:

- 9.0 MMTPA grassroot Guru Govind Singh Refinery at Bathinda of HMEL using web based pre-commissioning commissioning activities Management System (PCAMS).
- DHDT Project of Bongaigaon Refinery of IOCL and DHDT Unit of CPCL Euro-IV Project.

The Division continued its efforts in securing new business and secured /undertaken following major studies during the year:

- Quantitative Risk Analysis (QRA) for IOCL's Gujarat Refinery, Integrated QRA for ONGC's C2/C3 plant and PPL's LNG terminal at Dahej, Integrated QRA for entire Panipat complex of IOCL (Refinery / Petrochemical/ terminals).
- Rapid Risk Analysis (RRA) for GAIL Pata PC-II, IOCL-Paradip CPP, MRPL Phase-III and other pipeline projects.
- HAZOP studies for GSPC's OGT project, ISPR's Cavern PPL Project, MRPL's SPM & PPL project, Open-art units of BCPL, Utilities & Offsite facilities for OPal & MRPL Phase-III Project.
- HSE studies including HAZID, HAZOPS, SIL, Fire & Safety Analysis etc for Qusahwira Field Development Project of ADCO -Abu Dhabi.

The Division has also undertaken development of in-house design capabilities for Vapor Recovery System for control of emissions to offer environment friendly technologies to our clients in refineries, petrochemicals and oil & gas sectors.

In-line with EIL's growth and diversification strategy, the division has taken initiative to offer Operation and Maintenance (O&M) services to our clients.

### Heat and Mass Transfer

The Heat and Mass Transfer Division of EIL continued to provide thermal/hydraulic design for Heat Exchangers, Fired Heater Systems including Cast/Glass Air preheaters, Mass Transfer systems and detailed engineering for Fired Heaters, Sulphur Recovery Unit Equipment and Ejectors etc. for various on-going projects in India and overseas. The Division continued to provide specialist services to specific clients on need basis.

- Abu Dhabi Marine Operating Company (ADMA OPCO), Abu Dhabi placed an order for study of Heat Exchangers consultancy services relating to mitigation measures for corrosion.
- The Division acquired internationally recognized software (FRNC 5) for fired heater design and rating which will enhance capability of the Division in this area. Furnace capacity and efficiency improvement services were provided to CPCL for their existing furnaces in the CDU. The Division also generated several orders for Air Preheater design against international competition.
- The in-house capability and expertise of the Division in the areas of oil & gas production were utilized to provide process package for process platforms, well head platforms, flow assurance study and design of multi-phase pipeline from

offshore to onshore and slug catcher, separators and gas dehydration unit for various clients such as GSPC, ONGC and NPCC.

### Specialist Materials and Maintenance Services (SMMS)

The Company continued to provide specialist services to its clients in Petroleum, Petrochemical, Metallurgical and Infrastructure sectors during the year. Some of the important activities are:

- Health Check study for GAIL Pata, Refractory Lining Design Modification of CDU Heater of CPCL, Chennai, Specialist services for Repairing & Certification of Mounded Bullet in GAIL, Usar, Refractory Lining Design for CHTU Heaters of MRPL, Ph-III Project.
- Refractory Lining Revamp of Hydrogen Reformer of Chambal Fertilizer & Chemicals Ltd., Refractory Lining modification in Duct of Mangalore Chemical & Fertilizer Ltd., Review of Insulation in Horton Spheres, HOCL Kochi, Refractory Lining Inspection of Hot Oil Heater in Garware Polyester Ltd.
- Oil Heater in Garware Polyester Ltd., Technical Advisory Services to HPCL Vizag and to various refineries of IOCL; Material Selection for equipment, piping and pipelines for various on-going projects, GGSRP, MRPL, OPal, BCPL, and GSPC.
- SMMS Division has been advising and specifying on the Corrosion Monitoring Systems, Inhibitor Injection Systems, Corrosion Protection Coatings, Cathodic Protection Systems for On-shore and Off-shore pipelines and Chemical Cleaning Systems for new plants.
- SMMS has been actively involved in evaluating newer materials, fabrication and inspection techniques for the benefit of industries and have also contributed to the National and International standardization bodies like BIS and ISO.

### Environment Engineering

As EIL forays into the global energy market, it has done so with increased sensitivity to global trends in environmental engineering. Increasing concern over Global warming propagated the world's new axiom "reduce your Carbon footprint". This has propelled the world to opt for stricter environment norms and have opened up new era of Environment related businesses. Taking initiative in this direction, the Environment Division of EIL took steps for the implementation of clean and green technologies in order to reduce carbon footprint of projects. The state-of-art technologies in the field of effluent recycle/reuse leading to Zero Liquid Discharge (ZLD) requirements, carbon management for control of volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and treatment of oily sludge using bioremediation process, opting energy efficient processes and treatment system, have given the Division a new vision. Environment Division continued to thrive in the field of Water & Waste Water Treatment Plants, Environmental Impact Assessment (EIA), Environment Health Safety Assessment, feasibility and other environmental studies, which proudly reflect the strength of the Division.

Some of the major achievements of Environment Division include the following:

- EIL has been successfully accredited by Quality Council of India to carry out Environment Impact studies in the fields of Refineries, Petrochemicals, Oil and Gas Pipelines, Non Ferrous Metallurgy, Township and area development project and power plants
- EIL successfully completed Effluent treatment plant study for IOCL, Haldia for the improvement in the existing effluent treatment plant. The treatment of oily sludge by biological methods and control of volatile organic compound have also been incorporated as a part of feasibility report.
- Selection of site for Coal to Liquid based plant based on environmental, social and economical parameters to achieve "Durable Development". Site selection also involved calculation of carbon footprint for all the sites and a step towards reducing carbon emission.
- EIL developed first Volatile Compound Control and treatment system which was successfully commissioned at HPCL-Mumbai.
- Provided consultancy services to KNPC, Kuwait for feasibility and feed preparation for revamping of effluent drainage and treatment plant at Sabhan and Ahmadi Oil Depot.

## Information Technology Services (ITS)

Information Technology Services (ITS) division of EIL continued to provide IT enabled services. Keeping pace with latest IT trends, some of the activities under taken are:

- Upgradation of IT infrastructure: State of the art hardware and software in various functional areas have been acquired to meet the challenging business requirements. Latest operating systems like WINDOWS 2007, Windows 2008 have been rolled out successfully. To implement Business Continuity Plans, activities for setting up of EIL's Disaster Recovery Centre (DRC) have been initiated.
- Biometric attendance system has been implemented at HO,

Chennai, Vadodara and Gurgaon.

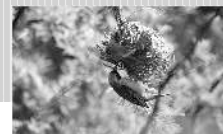
- All the construction sites have been provided connectivity to EIL Corporate network through USB modems for accessing various applications available at Head Office through Internet directly.
- Existing software packages are being converted to web based and many new web based applications have been developed to ensure that Regional offices (ROs)/ Regional procurement offices (RPOs)/ Construction sites/ Overseas offices are able to access centralized databases and various software, available through LAN servers at HO, through EIL's Corporate Network/IP-VPN and over Internet.
- To augment mobile phone based applications, SMS services have been implemented to communicate with internal and external users of EIL including remote users.
- A comprehensive Web based time sheet system has been deployed allowing all the employees across the globe to fill their timesheets through internet.
- A project E-mail Repository Management System is implemented with the objective of efficient management of e-mails related to projects with facilities to give unique e-mail numbering and search options.
- A Management Dashboard is released to provide online single window for view of summarized information at corporate and at job level to EIL management for better and faster decision making.

## Procurement Services

The Procurement Services Division of EIL provides complete supply chain management services for various projects handled by EIL. Timely and efficient procurement of goods and services is a major factor determining success in project execution.

The Division is at the fore-front of new technology adoption for





improving the efficiency and effectiveness of procurement functions. Almost all procurement functions are IT enabled. The Division has implemented e-procurement as well as reverse auction for its contracting and purchasing, in addition to an integrated in-house ERP application linking all procurement functions across all geographical regions.

Public procurement has three vital components, i.e., transparency, equity and fairness. EIL is continuously focusing to ensure the same whilst simultaneously improving the process efficiency. The confidence reposed by EIL's Clients in our procurement systems is one of the factors enabling EIL in securing several OBE (Open Book Execution) projects from various Clients.

During the current year, orders for ₹ 2,200 crore of direct purchases/sub-contracts were placed on suppliers / contractors, from all over the world, for various OBE / LSTK Projects including infrastructure projects. Besides this, orders for ₹ 9,300 crore of goods and services were placed for various Clients' projects.

Procurement Division carried out in-process and pre-despatch inspections of complex equipment at Supplier's works as well at Project sites through its Regional Procurement Offices located all over the country and overseas offices at London, Milan and Shanghai. Major highlights included inspection of Stripper (1120MT), 11 no LPG Bullets (each measuring 7 mtr dia x 90 mtr long), CDU/VDU Columns for GGSRL Bathinda and 900 KM pipes (size 12"-36").

Enlarging data base for capable suppliers has always been the effort of the division. Suppliers located worldwide apply through online system available 24 X 7 at EIL website. Similarly data base of capable Contractors also is maintained. This helps company and its clients in sourcing quality products at competitive prices.

The recently set up procurement office in China contributed a lot to enhancement of the supplier database through study of the Chinese manufacturing industry catering to the oil and gas industry, enlistment of capable manufacturers and also offered inspection services to Clients across China.

### Quality Management System

In EIL, Quality is focused on facilitating and achieving long term success of the Company by building and using Quality into our workplace, deliverables, services and strengthening the Systems.

The Quality Management System in respect of Company's services has been reassessed as per the requirement of ISO 9001:2008 by the certification agency, who conducted the surveillance audit during the period under review. The certification agency after audit declared that the Quality Management System of the Company continues to conform to international standards and recommended for continuation of the ISO certificate.

The important ingredients of our quality initiatives are effective and comprehensive internal audit process, planned customer perception surveys, analysis of feedbacks from stake holders and regular directions from internal Systems Committee consisting of senior officials which regularly monitor and analyze the systems/processes/data and recommends the



improvements in processes, products and quality system to reduce costs, shorten cycle times and improve visibility and credibility without affecting the environment. QMS effectiveness and implementation has been further enhanced by computerization of certain processes through in-house developed software.

Quality Management System of EIL - UAE (Abu Dhabi) office was also independently audited and reassessed for certification by Certifying Agency for its conformance to the requirement of ISO-9001:2008, during period under review. In addition, the Company participated as a prominent and active member in numerous committees for formulating products and quality system standards by M/s Bureau of Indian Standards.

EIL is constantly trying to position itself to face the challenges of economic volatility with Quality as a strategic tool.

### Risk Management

The Company has well defined Risk Management policy and comprehensive framework to review the risk assessment and its management for mitigation. The process is based on pre-identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability, impact of the risk and cost of controls, the risks are prioritized.

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.

Risks, their root causes, controls and action plans are prepared by process owners and updated regularly. These are approved by the Risk Management Committee (RMC) with Director (Finance) as chairman of RMC and all the Executive Directors as members with Head of Risk Group as member secretary. Risk audits are conducted regularly to test the controls and report the same to RMC.

The status of Enterprise Risk Management (ERM) process is presented to Audit Committee on bi-annual basis which is reviewed by the Board of Directors also. The reporting structure meets the compliance requirement.



To further strengthen the ERM process and to identify the gaps a review of ERM process was conducted by an external agency appointed by the Management during the period under review.

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 propensity of the Company, has enabled the Company to protect the shareholders interests.

### Vigilance

During the year, vigilance activities such as investigation of complaints, inspection of files pertaining to in-house contract/purchases, scrutiny of Immovable Property Returns, review of Internal Audit Reports, etc. were carried out dedicatedly by the Vigilance Department with the focused objective of ensuring conformity to the Company procedures and Government guidelines. For systemizing the work, various rules, regulations and procedures were reviewed during the year. The observations reported by CTE/CVC during the intensive examination of works pertaining to EIL were examined and necessary actions were taken. System improvements were suggested to the Management and the necessary actions were undertaken for improvement.

Structured meetings between CVO, C&MD and Directors were held and the MOM were forwarded to CVC and MoP&NG. Vigilance activities were also presented to the Board.

Various vigilance workshops, interactive sessions, seminars, debates etc. were also organized in HO, Regional, Branch, Procurement and site offices of EIL during the year for spreading vigilance awareness amongst the employees of EIL.

Some important features of Vigilance activities are given below:

- **Leveraging Technology**  
EIL has 'First in, First out' methodology in Bill Watch System. E-payment/e-receipt and e-tendering progress are also monitored at regular intervals.
- **Complaint Handling Policy (CHP)**  
As per CVC Guidelines, EIL has formulated Complaint Handling Policy to resolve complaints/grievances from public, contractors, vendors, suppliers etc. A web portal for online complaint handling is now available on the Company's website.
- **Policy regarding recruitment of Ex-employees**  
EIL has policy for recruitment of ex-employees. Vigilance has ensured that employees who have been penalized during service or on the scanner of vigilance shall not be considered for re-employment.
- **Job Rotation**  
Job rotation of sensitive posts is being done at the behest of Vigilance.

- **Integrity Pact**  
Implementation of 'Integrity Pact' has been approved by EIL Directors and it is in advanced stage of implementation.

### 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. The Company optimized 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 adequate number of professionals. During the year, several internal audit assignments with focus on checks and controls on system and procedures, monitoring compliances and continuous upgrade of controls have been carried out and the reports have been submitted to the Management and the Audit Committee of the Board.

### Human Resource & Industrial Relations

People are our prime assets and EIL continued its emphasis towards welfare, multi-skilling, upgradation of skills and optimal deployment. Skilled manpower in oil & gas sector, especially in core areas like process design & development, projects, engineering etc. is in great demand globally. To meet the workload of the Company, extensive recruitment has been undertaken at the junior and middle-management level as well as the 'Management Trainees' Level.

The Company has a qualified and professional employee base with over 3,417 employees, including 3,062 technically and professionally qualified employees as of March 31, 2011 this includes 372 women employees representing 10.9% of total strength. Approximately 2.0% of these full-time employees were located outside India. Many of our engineers are familiar with international work environment and cultures. Our HR Policies are aimed towards recruiting talented employees and facilitating their integration into the Company, encouraging the development of their skills and enhancing their geographic and professional mobility. We strive to maintain good relationships with our employees, which has enabled us to avoid any industrial unrest and maintain a relatively low attrition rate. We have developed a structured incentive programme, including performance-linked variable pay structure for certain level of employees. We are dedicated to the development of the expertise and know-how for our employees and have commenced a focused leadership development programme.

***EIL continued its emphasis towards welfare, multi-skilling, up gradation of skills/knowledge and optimal deployment of human resources.***

During the year 2010-11, continued focus was maintained to organise Competency based learning interventions for our knowledge workers. A total of 168 training programmes were



conducted for developing technical, cross functional, managerial-behavioural competencies. Our partnership with management institutes to provide structured inputs through management development programmes resulted in organization of four Management Development Programmes in collaboration with International Management Institute, New Delhi for senior executives. This also included a programme for senior executives of Construction Sites. Moreover, similar management development programme was also organized for executives in mid level in collaboration with Lal Bahadur Shastri Institute of Management, New Delhi.

Customized competency based programmes like Parambh, Connect 360, Breaking the Mould, Plan Better: Deliver Best, Express to engage, Thinking out of the Box, Leadership in Execution, Creating Winning Teams etc. were also organized keeping in view the training needs as well as emerging business needs.

Two batches of 'Aarohan' the Leadership Development programme - one for 'Business Leaders' and the other for 'Functional Leaders' successfully completed their 8 months development journey. The programme provided participants an opportunity to not only devise their self-learning plans but also engage in action-based group projects which were valuable for the organization as well.



To provide the new members of the EIL Family - the Management Trainees, an opportunity to express, understand and bond, an outbound adventure camp was organized wherein the MTs interacted at various levels with their Mentors. The activities and interaction during the camp helped in strengthening the Mentoring Process and gave the newcomers an insight into EIL Culture.



*A group photo of woman employees attending health awareness programme*

### Scheduled Caste & Scheduled Tribes

With a view to accelerate the pace of socio-economic development of the nation, EIL has been endeavouring towards safeguarding the interests of disadvantageous sections of society. In pursuance of the philosophy and compliance of Presidential Directives dated December 30, 1972 issued by Ministry of Petroleum and Natural Gas, EIL has incorporated necessary provisions in its recruitment process and promotion norms.

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

As on March 31, 2011, 18.2% of total staff strength was from Scheduled Castes and 3.3% from Scheduled Tribes. Senior officials of the Company have been holding regular meetings with representatives of SC/ST Welfare Association and Liaison Officer for redressal of their grievances/ concerns. During the year, of 294 personnel joining the company 44 belonged to SC/ST (SC-33 ST-11). Reports are being sent to MOP&NG/DPE periodically as per the Govt. of India guidelines. Post based rosters are being maintained in direct recruitment and in promotion.

In order to fill up the backlog of vacancies, EIL has been resorting to special recruitment drives from time to time which have helped in meeting the constitutional obligations.

Besides, the Company has also taken up special component plan and sub-tribal plan for the welfare of SCs/STs by awarding scholarships to students of these communities. In the coming days, Company intends to focus its CSR initiatives keeping the welfare of SC/ST population in mind.

## Corporate Social Responsibility

During the year 2010-11, Company remained focused towards its social obligations and the following projects were taken up:

- Installation of 185 Solar Home Light Systems and 20 Solar Street Light Systems in a remote village Rong Bong Tong Tong Toli near Numaligarh, Assam.



- Signed MoUs with Directorate of Education for upgradation of the facilities of Govt. School located at Sangam Vihar, New Delhi; ARUNIM, a statutory body working for the welfare of persons with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities under Ministry of Social Justice & Empowerment for sponsoring machines for manufacturing paper bags and Kancheepuram Municipality, Tamil Nadu for Construction of Water Treatment Plant using advance Membrane Technology for Thirupparkadal Water Supply Improvement Scheme.
- Signed MoU with District Collector of Kakinada, Shri M Ravichandra, I.A.S for taking up the construction of additional floors at Government General Hospital (GGH), Kakinada, Andhra Pradesh.



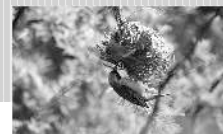
*Shri A K Purwaha, C&MD, EIL inaugurates the developmental works under CSR initiatives in Dibrugarh, Assam*

- Development of three educational institutions viz. Industrial Training Institute, Rameshwar High School and Girl's High School at Barbaruah, Dibrugarh, Assam. The institutions are primarily catering to the educational needs of underprivileged population of Dibrugarh. EIL provided different facilities like extension of administrative building, cycle stand, construction of additional wash room with hand tube well, extension of boundary wall, drinking water and foot path.



*Computers provided for imparting training & education to slum children*





Parliamentary Committee on Official Language in EIL

### Official Language

Quarterly meetings of Official Language Implementation Committee (OLIC) of EIL and the meetings of different OLICs of Regional/Field/Procurement Offices were held regularly in which progress in respect of Official Language Policy of the Govt. of India particularly in the perspective of Annual Programme issued by M/o Home Affairs was reviewed periodically. Provisions of the Section 3(3) of the Official Language Act, 1963 and the Official Language Rules, 1976 have been complied with. All assurances given to Committee of Parliament on Official Language have been fulfilled.

Town Official Language Implementation Committee (TOLIC), Delhi honoured EIL with the second prize for effective use of Official Language Implementation in the Company among Delhi based PSUs. Our RO, Kolkata & Kochi office also received the awards by respective TOLICs for their extra ordinary efforts in the field of official language

The initiatives taken in the field of IT includes activating Unicode facilities in all computers, providing Indic IME support to computers, Shrutlekh, Shabdika, Parivartan and other software were made available to the employees. Special sessions are provided on this software during Hindi Workshops. In pursuance of the Official Language Policy of the Government of India, newly joined employees, not knowing Hindi, are nominated in

correspondence course of Ministry of Home Affairs. However at the Delhi Head Office regular classes are being conducted for such employees. More than 98% employees are having working knowledge/proficiency of Hindi. 97% stenographers & 98% typists of the Company are trained in Hindi stenography and typing respectively. In case of Head Quarter 100% target has been achieved in respect of Stenographers & Typists.

EIL Rajbhasha Vibhag conducted inspections of Divisions/ Departments in Head office and Regional/Fields/Procurement offices as per the Parliamentary requirements and in compliance of annual target for Official Language during the year. Five Hindi workshops were organized at Headquarter, New Delhi and 7 at Regional/Field/ Procurement offices. Three Hindi typing training workshops were also organized at the Head Office. Three 'rajbhasha Conferences' were organized in different part of the country-one in Mumbai and another in Vadodara for surrounding offices of EIL. A conference was organized under the auspices of TOLIC Gurgaon for different Central Govt. offices including Bank, Undertaking & Govt. offices.

The Hindi Fortnight was celebrated from 14 - 28 September 2010 in the Company. Various competitions were organized to encourage the progressive use of Hindi and 47 employees were awarded with prizes.

## Awards and Accolades



Shri A K Purwaha, C&MD, EIL receiving Business Standard Award 'Star PSU of the Year 2010' from Hon'ble Prime Minister of India, Dr. Manmohan Singh



Shri M S Pathak, former Chairman, EIL receiving Life Time Achievement Award from the Prime Minister of India, Dr. Manmohan Singh during Petrotech-2010 Conference in New Delhi

- 'Star PSU of the year 2010' award by Business Standard. Shri A K Purwaha, C&MD, EIL received the award from Hon'ble Prime Minister of India, Dr. Manmohan Singh.
- Life time achievement award to Shri M S Pathak, former C&MD, EIL by Hon'ble Prime Minister of India, Dr. Manmohan Singh in recognition of his outstanding contribution to Hydrocarbon Industry.
- Project Management Institute (PMI) Award-2010 for Bina Refinery Project of Bharat Oman Refineries (BORL).
- Construction Industry Development Council (CIDC) Vishwakarma Award-2011 in five categories. In individual category, EIL C&MD Shri A K Purwaha was chosen as an Industry Doyen while Director (Commercial) Shri G D Goyal was recognized as an Outstanding Public Officer. The company was selected in the category of Best Professionally Managed Company. It also bagged Best Project Awards in Oil & Gas category for its Bina Refinery and Panipat Naphtha Cracker Project.
- Petrofed Award 2010 for Woman Executive in Oil & Gas Industry to Ms. Nisha Peeoosh Guha, DGM (PEM) EIL.
- Prestigious Prashansa Patra Award (Level 4) for the year 2009 by National Safety Council of India (NSCI) in the construction category for Underground Cavern Project at Visakhapatnam - India's first cavern for crude oil storage. This award came in the backdrop of achievement of 5 million LTA free man-hours in Underground works.
- Amity Corporate Excellence Award for Best Intellectual Human Resource Utilization Practices.
- Public Relations Society of India (PRSI) National Award-2010 for Aap Aur Hum-1st prize and Hamara EIL-2nd prize (in Hindi category).
- Certificate of Recognition from IOCL for achieving 80 million LTA free man-hours for Panipat Naphtha Cracker Project.
- Certificate of Recognition from MRPL for achieving 30 million safe man-hours without lost time accident for Phase-III Refinery Expansion Project of MRPL.
- HSE Recognition Certificate from MRPL for achieving safety milestone of 15.1 million safe man-hours for their Phase-III Project.
- Appreciation Certificate from HPCL for 7 million LTA Free man-hours for Vizag Refinery Project.
- Appreciation Certificate by CPCL for achieving 4 million LTA free man-hours for Euro-IV Project at Chennai.





## Subsidiary Companies

### Certification Engineers International Ltd. (CEIL)

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 ONGC, Corporation of Chennai, Vadodara Urban Development Authority (VUDA), GSPL, various State Governments and others, notable among these being :

- TPI for D-1 Development Project of ONGC
- Infrastructure Projects for VUDA
- Various Pipeline Projects and Technical Audit of GSPL
- TPI for construction of SWD and Canals under JnNURM scheme for Corporation of Chennai
- TPI of SS plates at various vendor works for The Anup Engineering Ltd.

Apart from these, CEIL secured many Third Party Inspection assignments from clients like VTVL, Punj Lloyd Ltd, Technip KT Ltd., Techpro Systems Ltd., etc.

The Board of Directors of the Company has recommended for the financial year 2010-11, a final dividend of ₹ 200/- per share (of face value of ₹ 100/- each) in addition to ₹ 125 per share interim dividend already paid during the year. With this the total dividend for the year 2010-11 works out to ₹ 325/- per share. The final dividend has been approved by the shareholders in their Annual General Meeting held on 26th July, 2011.

### EIL Asia Pacific Sdn. Bhd. (EILAP)

EILAP is a wholly owned subsidiary of EIL incorporated in Malaysia. The broad activities of the Company are to provide technical services for projects in oil & gas and other industrial sectors. However, lately there have been constraints in operation due to changes in local regulations and general down turn in business environment leading to paucity of business for the Company during the year.

### Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo

As the Company operations do not involve any manufacturing or processing activities, the particulars as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption, are not applicable. The particulars regarding expenditure and earnings in foreign exchange are given in Item No.12 Schedule J Notes to the Accounts.

### Corporate Governance

As a listed Company, EIL has been complying with the requirements of Clause 49 of the Listing Agreement with Stock Exchange where EIL's shares have been listed regarding Corporate Governance and also the guidelines issued by the Department of Public Enterprises, Government of India in this regard.

Certificate of the Auditors of EIL regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of

the Listing Agreement with the Stock Exchanges along with the Management's Reply on the comments of Auditors is enclosed.

The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic issues, EIL Board lays strong emphasis on transparency, accountability and integrity.

A Report on Corporate Governance, as required under Clause 49 of the listing agreement, is annexed.

### Code of Conduct

EIL has formulated a Code of Conduct for its Board of Directors and Senior Management Personnel. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Board Members and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by C&MD is given under para 2(e) of the Report on Corporate Governance.

### Director's Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, the Directors confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same
- ii. that 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 or loss of the Company for that period
- iii. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- iv. that they have prepared the annual accounts on a going concern basis

### Auditors

M/s Jagdish Chand & Co., Chartered Accountants were appointed as Auditors of the Company for the financial year 2010-11 by the Office of Comptroller & Auditor General of India.

### Bankers

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

### Particulars of Employees

Information with respect to employees as required by Section 217(2A) of Companies Act, 1965 read with the Companies (Particulars of Employees) Rules, 1975, as amended is given as Annexure to this Report.



## Directors

After the date of last Directors' Report i.e. 12th August, 2010, Shri P. Mahajan was appointed as Director (Technical) of the Company w.e.f. 15.11.2010 and consequently the additional charge of Director (Technical) entrusted with Shri A.K. Purwaha, Chairman & Managing Director w.e.f. 1.08.2010 on ad-hoc basis was vacated.

Shri R.K. Grover, Director (Projects) ceased to be Director of the Company due to retirement on attaining the age of superannuation w.e.f. 31.01.2011.

Shri Dependra Pathak, Director (Exploration-I), MoP&NG was appointed as Government Director on the Board of Company w.e.f. 22.02.2011 by the Ministry of Petroleum & Natural Gas.

Shri D. Moudgil was appointed as Director (Projects) of the Company w.e.f. 22.03.2011 and consequently the additional charge of Director (Projects) entrusted with Shri A.K. Purwaha, Chairman & Managing Director w.e.f. 1.02.2011 on ad-hoc basis was vacated.

The Board has placed on record its sincere appreciation for the valuable services rendered and contributions made by Shri R.K. Grover, Director (Projects) of the Company.

In accordance with the provisions of the Articles of Association of the Company, Shri Ram Singh, Director (Finance), Shri P. K. Rastogi, Director (HR), Shri Adit Jain, Director and Dr. (Prof.) K. D. P Nigam, Director would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment.

In accordance with the provisions of the Companies Act, 1956, Shri P. Mahajan, Shri Dependra Pathak and Shri D. Moudgil who were appointed as Additional Directors after the date of last Directors Report, shall vacate their offices at the ensuing Annual General Meeting. Necessary notices have been received from the Members/Directors of the Company under Section 257 of the Companies, 1956, proposing their candidature for appointment. The Board recommends their appointment.

Brief resume of the Directors seeking appointment/ reappointment together with the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the membership of Committees of the Board and Shareholding of non-executive directors as stipulated under Clause 49 of the Listing Agreement are given in the Corporate Governance Report.

## Acknowledgement

Your 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. Your 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.

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

Your 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.

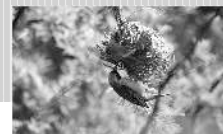
Your Directors are grateful to all the Foreign Missions in India and Indian Missions abroad in countries where EIL has business operations for their continued help and support.

Your 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  
Dated : July 29, 2011

A.K. Purwaha  
Chairman & Managing Director



## Management Discussion & Analysis



(L to R) Ram Singh, Director (Finance), D. Moudgil, Director (Projects), G. D. Goyal, Director (Commercial), A.K. Purwaha, C&MD, P.K. Rastogi, Director (HR), P. Mahajan, Director (Technical)

We have the pleasure of presenting you an analysis covering the performance of the Company for the year 2010-11 and the future outlook.

### 1. Business Overview

During the year, the Company was able to maintain a healthy order book and gained business worth ₹ 4055 crores. The segment-wise breakup is as follows:-

Domestic Consultancy	- ₹ 837 crores
Domestic LSTK	- ₹ 3182 crores
Overseas	- ₹ 36 crores

The Hydrocarbon sector continues to play a dominant role in the Company's overall business scenario. All the major segments of EIL's business i.e. Refining, Petrochemical, Pipeline and Oil and Gas Processing, have contributed positively towards order inflows.

In the Refining Sector, major consulting orders secured include Yield Quality Improvement Project at Haldia and Butadiene Extraction Project at Panipat of Indian Oil Corporation Ltd. and Wax Project for Numaligarh Refinery Limited, NRL.

Major Petrochemical orders gained this year include expansion projects at Vijaipur and Pata Plants of GAIL Gas Ltd and Butadiene Extraction Project at Panipat of Indian Oil Corporation Ltd.

In the field of Pipelines, EIL secured turnkey contracts from Mangalore Refinery and Petrochemical Limited, (MRPL) for execution of SPM, Pipeline and Related Facilities on OBE - LSTK basis and from IOCL for SPM, Pipeline and Jetty Facilities at Paradip Refinery on Cost plus Basis.

Significant order inflows were received in Oil and Gas Processing segments with award of open book turnkey contract from Gujarat State Petroleum Corporation, (GSPC) for Onshore Gas Terminal Project near Kakinada. Consulting order was also received from Oil and Natural Gas Corporation, ONGC for Hazira-OPaL, Dahej Naphtha Feed Pipeline.

EIL strengthened its presence in the Infrastructure sector by

winning new orders viz., contracts from Unique Identification Authority of India (UIDAI) for office buildings at Delhi & Bengaluru, Rajiv Gandhi Institute of Petroleum Technology (RGIT) for development of Assam Centre for RGIT at Sibsagar, Ministry of Home Affairs, New Delhi for Third Party Inspection Services for Indo-China Border Road Works, IIT-Delhi for construction of IIT-D Campus.

EIL successfully made inroads in developing business and securing orders in new sectors viz. Fertilizer and Nuclear. EIL's foray into Fertilizer segment brought successful results with award of consulting order from Jaiprakash Associates Limited for Fertilizer Complex at Kanpur. EIL's efforts in building relationship with Nuclear Power Corporation of India Ltd (NPCIL), resulted in an MoA between the two parties subsequent to which EIL has been awarded services order for their Mithi Viridi Nuclear Power Park (6x1000 Mwe LWRs), Dist. Bhavnagar, Gujarat.

EIL also entered in strategic alliances in Oman and UAE for partnering in execution of turnkey projects. In addition to the above, EIL continues to provide a large number of value added specialized services in filed relating to Project Feasibility Studies, Risk Analysis, Environment Management, Energy Efficiency Management, Refinery Optimization and Materials and Maintenance Services.

**"The Hydrocarbon Sector continues to play a dominant role in the company's overall business scenario."**

### 2. Business Environment & Future Outlook

Long term growth in global energy demand is expected to be robust in non OECD countries boosted by strong economic growth in emerging economies like China, India and Brazil. However oil supply shall remain sluggish in near future due to slow growth in supply from non-OPEC countries and unrest in oil producing countries. As a consequence crude oil prices are expected to remain at higher levels for the next 2 years.

Large scale capital expenditure was witnessed in Indian

hydrocarbon sector in last 3 years. Some of the major projects undertaken in Refinery and Petrochemical sector include grassroot refineries at Bina, Bathinda, Paradip and Jamnagar and Petrochemical complexes at Panipat, Dahej, Assam, Pata and Vijaipur. The investments showcase positive sentiments and long term growth prospects in hydrocarbon sector. Some of the contributing factors include long term domestic GDP growth, growth in product exports and large potential for growth in per capita energy consumption, which happens to be among the lowest in Indian subcontinent.

Further detailed feasibilities for next phase of expansion and new projects are already being undertaken by OMCs. It is therefore expected that OMC's shall continue with their investment commitments for the period 2011-13. However the impact of crude prices and certain policy issues such as gas pricing and fuel subsidy release may influence the schedule for the upcoming projects.

To marginalize such industry risks and sustain steady long term growth, diversification in related sectors namely Fertilizer, City Gas, Nuclear and Renewables were planned. These initiatives have shown encouraging results with EIL securing their first orders this year in Fertilizer, Nuclear and Solar. Further Memorandum of Agreements were signed

with potential business partners for strategic alliances and cooperation in these sectors.

EIL further proposes to improve its market position and competitiveness by pursuing further the proposed strategic initiatives namely:

- Internationalization and Market penetration in core business segments
- Pursuing value added services to clients like OBE, BOO/BOOT, O&M services etc.
- Strengthening of EIL's business in Infrastructure segment.
- Developing long term plans for strategic partnerships and technology management for diversified business segments such as Water and Waste Management, City Gas Distribution, Power and Fertilizer.

Acquiring new clients and expansion to markets with growth potential will be pursued aggressively.

### 3. Financial Performance

The main highlights of the financial performance of the Company for the year along with the corresponding performance for the previous year are as under:

(Figures in ₹ Lakhs)

No.	Description	2010-11	2009-10
A(i)	INCOME FROM SERVICES RENDERED	282328	199380
A(ii)	OTHER INCOME	16037	18367
	<b>TOTAL INCOME</b>	<b>298365</b>	<b>217747</b>
B.	EXPENDITURE		
i)	Cost of rendering services	218482	150409
ii)	Depreciation	1430	1290
	<b>TOTAL</b>	<b>219912</b>	<b>151699</b>
C	PROFIT BEFORE TAX (A-B)	78453	66048
D	Provision for Current tax	29948	24485
E	Provision for Deferred Tax	(3412)	(2293)
F	Prior Period Tax Adjustments, Short/(Excess)	(335)	299
G	<b>PROFIT AFTER TAX (C-D-E-F)</b>	<b>52252</b>	<b>43557</b>
H	TRANSFER FROM GENRAL RESERVE	-	56156
I	<b>AMOUNT AVAILABLE FOR APPROPRIATION (G + H)</b>	<b>52252</b>	<b>99713</b>
J	Dividend	16847	59525
K	Tax on Dividend	2664	10095
L	Retained Profits	32741	30093
M	<b>RESERVES &amp; SURPLUS</b>	<b>127365</b>	<b>105855</b>
N	<b>NET WORTH</b>	<b>144212</b>	<b>111471</b>



### 3.1 Segment Wise Performance

In line with Accounting Standard (AS-17) "Segment Reporting", the Company has (segmented) strategised its business activity into two business segments i.e. Consultancy & Engineering Projects and Lumpsum 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)

	Year ended 31.03.2011	Year ended 31.03.2010
<b>Segment Revenue</b>		
Consultancy & Engineering Projects	112794	105533
Lumpsum Turnkey Projects	169534	93847
<b>Total</b>	<b>282328</b>	<b>199380</b>
<b>Segment Profit From Operations</b>		
Consultancy & Engineering Projects	48664	42424
Lumpsum Turnkey Projects	19564	9201
<b>Total (A)</b>	<b>68228</b>	<b>51625</b>
Prior period adjustment	578	80
Interest	147	129
Other unallocable expenditure	5087	3735
<b>Total (B)</b>	<b>5812</b>	<b>3944</b>
<b>Other Income (C)</b>	<b>16037</b>	<b>18367</b>
<b>Profit Before Tax (A-B+C)</b>	<b>78453</b>	<b>66048</b>
<b>Capital Employed (*)</b>	<b>144212</b>	<b>111471</b>

(\*) Fixed Assets used in the Company's Business or Liabilities Contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made.

### 3.2 Financial Performance in relation to Operational Performance

Income from services rendered increased 42% to ₹ 282328 lakhs during the financial year 2010-11 from ₹199380 lakhs in the financial year 2009-10.

The consultancy and engineering income increased 7% to ₹ 112794 lakhs during the financial year 2010-11. Lumpsum Turnkey project income increased 81% to ₹ 169345 lakhs during the financial year 2010-11 from ₹ 93847 lakhs in the financial year 2009-10.

Profit before tax increased 19% to ₹ 78453 lakhs during the financial year 2010-11 from ₹ 66048 lakhs in the financial year 2009-10. Profit after tax increased 20% to ₹ 52252 lakhs during the financial year 2010-11 from ₹ 43557 lakhs in financial year 2009-10. The total dividend payout for the financial year 2010-11 was ₹ 5/- per share.

*"All the major segments of EIL's business i.e. Refining, Petrochemical, Pipeline and Oil and Gas Processing, have contributed positively towards order inflows."*

### 4. Risk & Concerns

The Company has well defined Risk Management policy and comprehensive framework to review the risk assessment and its management for mitigation. The process is based on pre-identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability, impact of the risk and cost of controls, the risks are prioritized.

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.

Risks, their root causes, controls and action plans are prepared by process owners and updated regularly. These are approved by the Risk Management Committee (RMC) with Director (Finance) as chairman of RMC and all the Executive Directors as members with Head of Risk Group as member secretary. Risk audits are conducted regularly to test the controls and report the same to RMC.

The status of Enterprise Risk Management (ERM) process is presented to Audit Committee on bi-annual basis which is reviewed by the Board of Directors also. The reporting structure meets the compliance issues.

To further strengthen the ERM process and to identify the gaps a review of ERM process was conducted by an external agency appointed by the Management during the period under review.

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.

### 5. Internal Control Systems

The Company has in place adequate systems of internal

controls and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining 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.
- A well established Internal Audit team reviews and reports to management and audit committee regularly, 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.
- Periodic meetings of the management committee at apex level to review operations and plans in key business areas.

#### 6. Memorandum of Understanding (MoU) with the Govt. of India

The Company's MoU with the Ministry of Petroleum & Natural Gas for the year 2011-12 signed recently envisages higher turnover and gross margin along with thrust on holistic growth encompassing customer satisfaction, HRD, R&D, sustainable development and CSR initiatives.

#### 7. 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, entering in future strategic/new viable areas; improvement in processes and augmented efforts in training & recruitment.

#### 7.1 Human Resources

A total of 168 training programmes were conducted for developing skills in technical, functional-cross functional, managerial-behavioral and other areas. During the year 2010-11, focus on providing structured management development programmes through management institutes was maintained by organizing four Management Development Programmes in collaboration with International Management Institute, New Delhi for senior executives. This also included a programme for senior executives of Construction sites. Moreover, similar management development programme was also organized for executives in level 13 – 15 in collaboration with Lal Bahadur Shastri Institute of Management, New Delhi.

Customized competency based programmes like Prarambh, Connect 360, Breaking the Mould, Plan Better: Deliver Best, Express to engage, thinking out of the Box, Leadership in Execution, Creating Winning Teams etc. were also organized.

Two batches of 'Aarohan' the Leadership Development programme – one for 'Business Leaders' and the other for 'Functional Leaders' successfully completed their 8 months development journey. The programme was in two phases – 'self-reflection' phase of two months and 'Action Learning' phase of six months during which the participants worked in teams on various projects, implemented their individual leadership development plans, interacted with their personal coaches, joined in on immersions labs to gain from the experiences of senior members at EIL and participated in action lab workshops.

An outbound adventure camp was organized for Management Trainees along with their Mentors at an outside location in batches. The activities and interaction during the camp helped in better bonding and inspiring a collaborative approach to the Mentoring Process in EIL.

#### Training Data:

Number of employee nominations processed during 2010-2011: 4032



EIL Management at the Investors Meet at Mumbai



Training man-days per employee during 2010-2011 = 2.19

## 7.2 Marketing

EIL has also been successful in expanding its client base further with addition of new clients in existing and diversified business segments.

EIL continues to build upon its strength in hydrocarbon sector by securing new orders from OMCs such as IOCL, NRL, Petronet and GSPC. Company had innovative modes of project execution such as deposit base projects and Open Book Estimate (OBE). One of the largest value OBE contracts was secured this year from GSPC.

There has been slow down in investments in infrastructure sector. Company's order inflows in this sector therefore were lower as expected. However, there were positive developments in terms of acquiring new orders in fields of water and waste water management, buildings, highways and third party inspection services. Infrastructure continues to grow its client portfolio with receipt of consulting orders from new clients viz. Ministry of Home Affairs, Unique Identification Authority of India (UIDAI), Indraprastha Institute of Information Technology (IIIT) and National Institute of Immunology (NII).

Long term plans have been prepared for diversification into sunrise sectors namely Fertilizer, Nuclear, Water and Solar. These sectors have long term potential for growth in next decade and our entry into these segments would enable us to capture the opportunities by leveraging the competencies assimilated and building on the foundation of strong customer relationships.

Strategic alliances have been forged in City Gas, Nuclear and Solar with business associates for creating synergies for competitive advantage. EIL is focused on acquisition of skill sets, resources and technology for meeting the emerging challenges.

Towards internationalization of business, strategic alliances have been forged and business opportunities are being tapped in Oman, UAE and KSA. We are hopeful of securing new business and clients in these countries in near future.

Company's commitments to quality, timeliness and life cycle value driven proposition have been key drivers of growth in business. Besides, EIL has been able to showcase innovation, adaptability and resilience in competencies which can be catered to meet unique and customized needs of its clients.

## 7.3 Operational Improvements

Keeping in view the Company's emphasis on improving the operational efficiency, various initiatives have been undertaken to move towards creating a robust Knowledge Management (KM) system. Electronic Document management System (eDMS) which was installed last year as a first step towards building a robust Knowledge Management (KM) system is being utilized for live projects.

## 7.4 Diversification

Diversification efforts are moving as per targeted plans and market entry has already been secured with award of jobs in Fertilizer, Nuclear, Water and Solar sectors. These sectors have long term potential for growth in next decade and our entry into these segments would enable us to capture the

opportunities by leveraging the competencies assimilated and building on the foundation of strong customer relationships.

In Fertilizer sector EIL is targeting fuel / feed conversion projects both for Naphtha based projects and FO/ LSHS based projects. EIL has secured a major breakthrough with award of a major contract for setting up of Ammonia & Urea Facilities for Jaiprakash Industries Ltd. EIL is also considering participation in revival of closed units of public sector gas-based fertilizer plants along-with strategic partners.

In city gas projects, EIL has forged strategic partnerships and would be actively participating in upcoming proposals of PNGRB. In next 2 years we expect this partnership to materialize into a successful business venture.

EIL has been empanelled by NRCD (National River Conservation Directorate) for quality improvement of DPR, preparation of associated bid document and investment component for World Bank appraisal of National Ganga River Basin Authority (NGRBA).

In the Nuclear sector, EIL will be providing its engineering and consultancy services for Balance of Plant (BoP) for upcoming nuclear power projects in India. An MOC has been signed with NPCIL to provide Project Management, Engineering, Procurement, Inspection, Construction Management, Pre-commissioning, Commissioning Assistance and Technical Manpower Support Services for various existing and upcoming nuclear projects of NPCIL.

Other sectors which promise long term potential for growth include Coal to Liquids, Oil sands and integration of refineries with power plants and fertilizer units. EIL continues to look for opportunities in these sectors as well.

## 7.5 Cost Control & Monitoring

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

## 8. Management Information System (MIS)

MIS in the Company is constantly being fine tuned to cater to the ever growing information needs for effective and quick decision making as well as for statutory requirements. MIS Division is providing vital data inputs to various Divisions and Senior Management highlighting operating variables, achievement vis-a-vis budgets and other decision support data.

## 9. Disclosure by Senior Management Personnel

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

## 10. Cautionary Statement

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



## Annexure to 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.

### 2. Board of Directors

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

Engineers India Limited is a public sector undertaking and all the directors are appointed by the Government of India. The Board has a mix of executive and non-executive Directors.

Presently, EIL is having 14 Directors on its Board viz. C&MD, 5 whole time Executive Directors (Functional) and 8 Non-Executive Directors. The whole time Executive Directors (Functional) are reporting to the Chairman and Managing Director.

Clause 49 of the Listing Agreement stipulates that at least 50% of the directors should be Non-Executive independent directors, where Chairman is Executive. Since the Government of India appoints the Directors of the Company, the company is constantly pursuing for appointment of requisite number of non-executive independent directors on the Board of the Company.

#### b) Number of Board Meetings

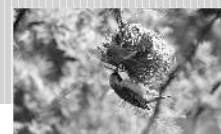
As against the requirement of holding one meeting every three months and at least four such meetings in every year under Section 285 of the Companies Act 1956, the Board of Directors met 9 times during the year. The time gap between two meetings was not more than three months. The details of the Board Meetings are as under:

Sl. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	April 22, 2010	New Delhi	11	11
2.	May 27, 2010	New Delhi	12	10
3.	June 14, 2010	New Delhi	11	6
4.	July 21, 2010	New Delhi	13	11
5.	September 14, 2010	New Delhi	12	10
6.	November 4, 2010	New Delhi	12	10
7.	December 28, 2010	New Delhi	13	12
8.	February 3, 2011	New Delhi	12	9
9.	March 17, 2011	New Delhi	13	12

#### 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 year 2010-11 and number of other Directorships / Committee Memberships/ Chairmanships of each director is given below:





Name of the Director	Attendance Particulars		Number of other Directorships / Committee Memberships / Chairmanships		
S/Shri	Board Meetings	Last AGM held on 14/09/10	Directorships	Committee Memberships**	Committee Chairmanships**
<b>A) Executive Chairman and Managing Director</b>					
A. K. Purwaha	9	Yes	3	-	-
<b>B) Whole-time Directors (Executive)</b>					
<b>Present Directors</b>				-	-
Ram Singh	9	Yes	1	-	-
P. K. Rastogi	7	Yes	-	-	-
G. D. Goyal <sup>*-1</sup>	6	Yes	3	-	-
P. Mahajan <sup>*-2</sup>	3	-	1	-	-
D. Moudgil <sup>*-3</sup>	-	-	1	-	-
<b>C) Non-Executive Directors</b>					
<b>Present Directors</b>					
L. N. Gupta	7	No	2	-	-
Dependra Pathak <sup>*-4</sup>	3	-	-	-	-
U. N. Bose	5	No	2	-	-
B. N. Bankapur	5	No	3	-	-
Dr. Avinash Chandra	8	Yes	3	-	-
A.K. Purwar	7	No	14	4	3
Adit Jain <sup>*-5</sup>	5	Yes	7	1	1
Dr. (Prof.) KDP Nigam <sup>*-6</sup>	6	Yes	-	-	-
<b>Directors Retired/Resigned</b>					
R. K. Saxena <sup>*-7</sup>	2	-	-	-	-
M. K. Joshi <sup>*-8</sup>	4	-	-	-	-
R. K. Grover <sup>*-9</sup>	5	Yes	-	-	-

**Remarks:**

- <sup>\*-1</sup> Shri G.D. Goyal was appointed as additional Director in the capacity of Director (Commercial) w.e.f. 20.07.2010 and consequently the additional charge of Director (Commercial) entrusted with Shri A.K. Purwaha, Chairman & Managing Director w.e.f. 01.06.2010 on ad-hoc basis was vacated.
- <sup>\*-2</sup> Shri P. Mahajan was appointed as additional Director in the capacity of Director (Technical) w.e.f. 15.11.2010 and consequently the additional charge of Director (Technical) entrusted with Shri A.K. Purwaha, Chairman & Managing Director w.e.f. 01.08.2010 on ad-hoc basis was vacated.
- <sup>\*-3</sup> Shri D. Moudgil was appointed as additional Director in the capacity of Director (Projects) w.e.f. 22.03.2011 and consequently the additional charge of Director (Projects) entrusted with Shri A.K. Purwaha, Chairman & Managing Director w.e.f. 01.02.2011 on ad-hoc basis was vacated.
- <sup>\*-4</sup> Shri Dependra Pathak, Director (Govt. Nominee) ceased to be the Director of the company w.e.f. 2.07.2010. However, he was appointed as Government Director on the Board of the company w.e.f. 22.02.2011 by the Ministry of Petroleum & Natural Gas.
- <sup>\*-5</sup> Shri Adit Jain was appointed as non-official part-time Director by the Ministry of Petroleum & Natural Gas on the Board of the Company w.e.f. 09.07.2010.
- <sup>\*-6</sup> Dr. (Prof.) KDP Nigam was appointed as non-official part-time Director by the Ministry of Petroleum & Natural Gas on the Board of the Company w.e.f. 9.07.2010.
- <sup>\*-7</sup> Shri R.K. Saxena retired as Director (Commercial) of the Company on attaining the age of superannuation on 31.05.2010.
- <sup>\*-8</sup> Shri M.K. Joshi retired as Director (Technical) of the Company on attaining the age of superannuation on 31.07.2010.
- <sup>\*-9</sup> Shri R.K. Grover retired as Director (Projects) of the Company on attaining the age of superannuation on 31.01.2011.
- <sup>\*\*</sup> None of 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 Shareholders/ Investors Grievance Committee and based on disclosures received from Directors.

d) **Board Procedure**

The meetings of the Board of Directors are generally held at the Company's Registered Office in New Delhi. The meetings are generally scheduled well in advance. The Board meets at least once a quarter to review the quarterly performance and the financial results. The agenda for the meetings is prepared by the concerned officials, sponsored by the concerned Functional Directors and approved by C&MD. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

e) **Code of Conduct**

The Board of Directors has laid down the code of conduct for all Board Members and Senior Management Personnel of the Company. The same has also been posted on the Website of the Company ([www.engineersindia.com](http://www.engineersindia.com)).

**Declaration as required under Clause 49 of the Listing Agreement**

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the Financial year ended on March 31, 2011.

May 26, 2011  
New Delhi

(A.K. Purwaha)  
Chairman & Managing Director

f) **Compliance Reports**

To the best of the knowledge and belief, the Company is complying all applicable laws as on date except the composition of Board of Directors with regard to independent directors. The Board has reviewed Compliance Report of all Laws applicable to the company and the steps taken by the company to rectify instances of non-compliances.

3. **Audit Committee**

Presently, the Audit Committee comprises of Five Members viz. Shri A.K. Purwar, Director, Shri U. N. Bose, Director, Shri B.N. Bankapur, Director, Dr. Avinash Chandra, Director and Shri Adit Jain, Director. Shri A.K. Purwar, Director is acting as the Chairman of the committee. The Audit Committee was reconstituted during the year since Shri Dependra Pathak ceased to be the Director of the Company w.e.f. 2.07.2010 and hence ceased to be the Member of the committee with effect from same date. Shri Adit Jain, Director was inducted as member of the committee w.e.f. 21.07.2010.

The Composition of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The details of meetings held during the financial year 2010-11 and the attendance of the Members is given below:

S. No.	Date of the Meeting	Name of the Members S/Shri	Category	Attendance
1.	27.05.2010	A.K. Purwar U.N. Bose Dependra Pathak B.N. Bankapur Dr. Avinash Chandra	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive Non-Executive (Independent) Non-Executive (Independent)	Present Not Present Present Not Present Present
2.	21.07.2010	A.K. Purwar U.N. Bose B.N. Bankapur Dr. Avinash Chandra	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Present Not Present Present
3.	04.11.2010	A.K. Purwar U.N. Bose B.N. Bankapur Dr. Avinash Chandra Adit Jain	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Not Present Present Not Present Present
4.	03.02.2011	A.K. Purwar U.N. Bose B.N. Bankapur Dr. Avinash Chandra Adit Jain	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Not Present Not Present Present Not Present



The Audit Committee invites Senior Executives & External Auditors whenever it considers appropriate to be present in the meetings. The Head of Internal Audit Department and Director-in-Charge of Finance operations attend the meetings of the Audit Committee as invitees and the Company Secretary acts as Secretary to the Committee.

The scope of the Audit Committee includes :-

- a) 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.
- b) Recommending audit fees payable to Statutory Auditors appointed by C&AG and approving payments for any other services.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with the Management, the periodical financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in draft Audit Report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
- g) 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.
- h) Discussion with internal auditors of any significant findings and follow-up there on.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Discussion with Statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- k) 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.
- l) To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- m) Carrying out any other function, as mentioned in the terms of reference of the Audit Committee.

#### 4. Subsidiary Companies

The Company is having two wholly owned subsidiaries viz. Certification Engineers International Limited (CEIL) and EIL Asia Pacific Sdn. Bhd, Malaysia (EILAP). Both the subsidiary companies do not fall under the category of "material non-listed subsidiary company" within the meaning of Clause 49 of the Listing Agreement.

The Audit Committee of EIL has reviewed the financial statements, in particular, the investments made by CEIL and EILAP

The Minutes of the Board Meetings of CEIL have also been placed before the Board meetings of EIL.

#### 5. Remuneration Committee/Remuneration of Directors

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company. The part-time official directors nominated on the Board do not draw any remuneration from the Company for their role as director. The sitting fees fixed for part-time (non official) independent directors of the Company is ₹ 10,000/- per meeting attended by them as fixed by the 42<sup>nd</sup> Annual General Meeting held on 17<sup>th</sup> September 2007 under the authority of the Articles of Association of the Company within the overall limit fixed by Rule 10-B of the Central Government General Rules and Forms, 1956. The non-executive



directors are not holding any shares in the Company.

The whole-time Functional Directors including the Chairman and Managing Director are appointed by the Government of India and are being paid remuneration as per the terms of their appointment. The Company, therefore, has not constituted a Remuneration Committee under Listing Agreement to decide on the Directors' remuneration policy.

However, a Remuneration Committee has been formed by the Board of Directors in its meeting held on 19.12.2008 as per DPE OM dated 26th November, 2008 regarding pay revision of CPSE executives. Presently, Shri A.K. Purwar, Director, Dr. Avinash Chandra, Director, Dr. (Prof.) KDP Nigam, Director and Shri P.K. Rastogi, Director (HR) are the members of the committee. Shri A.K. Purwar, Director is acting as Chairman of the committee. The committee was reconstituted during the year by inducting Shri P.K. Rastogi and Dr. (Prof.) KDP Nigam as members of the committee w.e.f. 01.06.2010 and 21.07.2010 respectively. The committee met three times during the year on 21.04.2010, 21.07.2010 and 17.03.2011.

The details of remuneration paid to the whole-time Functional Directors during the year ended March 31, 2011 are as under:

(Amount in ₹)

S.No	Name of Director S/Shri	Gross Salary	Other Benefits	Performance Related Pay/ Productivity Linked Reward	Stock Options during the year 2010-11	Total
1.	A.K. Purwaha	1800236	984672	482839	Nil	3267747
2.	Ram Singh	1706862	352332	123292	Nil	2182486
3.	P.K. Rastogi	1544986	876993	309203	Nil	2731182
4.	G.D. Goyal	1170499	701663	309162	Nil	2181324
5.	P. Mahajan	647491	351768	173014	Nil	1172273
6.	D. Moudgil	75050	38464	Nil	Nil	113514
7.	R.K. Saxena	2176273	107716	708418	Nil	2992407
8.	M.K. Joshi	2053960	207281	728523	Nil	2989764
9.	R.K. Grover	3611308	873137	703138	Nil	5187583
	<b>Total</b>	<b>14786665</b>	<b>4494026</b>	<b>3537589</b>	<b>Nil</b>	<b>22818280</b>

Details of payments towards sitting fees to Independent Directors during the year 2010-11 are given below:-

(Amount in ₹)

Name of Part-time (non-official) Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Dr. Avinash Chandra	80000	60000	140000
Shri A.K. Purwar	70000	120000	190000
Shri Adit Jain	50000	10000	60000
Dr. (Prof.) KDP Nigam	60000	40000	100000
<b>Total</b>	<b>260000</b>	<b>230000</b>	<b>490000</b>

\*Gross Fees excluding Tax Deducted at Source as per applicable Tax Laws and Rules.

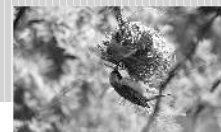
## 6. Accounting Treatment

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

## 7. Risk Management

The Company has well defined Risk Management policy and comprehensive framework to review the risk assessment and its management for mitigation. The process is based on pre-identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability, impact of the risk and cost of controls, the risks are prioritized.

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.

Risks, their root causes, controls and action plans are prepared by process owners and updated regularly. These are approved by the Risk Management Committee (RMC) with Director (Finance) as chairman of RMC and all the Executive Directors as members with Head of Risk Group as member secretary. Risk audits are conducted regularly to test the controls and report the same to RMC.

The status of Enterprise Risk Management (ERM) process is presented to Audit Committee on bi-annual basis which is reviewed by the Board of Directors also. The reporting structure meets the compliance issues.

To further strengthen the ERM process and to identify the gaps, a review of ERM process was conducted by an external agency appointed by the Management during the period under review.

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.

#### 8. (i) Issue of Bonus Shares and Sub-Division of Shares

The Authorised Share Capital of the Company has been increased from ₹ 100 crores to ₹ 300 crores as approved by the shareholders of the Company in its 14<sup>th</sup> Extra-ordinary General Meeting held on 22.04.2010. Further, the shareholders in the same meeting also approved the split of existing equity share of face value of ₹ 10/- each into two equity shares of face value of ₹ 5/- each and issue of bonus equity shares in the ratio of 2:1 by capitalisation of its free reserves as recommended by the Board of Directors of the Company.

After the split and issue of bonus shares, the share capital of the Company stands at ₹ 16846.84 lakhs comprising of 33,69,36,600 equity shares of ₹ 5/- each.

#### (ii) Proceeds from Public Issues, Rights Issues and Preferential Issues

The company has not raised any money through Public Issue, Right Issues or any Preferential Issues. However, the Government of India divested 10% Paid-up equity capital of Engineers India Limited out of Government's Shareholding of 90.401% by way of "Further Public Offering (FPO)" of equity shares, aggregating 3,36,93,660 shares of the face value of ₹ 5/- each without raising any fresh equity from the primary market. The offer opened on 27.07.2010 and closed on 30.07.2010 (except for QIBs, for whom the offer closed on 29.07.2010). The issue was offered at an offer price of ₹ 290/- per equity share and a discount of 5% to the offer price was offered to the Employees and Retail investors. The allotment of shares was made on 10.08.2010. The trading in the equity shares allotted pursuant to this offer commenced on 12.08.2010 on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. After the disinvestment, the shareholding of the Government of India is 80.401% of the paid up equity share capital of the company comprising of 27,09,00,540 equity shares of ₹ 5/- each.

#### 9. Shareholders

A) A brief resume of Directors, retiring by rotation and eligible for re-appointment and additional Directors vacating office at AGM and proposed to be appointed are given below:

##### (a) DIRECTORS RETIRING BY ROTATION AND PROPOSED TO BE REAPPOINTED

I	Name	:	Shri Ram Singh
	Father's Name	:	Shri Santokh Singh
	Designation	:	Director (Finance)
	Official Address	:	Engineers India Limited 1, Bhikaiji Cama Place, New Delhi – 110 066
	Date of Birth	:	01/05/1957
	Qualification	:	ICWA
	Experience	:	He has extensive experience in the fields of Finance, Cost Accounting, Inventory Management, capitalisation of projects and Budgetary Management. He was actively assisted with various committees appointed by Government to review pricing of Petroleum Products. He has acted as Finance Head of Project



Group at BPCL Mumbai Refinery during 1994-95. He has acted as officer on special duty (pricing) in MoP&NG during 1995-98 and also acted as Director (Finance)-OCC and Petroleum Planning and Analysis Cell. He also acted as a member of committee for selection of a US contractor for National Gas Grid Study Project. He has also contributed in the administration of various schemes of the Government etc. He has also been invited by International Energy Forums as a Guest Speaker.

Other Directorships : EIL Asia Pacific Sdn. Bhd.  
Other Committee Memberships : Nil

**II** Name : **Shri P.K. Rastogi**  
Father's Name : Lt. Shri D.P. Rastogi  
Designation : Director (HR)  
Official Address : Engineers India Limited  
1, Bhikaiji Cama Place,  
New Delhi – 110 066  
Date of Birth : 17/09/1952  
Qualification : Bachelor's degree in Mechanical Engineering  
from University of Rajasthan  
Experience : He has 37 years of experience in the field of engineering design, engineering management and project management, besides human resource management functions. He has also been involved in industrial relations, HR welfare, Corporate Affairs and Corporate Social Responsibility. He is currently responsible for the general administration and management of HR directorate of the Company.  
Other Directorships : Nil  
Other Committee Memberships : Nil

**III** Name : **Shri Adit Jain**  
Father's Name : Shri Prakash Chandra Jain  
Designation : Director  
Official Address : 107, Time Square, Sushant Lok-1,  
Block-B, Gurgaon - 122002  
Date of Birth : 27/10/1960  
Qualification : (a) Bachelor's degree in Mechanical Engineering from Birla Institute of Technology (b) MBA from Henley Management College, UK.  
Experience : He is the Chairman and editorial director of IMA India, a business information company established in 1994. He has advised several multinational corporations towards the development of the India strategy. He has also authored over 600 papers and articles on foreign policy, defence, the environment and business practices. He chairs IMA CEO and CFO Forum which has over 1400 clients. He is also a Member of Advisory Board for the Sanmar Group and BMR Associates.  
Other Directorships : (a) Shriram Transport Finance Company Ltd.  
(b) International Market Assessment India Pvt. Ltd.  
(c) IMA Corporate Advisory Services Pvt. Ltd.  
(d) EIU India Pvt. Ltd.  
(e) PR Pundit Public Relations Pvt. Ltd.  
(f) Mahanagar Telephone Nigam Ltd.



		(g) Indosolar Ltd.
Other Committee Memberships	:	(a) Indosolar Ltd. – Chairman – Audit Committee (b) Mahanagar Telephone Nigam Ltd.- Member-Audit Committee
Shareholding in EIL	:	Nil
<b>IV</b>	<b>Name</b>	<b>Dr. (Prof.) KDP Nigam</b>
	Father's Name	Lt. Shri Sukhdeo Prasad Nigam
	Designation	Director
	Official Address	Department of Chemical Engineering, Indian Institute of Technology, Hauz Khas, New Delhi – 110 017
	Date of Birth	01/01/1947
	Qualification	(a) Bachelor's degree in Science from Agra University (b) Bachelor's degree in Chemical Engineering, HBTI, Kanpur (c) Master's degree in Chemical Engineering Design, HBTI Kanpur (d) Ph.D in Technology from UDCT, Mumbai
	Experience	He joined the faculty of Chemical Engineering, IIT Delhi in 1976. He has published over 120 Research papers in peer review International Journals and his research work has been widely acclaimed and referred in prestigious journals of international repute. He has been visiting professor in various international schools in France, Germany, Australia, UK and USA. He is also an adjunct professor at Concordia University, Montreal Canada. He is also the Managing Director of the Foundations for Innovation & Technology Transfer, at Indian Institute of Technology, Delhi. He has also served as independent director at NFL during the year 2003-06 and member of the Scientific Advisory Committee, MoP&NG between 2001-2003.
	Other Directorships	Nil
	Other Committee Memberships	Nil
	Shareholding in EIL	Nil

**(b) ADDITIONAL DIRECTORS VACATING OFFICE AT AGM AND PROPOSED TO BE APPOINTED**

<b>I.</b>	<b>Name</b>	<b>Shri P Mahajan</b>
	Father's Name	Late Shri Suraj Prakash
	Designation	Director (Technical)
	Official Address	Engineers India Limited 1, Bhikaji Cama Place, New Delhi- 110 066
	Date of Birth	16/03/1953
	Qualification	B.Sc (Engg.) Hon's in Electronics and Electrical Communication from Punjab Engineering College, (Punjab University) Chandigarh
	Experience	1975 to 1982 – Department of Atomic Energy 1982 - till date - EIL  He has vast experience in Technology development, design, engineering and project management in the field of Nuclear Energy, Refineries, Petrochemicals, Gas Processing, offshore and metallurgical projects.  He has been deeply involved in evaluating, adopting and encouraging latest technologies in India. In addition, he has been a constant source of inspiration to the Indian Industry in their



		development to this level. He has also been closely involved in value engineering and Diversification Plans of the Company.
Other Directorships	:	Bharat Pumps & Compressors Ltd, Naini, Allahabad
Other Committee Membership	:	Nil
II. Name	:	<b>Shri Dependra Pathak</b>
Father's Name	:	Shri Devendra Pathak
Designation	:	Director
Official Address	:	Room No. 203, B-Wing, 2 <sup>nd</sup> Floor, Shastri Bhawan, New Delhi – 110 015
Date of Birth	:	15/07/1964
Qualification	:	MSc (Chemistry) from IIT, New Delhi M.Phil (Environmental Science) IPS-1990 Cadre
Experience	:	1993-till date  He has a wide experience of working at different positions in Indian Police. Before joining Ministry of Petroleum and Natural Gas, he was Additional Commissioner of New Delhi.
Other Directorships	:	Nil
Other Committee Membership	:	Nil
Shareholding in EIL	:	Nil
III. Name	:	<b>Shri D. Moudgil</b>
Father's Name	:	Shri Roshan Lal Moudgil
Designation	:	Director (Projects)
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi- 110 066
Date of Birth	:	28/08/1954
Qualification	:	Civil Engineering from Punjab University
Experience	:	He has been associated with EIL for over 35 years. Prior to his elevation as Director (Projects), he was holding the position of Executive Director in-charge (Projects). During his professional career with EIL, he gained extensive experience holding different positions in various departments of EIL such as Construction, Administration, Marketing and Projects. He successfully led EIL's diversification into Infrastructure sector.

Quarterly, Half Yearly and Yearly Results	Published in Economic Times (all editions), Financial Times (Delhi) in English and Navbharat Times (Delhi) in Hindi.
Displayed on Website	www.engineersindia.com and simultaneously posted on the Corporate Filing and Dissemination System website namely www.corpfiling.co.in.
Whether it displays official news, releases and presentations made to media, analyst, institutional investors etc.	Yes
Exclusive email id for redressal of investors complaints	company.secretary@eil.co.in





**C) Shareholders'/Investors' Grievance Committee**

The Company is having a Shareholders'/Investors' Grievance Committee. Presently, Shri B.N. Bankapur, Director, Shri Ram Singh, Director (Finance) and Shri P.K. Rastogi, Director (HR) are the members of the Committee. Shri B.N. Bankapur, Director is acting as the chairman of the committee. The committee was reconstituted during the year by inducting Shri P.K. Rastogi, Director (HR) as a member w.e.f. 01.06.2010 in place of Shri R.K. Saxena, Director (Commercial) who ceased to be member of the committee due to superannuation w.e.f. 31.05.2010. Shri B.N. Bankapur was inducted as Chairman of the Committee w.e.f. 3.07.2010 in place of Shri Dendrapa Pathak, Government Director, who ceased to be the Director w.e.f. 2<sup>nd</sup> July, 2010. The Committee met 4 times during the year on 27.05.2010, 21.07.2010, 04.11.2010 and 03.02.2011.

**D) Share Transfer Committee**

In order to expedite the process of share transfer, the Board of Directors of the Company has delegated the power of share transfer to a Committee comprising of three members. This committee was reconstituted during the year due to cessation of Shri R.K. Saxena, Director (Commercial) as a member of the Committee w.e.f. 31.05.2010 and Shri R.K. Grover, Director (Projects) was inducted in the Committee in his place w.e.f. 01.06.2010. Further, Shri P. Mahajan, Director (Technical) was inducted as a member of the committee w.e.f. 28.12.2010 in place of Shri R.K. Grover, Director (Projects) who ceased to be member of the committee with effect from same date. Presently, the Share Transfer Committee comprises Shri A.K. Purwaha, Chairman & Managing Director, Shri Ram Singh, Director (Finance) and Shri P. Mahajan, Director (Technical). M/s Mas Services Limited has been appointed as Registrar and Share Transfer Agent to register share transfers, coordinate with the Depositories and to look after the redressal of shareholders' and investors' complaints. The complaints received from investors relating to transfer of shares, non-receipt of balance - sheets, dividends etc. and also the complaints received through SEBI, Ministry of Corporate Affairs and the Stock Exchanges are being attended by the Transfer Agents on priority basis. However, M/s Karvy Computershare Pvt. Ltd. has been appointed as Registrar and Share Transfer Agent w.e.f. 1<sup>st</sup> July, 2011. The Company Secretary is nominated as the Compliance Officer. The activities of the Registrar & Share Transfer Agent are being audited independently by a practicing Company Secretary.

The Share Transfer Committee met 23 times during the year 2010-11 to transact all business concerning to transfer of shares and related issues.

**E) Investment Committee**

The Board of Directors, in its meeting held on 28<sup>th</sup> July, 2009 constituted an Investment Committee to examine the proposals relating to Investments of surplus funds of the Company and recommend the same to the Board for its approval. The committee was reconstituted during the year by inducting Shri Adit Jain w.e.f. 21.07.2010. Presently, Shri A.K. Purwar, Director, Dr. Avinash Chandra, Director, Shri Adit Jain, Director and Shri Sudershan Gupta, Executive Director (F&A) are the members of the committee. Shri A.K. Purwar, Director is acting as Chairman of the committee.

**F) HR Committee of the Board of Directors**

The Board of Directors, in its meeting held on 15<sup>th</sup> December, 2009 constituted an HR Committee of the Board of Directors to deal with some specific HR issues including revision in HR Policies and Rules. Presently, all Functional Directors including C&MD of EIL and Shri A.K. Purwar, Director, Shri B.N. Bankapur, Director and Dr.(Prof.) KDP Nigam, Director are the members of the Committee. Shri A.K. Purwaha, C&MD is acting as Chairman of the committee. The committee was reconstituted during the year by inducting Dr.(Prof.) KDP Nigam, Director as a member of the committee w.e.f. 21.07.2010. Further, Shri Dendrapa Pathak, Director ceased to be member of the committee w.e.f. 2.07.2010. The committee met five times during the year on 21.04.2010, 21.07.2010, 04.11.2010, 03.02.2011 and 17.03.2011.

**G) Committee of Directors (Bonus and Split Activities)**

The Board of Directors, in its meeting held on 22<sup>nd</sup> April, 2010 constituted a Committee of the Board of Directors for handling Bonus and Split Activities. Presently, all Functional Directors including C&MD of EIL are the members of the Committee. The committee met once on 08.05.2010.

**H) Committee for Further Public Offering of Equity Shares**

The Board of Directors, in its meeting held on 27<sup>th</sup> May, 2010 constituted the Committee for Further Public offering of Equity Shares. The scope of work of this committee was to oversee, finalize, approve and adopt the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus for the FPO by way of offer for sale by the Government of India, recommend appointment, fee payable to various agencies such as Registrar to the Issue, Auditors etc. for the FPO, to make applications to various Government/Statutory Authorities, to open bank accounts for FPO, to issue receipts/allotment/transfer letters/confirmations of allocation notes to successful bidders and applicants and other actions for facilitating the process of FPO. The committee was constituted with the membership of Shri A.K. Purwaha, C&MD, Shri Ram Singh, Director (Finance) and Shri R.K. Grover, Ex-Directors (Projects). Shri A.K. Purwaha, C&MD was the Chairman of the committee. During the

process of FPO, the committee met three times on 14.06.2010, 9.07.2010 and 10.08.2010. With the completion of FPO, the committee ceased to exist as decided by the Board of Directors in its meeting held on 27.05.2010.

#### I) CSR Committee of the Board

The Board of Directors, in its meeting held on 17<sup>th</sup> March, 2011 constituted the CSR Committee of the Board of Directors to approve all CSR Projects, to allocate funds for such projects, to review & monitor the progress of execution of the projects and to carry out any other associated activity which the committee may consider appropriate. Shri A.K. Purwaha, C&MD, Shri L.N. Gupta, Director, Dr. (Prof.) KDP Nigam, Director, Dr. Avinash Chandra, Director and Shri P.K. Rastogi, Director (HR) are members of the committee. Director (HR) is also the convener of this committee. C&MD-EIL is acting as Chairman of the Committee. The 1<sup>st</sup> meeting of this committee was held on 12.05.2011.

#### J) Compliance Officer

Dr. R. Soundararajan, Company Secretary and Compliance Officer retired on attaining the age of superannuation on 31.03.2011. The Board of Directors in its meeting held on 17.03.2011 appointed Shri Rajan Kapur as Company Secretary and Compliance Officer w.e.f. 01.04.2011.

#### K) Status of Investor Complaints

Complaints pending on 01.04.2010	NIL
Complaints received during the financial year 2010-11	110
Complaints disposed off during the financial year 2010-11	110
Complaints pending as on 31.03.2011	NIL

As on 31<sup>st</sup> March, 2011, no transfer request was pending.

### 10. General Body Meetings

#### i) Annual General Meeting

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
43 <sup>rd</sup>	2007-2008	SCOPE Auditorium, CGO Complex, Lodhi Road, New Delhi - 110 003	19.09.2008	3.00 PM
44 <sup>th</sup>	2008-2009	SCOPE Auditorium, CGO Complex, Lodhi Road, New Delhi - 110 003	18.09.2009	3.00 PM
45 <sup>th</sup>	2009-2010	FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi - 110 001	14.09.2010	3.00 PM

#### ii) Details of Special Resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
43rd	Amendments in Articles of Association of the Company.
44th	Nil
45th	Nil

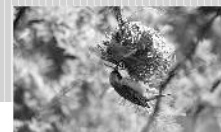
No special resolutions were put through ballot during the last year. No special resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting.

#### iii) Extra-ordinary General Meeting

The 14th Extra-ordinary General Meeting of the Company was held on April 22, 2010 at 11 a.m. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi - 110 001.

#### iv) Procedure for Postal Ballot

The company will follow the procedure as laid down under section 192A of the Companies Act, 1956 in respect of passing of resolution by postal ballot as and when the need arises.



## 11. CEO/CFO Certification

The Chairman & Managing Director and whole time Director (Finance) 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 clause 49 (V) of the Listing Agreement.

## 12. Disclosures

- i) Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2010-2011 are given in Schedule-J to the Annual Accounts for the year ended 31<sup>st</sup> March, 2011. These transactions do not have any potential conflict with the interests of the Company at large.
- ii) There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any Stock Exchange or by SEBI or any statutory authority on any matters related to capital markets during the last three years except consent money of ₹ 2.50 lakhs along with the consent order proposed by SEBI during the financial year 2004-05 with respect to non-compliance of disclosure under regulations 6(2), 6(4) and 8(3) of the SEBI (SAST) Regulations, 1997. The company has requested the SEBI to reduce/waive this amount and the reply from the SEBI is still awaited.
- iii) The Company has formed the whistle Blower Policy and the Board has approved the same.
- iv) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement, save and except the composition of Board of Directors with regard to Independent Directors.

## 13. General Information

### i) 46<sup>th</sup> Annual General Meeting

Date	September 7, 2011
Time	10.00 a.m.
Venue	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi - 110 049

### ii) Financial Year

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

### iii) Dates of Book-closure

Tuesday, August 30, 2011 to Wednesday, September 7, 2011 (Both days inclusive)

### iv) Dividend

The Board of Directors of the company have recommended payment of Final Dividend of ₹ 4/- per share (on the face value of ₹ 5/- each) for the Financial Year ended 31<sup>st</sup> March, 2011 in addition to the Interim Dividend of ₹ 1/- per share (on the face value of ₹ 5/- each) paid on 25<sup>th</sup> March, 2011.

The Record Date and Dividend Payment Date for Final Dividend for the financial year ended 31<sup>st</sup> March, 2011 are 29<sup>th</sup> August, 2011 and 12<sup>th</sup> September, 2011 respectively. The Dividend warrants would be posted on or after 12<sup>th</sup> September, 2011 and within 30 days from the date of declaration of dividend as provided in the Companies Act, 1956.

### v) Listing on Stock Exchanges

- a) The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001
- b) National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051

The Company has paid listing fees for the Financial Year 2010-11 to the above Stock Exchanges.

### vi) Stock Code

ISIN	INE510A01028
Scrip Code	532178
Scrip Symbol	ENGINEERSIN



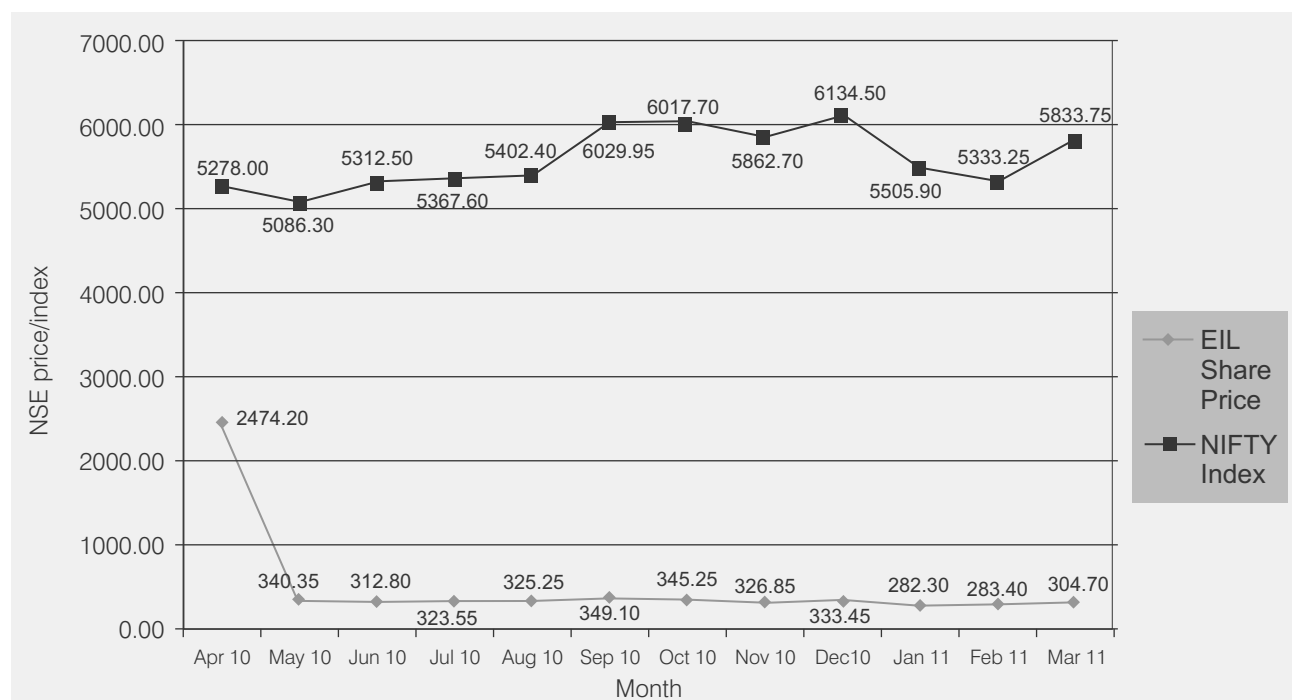
## vii) Monthly Share Price Data

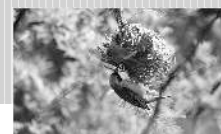
(Amount in ₹)

Month & Year	Mumbai Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2010	2523.95	2206.00	2735.00	2200.10
May, 2010	2500.00	311.10	2486.00	311.50
June, 2010	354.95	310.00	354.50	310.05
July, 2010	372.65	294.40	372.75	291.30
August, 2010	350.00	305.10	345.70	302.60
September, 2010	364.90	326.10	364.90	325.00
October, 2010	366.80	342.00	367.00	342.00
November, 2010	363.00	318.00	370.00	318.10
December, 2010	352.10	325.05	352.20	321.00
January, 2011	344.30	265.10	344.50	265.00
February, 2011	302.00	275.40	329.00	273.00
March, 2011	320.50	280.05	320.00	281.30

Note: The Company sub-divided the face value of its exiting equity share of ₹ 10/- each into 2 equity shares of face value of ₹ 5/- each as approved by the shareholders of the company in the Extra-ordinary General Meeting held on April 22, 2010.

## viii) Performance of EIL Share in comparison to NIFTY Index during the period from April, 2010 to March 2011.





## ix) Liquidity

EIL shares are actively traded on National Stock Exchange and The Bombay Stock Exchange Ltd.

## x) Dematerialization/Rematerialization of Shares

## Shareholding in Demat Mode as on 31.3.2011

Depository	No. of Shares	Percentage
NSDL	61677358	18.30
CDSL	274407536	81.44
<b>Total</b>	<b>336084894</b>	<b>99.74</b>

President of India has held 80.401% of the total shares, all in dematerialised form. Out of the balance 19.599% shares held by others 19.346 % have been held in dematerialised form as on March 31, 2011. 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 01.04.2010 to 31.03.2011

	NSDL		CDSL	
	No. of Shares	Percentage	No. of Shares	Percentage
Dematerialised	47184	0.0140	14540	0.0043
Rematerialised	637	0.0002	533	0.0002

## xi) Distribution of Shareholding as on March 31, 2011

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2011 is presented here under:

## a) Shareholding Pattern

Category of Shareholders	No. of Shares held	% of Total
President of India	270900540	80.401
Mutual Funds and UTI	9804420	2.910
Banks, Financial Institutions and Insurance Companies	13401524	3.977
Private Corporate Bodies	3572562	1.060
Foreign Institutional Investors	22183014	6.584
NRIs/OCBs/Trust	1027706	0.305
Indian Public	16046834	4.763
<b>Total</b>	<b>336936600</b>	<b>100.00</b>

## b) Distribution Schedule

S. No.	Category	No. of Shareholders	% to Total Shareholders	Amount (₹)	% of Total Amount
1	Upto 5000	120390	98.081	51992875	3.086
2	5001 to 10000	1212	0.987	8567225	0.509
3	10001 to 20000	755	0.615	11583485	0.688
4	20001 to 30000	117	0.095	3006650	0.178
5	30001 to 40000	36	0.029	1236630	0.073
6	40001 to 50000	29	0.024	1318960	0.078
7	50001 to 100000	50	0.041	3599385	0.214
8	100001 and above	157	0.128	160337790	95.174
	<b>Total</b>	<b>122746</b>	<b>100.00</b>	<b>1684683000</b>	<b>100.00</b>

## xii) Unclaimed/Unpaid Dividend

As per provisions of Section 205A read with Section 205C of the Companies Act, 1956, 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 and Protection Fund (IEPF) set up by the Central Government. The Unpaid Dividend remaining unclaimed and unpaid for the financial year 2002-03 has accordingly been transferred to Investor Education & Protection Fund (IEPF) on 20.11.2010.

Unpaid/Unclaimed Dividend for the year 2003-2004 is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 14.10.2011 (tentative). A final Notice dated 25.05.2011 was sent to all shareholders whose dividend were unpaid/unclaimed as on 31.03.2011. All shareholders, whose dividend is still unpaid/unclaimed are requested to lodge their claim with Company Secretary of EIL by submitting an application as per Company's procedure before 30<sup>th</sup> September, 2011. Kindly note that no claim will lie against the company or IEPF once the dividend is deposited in IEPF.

Given below are the proposed dates for transfer of the unpaid/unclaimed dividend to IEPF by the company:

Financial Year	Date of Declaration of Dividend	Proposed date for transfer to IEPF (Tentative Date)
2003-2004	15.09.2004	14.10.2011
2004-2005	15.09.2005	14.10.2012
2005-06 (Interim)	25.01.2006	24.02.2013
2005-06 (Final)	15.09.2006	14.10.2013
2006-07 (Interim)	31.01.2007	01.03.2014
2006-07(Final)	17.09.2007	16.10.2014
2007-08(Interim)	18.12.2007	17.01.2015
2007-08(Final)	19.09.2008	18.10.2015
2008-09(Interim)	19.12.2008	18.01.2016
2008-09(Final)	18.09.2009	17.10.2016
2009-10 (Interim)	15.12.2009	14.01.2017
2009-10 (Special Interim)	23.03.2010	22.04.2017
2010-11 (Interim)	17.03.2011	16.04.2018

## xiii) Share Transfer System

The Shares of the Company are being compulsorily traded in dematerialised form. Shares received in physical form are transferred within a period of 30 days from the date of lodgement of valid share transfer deed along with share certificate. M/s Mas Services Limited, Registrar and Share Transfer Agent was appointed to effect the transfer of shares and other related jobs. However, M/s Karvy Computershare Private Limited has been appointed as Registrar and Share Transfer Agent w.e.f. 1<sup>st</sup> July, 2011. The transfer of shares in physical form is approved by the Share transfer Committee comprising of Shri A.K. Purwaha, C&MD, Shri Ram Singh, Director (Finance) and Shri P.Mahajan, Director (Technical). This committee was reconstituted during the year due to cessation of Shri R.K. Saxena, Director (Commercial) who retired on attaining the age of superannuation on 31.05.2010 and appointment of Shri R.K. Grover, Director (Projects) as a member of the committee w.e.f. 2.06.2010. Further, Shri P.Mahajan, Director (Technical) was inducted as a member of the committee w.e.f. 28.12.2010 in place of Shri R.K. Grover, Director (Projects) who ceased to be member of the committee with effect from same date.

## xiv) Registrar & Share Transfer Agent

The Company has appointed M/s Karvy Computershare Private Limited as its Registrar and Share Transfer Agent (RTA) for handling all matters relating to the shares of EIL (both physical as well as demat mode) w.e.f. 1<sup>st</sup> July, 2011 in place of M/s Mas Services Limited, the existing RTA of the Company.

All matters relating to the shares of Engineers India Limited such as transfer, transmission, dematerialization,



rematerialisation, dividend, change of address etc. and related correspondence and queries may be addressed to:-

**M/s Karvy Computershare Private Limited**

305, New Delhi House,  
27, Barakhamba Road,  
Connaught Place  
New Delhi – 110 001  
Tel No. 011-43681700  
Fax No. 011-43681710  
Email : delhi@karvy.com1

or

Plot No. 17-24, Vittalrao Nagar  
Madhapur, Hyderabad - 500 081  
Tel No. 040-23420815-820  
Fax No. 040-23420814  
Toll Free No. 18003454001  
Email : mailmanager@karvy.com/einward.ris@karvy.com  
Website : www.karvy.com/www.karvycomputershare.com

**xv) Registered & Head Office**

Engineers India Bhawan,  
1, Bhikaiji Cama Place,  
R K Puram, New Delhi-110 066  
Tel. : 011-26762121, Fax : 011- 26178210, 26194715  
E-mail : eil.mktg@eil.co.in,  
Website : www.engineersindia.com

**xvi) Branch Office**

Great Eastern Chambers, 5th Floor,  
Plot no. 28, Sector - 11, C.B.D.  
Belapur, Navi Mumbai - 400 614  
Tel. : 022-27560072, 27560032,  
Fax : 022-27572011, 27563066  
E-mail : pk.gupta@eil.co.in

**xvii) Regional Offices**

A.G. Towers (5th Floor), 125/1,  
Park Street, Kolkata - 700 017  
Tel. : 033-22277118, 22276304, Fax : 033-22278902  
E-mail : ak.guha@eil.co.in

4th & 5th Floor, Meghdhanush Complex,  
Race Course, Near Transpek Circle Course,  
Vadodara - 390 015  
Tel. : 0265-2340326, 2340368, Fax : 0265-2340328  
E-mail : jk.bhan@eil.co.in

Talamuthu Natarajan Building, CMDA Tower,  
5th floor (West Wing) Gandhi Irwin Salai,  
Egmore, Chennai - 600 008 (Tamilnadu)  
Tel. : 044-28576001, 28543060, Fax : 044-28543080  
E-mail : t.balraj@eil.co.in

**xviii) Overseas Offices**

487, Great West Road,  
Hounslow Middlesex, TW5 0BS, UK  
Tel. : 00-44 208 570 5530, Fax : 00-44 208 570 4350  
E-mail : eillondon@btconnect.com

Flat No. 1703, 17th Floor, P O Box 126592,  
Al-Salam Street, Abdulla (ABN Amro Building),  
Abu Dhabi, United Arab Emirates (U.A.E)  
Tel. : 00-971-2-6740101, Fax : 00-971-2-6740707  
E-mail: r.mohan@eiluae.ae

EIL Asia Pacific Sdn.Bhd. Suite B-02-05,  
Dataran 3 Two, No. 2, 19/1,  
46300 Petaling Jaya, Selangor Darul Ehsan  
Kuala Lumpur - Malaysia

Room No. 1632, 16th Floor,  
Asian Biz Centre, Orient Century Plaza,  
345 Xian Xia Road, Shanghai - 200336, CHINA  
Tel. : 0086 21 62292556, 62292296  
E-mail : eilshanghai@eil.co.in, shanghai.eil@gmail.com

Via Edolo 3 SCALA-A MILANO, Italy  
Tel : 0039-3279061580,  
E-mail : eilitalymilan@gmail.com

**xix) Auditors**

M/s. Jagdish Chand & Co.  
Chartered Accountants  
H-20, LGF, Green Park (Main)  
New Delhi-110 016  
Tel. : 011-26511953, Fax : 011-26533626

**xx) Address for correspondence**

All correspondence relating to the shares of the Company should be sent to the Company's Registrar & Share Transfer Agent as mentioned in Item 13(xiv) till further communication from the Company.

Place : New Delhi  
Date : May 26, 2011



## Auditors' Report on Corporate Governance

To,

The Members

**Engineers India Limited**

We have examined the compliance of conditions of Corporate Governance by ENGINEERS INDIA LIMITED for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management and subject to the following, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement:

I) *Clause 49 I (A) of the Listing Agreement requires that not less than fifty percent of total strength of Board of Directors of the Company should comprise of Non- Executive Directors being independent. However, during the year, the company did not have the required number of Non Executive Directors being independent on its Board except for the periods as mentioned below:-*

(a) *From 09.07.2010 to 19.07.2010*

(b) *From 01.08.2010 to 14.11.2010*

(c) *From 01.02.2011 to 21.02.2011*

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 JAGDISH CHAND & CO.  
CHARTERED ACCOUNTANTS

(RAVI GOEL)  
PARTNER

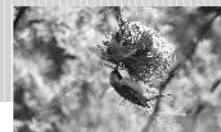
M.NO. 078748

Firm Registration No. 000129N

Place : New Delhi

Date : May 26, 2011





## Management's Reply to Auditors' Report on Corporate Governance (2010-11)

AUDITORS' COMMENTS	MANAGEMENT'S REPLY
<p>i) Clause 49 I (A) of the Listing Agreement requires that not less than fifty percent of total strength of Board of Directors of the Company should comprise of Non-Executive Directors being independent. However, during the year, the company did not have the required number of Non Executive Directors being independent on its Board except for the periods as mentioned below:-</p> <p>(a) From 9.07.2010 to 19.07.2010</p> <p>(b) From 1.08.2010 to 14.11.2010</p> <p>(c) From 1.02.2011 to 21.02.2011</p>	<p>EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India.</p> <p>In order to fulfil the requirement of the number of Non-Executive Independent Directors under the provisions of the Corporate Governance, the Company has already taken up the matter with the Ministry of Petroleum and Natural Gas (MoP&amp;NG), Government of India for appointment of sufficient number of Non-Executive Independent Directors on the Board of the Company. During the Financial year 2010-11, Government of India vide letter dated 9<sup>th</sup> July, 2010 have appointed two more Independent Directors. The Company is pursuing with the MoP&amp;NG for the appointment of sufficient numbers of Non-Executive Independent Directors on the Board of the Company.</p>



## Particulars of Employees (Part Year) in terms of Section 217 (2A) of Companies Act, 1956 read with the Companies Rules, 1975

Employee's Name	Designation	Age as on 31.3.2011	Qualifications	Total Exp. as on 31.3.2011	Joining Date	Remuneration (₹)	Last Organisation
GAMBHIR KK	GENERAL MANAGER	60	DEGREE IN ENGG	38	14/02/1972	1,891,699	
SAXENA R K	DIRECTOR (COMMERCIAL)	60	DEGREE IN ENGG	38	19/07/1972	2,992,407	INSTRUMENTATION LTD
JOSHI M K	DIRECTOR (TECHNICAL)	60	DEGREE IN ENGG	38	25/09/1972	2,989,764	
BALDEV SINGH	MANAGER	58	D MAN COURSE	36	17/12/1973	1,632,137	
JAIN RAJAN	EXECUTIVE DIRECTOR	60	DEGREE IN ENGG	36	02/12/1974	3,253,555	SHRIRAM CHEMICAL INDUSTRIES
MANWANI V J	ASST. GENERAL MANAGER	57	AMIE	36	09/12/1974	5,051,617	SHOURIE DUPLICATORS PVT LTD
CHOVATIA RD	ASST. GENERAL MANAGER	60	DEGREE IN ENGG	36	17/12/1974	2,805,621	GUJARAT INDUSTRIAL DEV CORP
MINOCHA S M	MANAGER	60	DIP IN ENGG	35	17/03/1975	751,802	DGS & D
TANDON K P	EXECUTIVE DIRECTOR	60	DEGREE IN ENGG	36	07/04/1975	3,767,449	JK SYNTHETICS LTD
MIDHA A K	GENERAL MANAGER	60	DEGREE IN ENGG	35	14/05/1975	2,929,923	UNIVERSAL CRANES & ROPEWAYS
THULKAR KAVISHWAR R	MANAGER	60	DEGREE IN ENGG	34	20/04/1976	2,097,363	
CHANDRA KANT	ADDL GENERAL MANAGER	60	DEGREE IN ENGG	34	14/06/1976	2,903,768	BUSINEES COMBINE LTD
MATHUR P P	DY GENERAL MANAGER	60	DEGREE IN ENGG	34	26/07/1976	2,196,140	SYNTHETICS & CHEMICALS LTD
TANGRI A K	ADDL GENERAL MANAGER	60	DEGREE IN ENGG	34	09/08/1976	3,122,778	BALLARPUR INDUSTRIES
PANDYA N K	SR MANAGER	60	DIP IN ENGG	33	16/12/1976	1,755,468	GUJRAT MACHINERY MFCS. LTD.
REDDY V V (DR)	DY GENERAL MANAGER	60	DOC OF PHIL (SCIENCE)	33	01/04/1977	2,026,873	
JAIN AK	DY GENERAL MANAGER	60	DEGREE IN ENGG	33	23/12/1977	3,245,001	EIL
HALDAR A	DY GENERAL MANAGER	60	DEGREE IN ENGG	32	06/03/1978	1,991,469	P&C OF WATER POLLUTION
SEHGAL RK	EXECUTIVE DIRECTOR	60	DEGREE IN ENGG	31	26/03/1979	2,192,189	ONGC
SINHA YK	SR MANAGER	60	PG DEGREE IN SCIENCE	30	12/03/1980	1,743,947	EXPORT INSP COUNCIL OF INDIA
NAYAR ARUN	ASST. GENERAL MANAGER	60	DEGREE IN ENGG	30	21/06/1980	967,489	IOC
MALKANI S	GENERAL MANAGER	60	PG DEGREE IN ENGG	30	24/07/1980	2,753,701	INDIAN STANDARDS INSTITUTION
YADAV Y N	DY GENERAL MANAGER	60	DEGREE IN ENGG	30	16/08/1980	1,307,568	HINDUSTAN STEELWORKS CONST LTD
MATHUR P K	DY GENERAL MANAGER	60	DEGREE IN SCIENCE	30	01/10/1980	2,715,039	N I D C
ACHARYA RN	ASST. GENERAL MANAGER	60	DEGREE IN ENGG	30	03/10/1980	2,716,151	GSFC



Employee's Name	Designation	Age as on 31.3.2011	Qualifications	Total Exp. as on 31.3.2011	Joining Date	Remuneration (₹)	Last Organisation
RAO S S	ASST. GENERAL MANAGER	60	PG DEGREE IN SCIENCE	30	11/09/1980	2,036,641	IIT BOMBAY
RAO Y V	DY GENERAL MANAGER	60	DEGREE IN ENGG	30	15/10/1980	1,811,346	UTKAL MACHINERY
AMANULLAH SM	GENERAL MANAGER	60	DEGREE IN ENGG	30	05/12/1980	3,131,024	FERTILIZER PLNG & DEV INDIA LTD
REDDY B S (DR)	ASST. GENERAL MANAGER	60	DOCTORATE IN ENGG	29	23/03/1981	2,586,345	IIT MADRAS
ANAND KUMAR	ASST. GENERAL MANAGER	60	DEGREE IN LAW AMIE-1979	29	02/04/1981	2,840,580	MODERN BAKERIES
GROVER RK	DIRECTOR (PROJECTS)	60	DEGREE IN ENGG	29	12/10/1981	5,172,076	B A R C
MAJUMDER SARASIJ	GENERAL MANAGER	60	PG DEGREE IN ENGG	29	06/11/1981	3,175,622	SAIL-DURGAPUR STEEL PLANT
BHAT PD	SR MANAGER	60	DEGREE IN SCIENCE	29	06/11/1981	2,877,274	M/S D P BHATT (CUSTOMS AGENTS)
GOVINDARAO V	DY GENERAL MANAGER	60	DEGREE IN ENGG	29	10/11/1981	2,334,449	BARC.
BABU R S	ASST. GENERAL MANAGER	60	DEGREE IN ENGG	28	24/03/1982	2,107,885	ONGC
MALIK SK	SR MANAGER	60	PG DEGREE IN SCIENCE	28	20/05/1982	1,819,663	MINISTRY OF HOME AFFAIRS GOI
LAHIRI R N (DR)	ASST. GENERAL MANAGER	60	DOCTORATE IN ENGG	28	01/10/1982	2,267,165	N C L POONA
MEHTA P P	DY MANAGER	60	DEGREE IN ARTS	37	05/11/1973	1,973,150	INCOME TAX DEPTT
CHAMAN LAL	SR OFFICER (OFFICE ADMN)	60	PG DEGREE IN ARTS	36	03/06/1974	1,569,151	
PURI G K	DY MANAGER	60	DEGREE IN ARTS	35	03/02/1975	1,243,511	
SHARMA A K	SR STAFF OFFICER	60	DEGREE IN ARTS	35	03/02/1975	1,420,020	DIRECTORATE OF ESTATES, N DELHI
RAJKHOWA N	CHIEF GENERAL MGR.	60	DEGREE IN ENGG	27	15/06/1983	2,148,444	BRPL, ASSAM
VISHIN V K	ASST. GENERAL MANAGER	60	PG DEGREE IN ENGG	26	03/02/1984	2,509,626	NPC



## Auditors' Report

To,

The Members of

**ENGINEERS INDIA LIMITED**

1. We have audited the attached Balance Sheet of Engineers India Limited as at 31<sup>st</sup> March, 2011, the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956;
  - e) In terms of notification No. G.S.R. 829 (E) dt. 21.10.2003, issued by the Ministry of Finance, Department of Company Affairs, Government of India, clause (g) of sub-section (I) of section 274 of the Companies Act, 1956 is not applicable to Government Companies;

In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with significant Accounting Policies as per Schedule 'I' and Notes as per Schedule 'J' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
- b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For JAGDISH CHAND & CO.  
CHARTERED ACCOUNTANTS

( RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



## Annexure to the Auditors' Report

Referred to in Paragraph (3) of our Report of Even Date on the Accounts  
of Engineers India Limited for the year ended on 31<sup>st</sup> March, 2011

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As informed to us, the fixed assets are verified by the management in a phased manner so as to cover each asset at least once in three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the company during the year.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies act, 1956. Accordingly, paragraphs 4(iii) (a), (b), (c) and (d) of the Order, are not applicable.
- (b) According to the information and explanations given to us, the Company has, during the year, not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies act, 1956. Accordingly, paragraphs 4 (iii) (e), (f) and (g) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets for the sale of goods & services. During the course of our audit, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, as there are no transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, paragraph 4(v)(b) of the Order is not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder and hence provisions of paragraph 4(vi) of the Order is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- (viii) According to the information given to us by the Management the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the activities of the Company.
- (ix) (a) According the information and explanation given to us and the records of the Company examined by us, the company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other applicable statutory dues with the appropriate authorities during the year. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than 6 months from the date they become payable.



- (b) According to the information and explanations given to us and based on records of the company, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute except the following:-

Particulars	Year	Amount (₹ In Lakhs)	Forum
Service Tax	01.4.2002 to 17.4.2006	31.44	Commissioner of Central Excise (Appeals)
Service Tax	1997-98	1.58	Commissioner of Central Excise (Appeals)
Income Tax	2008-09	2.55	Commissioner of Income Tax (Appeals)

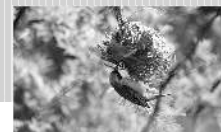
- (x) The Company does not have accumulated losses as at the year ended March 31, 2011. Further, the Company has not incurred any cash losses during the year ended March 31, 2011 and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and on the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions during the year. The Company has not issued debentures during the year.
- (xii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund / nidhi / mutual benefit funds / society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.
- (xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanations given to us, the company has not raised any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that short term funds have not been used to finance long term investments.
- (xviii) During the year the company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

For JAGDISH CHAND & CO.  
CHARTERED ACCOUNTANTS

( RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



# Balance Sheet

AS AT MARCH 31, 2011

	SCHEDULE	AS AT 31-03-2011 ₹ IN LAKHS		AS AT 31-03-2010 ₹ IN LAKHS	
SOURCES OF FUNDS					
SHAREHOLDERS` FUNDS					
SHARE CAPITAL	A	16846.84		5615.62	
RESERVES & SURPLUS	B	127365.13	144211.97	105854.96	111470.58
TOTAL			144211.97		111470.58
APPLICATION OF FUNDS					
FIXED ASSETS					
GROSS BLOCK	C	19282.83		18241.20	
LESS:DEPRECIATION		13275.67		12236.40	
NET BLOCK		6007.16		6004.80	
CAPITAL WORK-IN-PROGRESS		2194.10	8201.26	1184.58	7189.38
INVESTMENTS	D		51241.54		10072.57
DEFERRED TAX ASSET (NET)			17563.58		14151.95
CURRENT ASSETS, LOANS & ADVANCES					
INVENTORIES		87.49		97.25	
WORK-IN-PROGRESS		21286.53		4221.59	
SUNDRY DEBTORS		31689.36		31674.19	
CASH & BANK BALANCES		176468.88		176396.85	
OTHER CURRENT ASSETS		12241.15		21095.26	
LOANS & ADVANCES		25660.88		18452.48	
		267434.29		251937.62	
LESS: CURRENT LIABILITIES AND PROVISIONS					
LIABILITIES	F	154227.89		140040.78	
PROVISIONS		46000.81		31840.16	
		200228.70		171880.94	
NET CURRENT ASSETS (E-F)			67205.59		80056.68
TOTAL			144211.97		111470.58
SIGNIFICANT ACCOUNTING POLICIES	I				
NOTES FORMING PART OF THE ACCOUNTS	J				

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F & A)

RAM SINGH  
Director (Finance)

A.K.PURWAHA  
Chairman & Managing Director

As per our report of even date attached  
for JAGDISH CHAND & CO.  
CHARTERED ACCOUNTANTS

(RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



## Profit & Loss Account

FOR THE YEAR ENDED MARCH 31, 2011

	SCHEDULE	2010-2011 ₹ IN LAKHS	2009-2010 ₹ IN LAKHS
<b>A. INCOME</b>	<b>G</b>		
-CONSULTANCY & ENGINEERING	113200.82	107306.14	
INCREASE (+) / (DECREASE) (-) IN WORK-IN-PROGRESS	(406.60)	(1,773.00)	
	<u>112794.22</u>	<u>105533.14</u>	
-LUMP SUM TURNKEY PROJECTS	152062.68	91104.03	
INCREASE (+) / (DECREASE) (-) IN WORK-IN-PROGRESS	17,471.54	2,742.53	
	<u>169534.22</u>	<u>93846.56</u>	199379.70
OTHER INCOME		16036.63	18367.10
<b>TOTAL</b>		<u><b>298365.07</b></u>	<u><b>217746.80</b></u>
<b>B. EXPENDITURE</b>	<b>H</b>		
TECHNICAL ASSISTANCE/SUB-CONTRACTS		64666.09	30024.75
CONSTRUCTION MATERIALS & EQUIPMENTS		81188.98	55609.92
SALARIES AND BENEFITS		51820.13	48690.06
FACILITIES		3421.98	2969.64
CORPORATE COSTS		3209.37	2059.38
OTHERS		13573.21	10967.67
DEPRECIATION & FIXED ASSETS WRITTEN OFF		1454.40	1297.63
<b>TOTAL</b>		<u><b>219334.16</b></u>	<u><b>151619.05</b></u>
<b>PROFIT FOR THE YEAR (A-B)</b>		<b>79030.91</b>	<b>66127.75</b>
LESS: PRIOR PERIOD ADJUSTMENTS (NET)		577.45	79.96
<b>PROFIT BEFORE TAX</b>		<b>78453.46</b>	<b>66047.79</b>
LESS : PROVISION FOR TAXATION			
CURRENT TAX		29947.63	24485.00
DEFERRED TAX		(3,411.63)	(2,293.63)
		<u><b>51917.46</b></u>	<u><b>43856.42</b></u>
PRIOR PERIOD TAX ADJUSTMENTS (NET)			
CURRENT TAX		(334.48)	487.04
DEFERRED TAX		-	(188.13)
<b>PROFIT AFTER TAX</b>		<u><b>52251.94</b></u>	<u><b>43557.51</b></u>
ADD: TRANSFERRED FROM GENERAL RESERVE		0.00	56156.10
AMOUNT AVAILABLE FOR APPROPRIATION		<u>52251.94</u>	<u>99713.61</u>
APPROPRIATION:			
INTERIM DIVIDEND		3369.37	59525.47
PROPOSED FINAL DIVIDEND		13477.46	0.00
TAX ON INTERIM / PROPOSED DIVIDEND		2663.72	10095.11
<b>TRANSFER TO GENERAL RESERVE</b>		<u><b>32741.39</b></u>	<u><b>30093.03</b></u>
EARNING PER SHARE (BASIC & DILUTED)(IN ₹)		<b>15.51</b>	<b>12.93</b>
(FACE VALUE ₹ 5/- PER SHARE)			

**SIGNIFICANT ACCOUNTING POLICIES****NOTES FORMING PART OF THE ACCOUNTS**

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F & A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

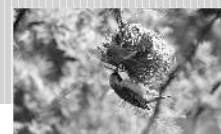
As per our report of even date attached  
for JAGDISH CHAND & CO.  
CHARTERED ACCOUNTANTS

(RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N





# Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2011

		2010-2011 ₹ IN LAKHS	2009-2010 ₹ IN LAKHS
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
NET PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENTS	a	79030.91	66127.75
ADD:			
<b>I) ADJUSTMENT FOR:</b>			
DEPRECIATION		1471.05	1290.54
FIXED ASSETS WRITTEN OFF		24.72	7.23
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT IN JOINT VENTURES		296.05	0.00
DEFERRED REVENUE EXPENDITURE( V R S )		0.00	18.67
(PROFIT)/LOSS ON SALE OF FIXED ASSETS		3.97	1.57
<b>II) OTHER INCOME:</b>			
INTEREST ON DEPOSITS/ADVANCES TO EMPLOYEES/INCOME TAX REFUND ETC.		(12,425.62)	(15,078.59)
SHARE OF PROFIT ON TRADE INVESTMENT		-	(1.95)
CAPITAL GAIN ON SALE OF INVESTMENT		(68.14)	(1,698.21)
DIVIDEND INCOME		(472.69)	(578.30)
	b	(11,170.66)	(16,039.04)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	c=a+b	67860.25	50088.71
<b>III) ADJUSTMENT FOR:</b>			
(INCREASE)/DECREASE IN SUNDRY DEBTORS		(15.17)	(1,665.12)
(INCREASE)/DECREASE IN INVENTORIES		9.76	(12.51)
(INCREASE)/DECREASE IN LOANS & ADVANCES/OTHER CURRENT ASSETS		(861.83)	1,038.30
(INCREASE)/DECREASE IN WORK IN PROGRESS		(17,064.94)	(969.53)
INCREASE/(DECREASE) IN CURRENT LIABILITIES/PROVISIONS		21,402.33	10,476.67
	d	3,470.15	8,867.81
CASH GENERATED FROM OPERATIONS	e=c+d	71,330.40	58,956.52
LESS: TAX PAID	f	26,558.02	23,324.19
CASH FLOW BEFORE PRIOR PERIOD ADJUSTMENTS	g=e-f	44,772.38	35,632.33
PRIOR PERIOD ADJUSTMENTS	h	(577.45)	(79.96)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	i=g+h	<u>44,194.93</u>	<u>35,552.37</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
PURCHASE OF FIXED ASSETS (NET OF ADJ.)		(1,514.38)	(1,836.82)
CAPITAL WORK IN PROGRESS		(1,009.52)	(332.32)
SALE OF FIXED ASSETS		12.29	8.54
INTEREST ON DEPOSITS/ADVANCES TO EMPLOYEES/INCOME TAX REFUND ETC.		12,735.78	15,258.46
SHARE OF PROFIT ON TRADE INVESTMENT		-	1.95
DIVIDEND INCOME		472.69	578.30
CAPITAL GAIN ON SALE OF INVESTMENT		68.14	1,698.21
INVESTMENT IN JOINT VENTURE		(100.00)	(102.98)
INVESTMENT (OTHERS)		(41,365.02)	5,399.98
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	j	<u>(30,700.02)</u>	<u>20,673.32</u>

**Cash Flow Statement (Contd.)**

FOR THE YEAR ENDED MARCH 31, 2011

	2010-2011 ₹ IN LAKHS	2009-2010 ₹ IN LAKHS
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
DIVIDEND PAYMENT (INCLUDING DIVIDEND TAX)	-	(9,168.23)
INTERIM DIVIDEND PAYMENT (INCLUDING DIVIDEND TAX)	(13,422.88)	(60,076.85)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b> k	<b>(13,422.88)</b>	<b>(69,245.08)</b>
 <b>INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS i+j+k</b>	 <b>72.03</b>	 <b>(13,019.39)</b>
 CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	 176,396.85	 189,416.24
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	176,468.88	176,396.85
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>72.03</b>	<b>(13,019.39)</b>

**Notes:** 1 The cash flow statement has been prepared under the "indirect method" as set out in accounting standard - 3 "cash flow statements", notified by the central govt. under companies (accounting standard) rules, 2006.

2 Cash & Cash Equivalents includes ₹ 70.81 lakhs (previous year ₹ 5104.16 lakhs ) on account of balances lying in unclaimed dividend account.

3 Cash & Cash Equivalents represents :

i) Cash and stamps in hands	29.99	68.70
ii) Cheques in hand	2693.29	121.11
iii) Balance with scheduled banks in current account	7702.79	11950.42
iv) Balance with scheduled banks in deposit account	165920.75	164164.46
v) Balance with non scheduled banks in current account	122.06	92.16
<b>Total</b>	<b>176468.88</b>	<b>176396.85</b>

4 Previous year's figures have been regrouped wherever necessary in order to conform to this year presentation.

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F & A)

RAM SINGH  
Director (Finance)

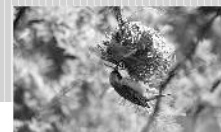
A.K. PURWAHA  
Chairman & Managing Director

As per our report of even date attached  
for JAGDISH CHAND & CO.  
CHARTERED ACCOUNTANTS

(RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



## SCHEDULES

### Schedule 'A'

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
600,000,000 EQUITY SHARES OF ₹ 5 EACH (100,000,000 EQUITY SHARES OF ₹ 10 EACH )	<u>30000.00</u>	<u>10000.00</u>
<b>ISSUED</b>		
337,017,600 EQUITY SHARES OF ₹ 5 EACH (56,196,600 EQUITY SHARES OF ₹ 10 EACH )	<u>16850.88</u>	<u>5619.66</u>
<b>SUBSCRIBED AND PAID UP*</b>		
336,936,600 EQUITY SHARES OF ₹ 5 EACH (56,156,100 EQUITY SHARES OF ₹ 10 EACH FULLY PAID UP) *	16846.83	5615.61
<b>ADD: FORFEITED SHARES</b>	0.01	0.01
AMOUNT ORIGINALLY PAID UP ON 2,600 EQUITY SHARES OF ₹ 5 EACH (1,300 EQUITY SHARES OF ₹ 10 EACH)	<u>16846.84</u>	<u>5615.62</u>

\* OUT OF THE ABOVE 161,720 EQUITY SHARES OF ₹ 5 EACH WERE ALLOTTED AS FULLY PAID UP PURSUANT TO A CONTRACT WITHOUT PAYMENT BEING RECEIVED IN CASH AND 334,999,200 EQUITY SHARES OF ₹ 5 EACH WERE ALLOTTED AS FULLY PAID BONUS SHARES BY WAY OF CAPITALISATION OF GENERAL RESERVE AND SHARE PREMIUM. (THIS INCLUDES 224,624,400 EQUITY SHARES OF ₹ 5 EACH ALLOTTED AS BONUS SHARES IN RATIO OF 2 : 1 DURING THE CURRENT YEAR)

### Schedule 'B'

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>RESERVES &amp; SURPLUS</b>		
<b>A. GENERAL RESERVE</b>		
BALANCE AS PER LAST BALANCE SHEET	104734.86	130797.93
ADD: TRANSFERRED FROM PROFIT & LOSS ACCOUNT	32741.39	30093.03
LESS: TRANSFERRED TO PROFIT AND LOSS ACCOUNT FOR PAYMENT OF SPECIAL INTERIM DIVIDEND	0.00	56156.10
LESS: UTILIZED FOR ISSUE OF BONUS SHARES	<u>10311.12</u>	<u>0.00</u>
	127165.13	104734.86
<b>B. SHARE PREMIUM ACCOUNT</b>		
BALANCE AS PER LAST BALANCE SHEET	920.10	920.10
LESS: UTILIZED FOR ISSUE OF BONUS SHARES	<u>920.10</u>	<u>0.00</u>
	0.00	920.10
<b>C. CAPITAL RESERVE</b>		
CAPITAL GRANT RECEIVED FROM OIL INDUSTRY DEVELOPMENT BOARD FOR R&D CENTRE	200.00	200.00
	<u>127365.13</u>	<u>105854.96</u>



## Schedule 'C'

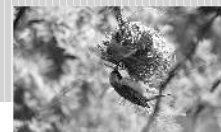
### Fixed Assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31-MAR-10	ADD. FOR YR.	SOLD/ TRNS/ADJ.	AS ON 31-MAR-11	DEP UPTO 31-MAR-10	DEP FOR YEAR	DEP WRTN. BACK	TOT. DEP 31-MAR-11	WDV AS ON 31-MAR-11	WDV AS ON 31-MAR-10
LAND FREE HOLD	294.96	0.00	(3.12)	298.08	0.00	0.00	0.00	0.00	298.08	294.96
LAND LEASEHOLD	795.17	0.00	3.12	792.05	6.10	0.21	0.00	6.31	785.74	789.07
BUILDING*	4297.84	65.25	125.06	4238.03	2536.42	152.56	101.91	2587.07	1650.96	1761.42
PLANT & MACHINERY	1357.09	12.66	165.71	1204.04	1298.49	3.68	163.87	1138.30	65.74	58.60
FURNITURE, FIXTURES AND OFFICE/CONSTN. EQUIPMENT	2228.89	114.38	38.15	2305.12	1616.53	99.03	34.02	1681.54	623.58	612.36
COMPUTER HARDWARE	5944.32	987.73	143.51	6788.54	3939.00	666.82	131.67	4474.15	2314.39	2005.32
COMPUTER SOFTWARE	2885.05	298.16	0.00	3183.21	2402.19	512.55	0.00	2914.74	268.47	482.86
MOTOR VEHICLES	9.14	0.00	0.04	9.10	8.93	0.00	0.03	8.90	0.20	0.21
LIBRARY BOOKS	428.74	36.20	0.28	464.66	428.74	36.20	0.28	464.66	0.00	0.00
<b>TOTAL</b>	<b>18241.20</b>	<b>1514.38</b>	<b>472.75</b>	<b>19282.83</b>	<b>12236.40</b>	<b>1471.05</b>	<b>431.78</b>	<b>13275.67</b>	<b>6007.16</b>	<b>6004.80</b>
<b>PREVIOUS YEAR</b>	<b>16706.60</b>	<b>1838.06</b>	<b>303.46</b>	<b>18241.20</b>	<b>11230.74</b>	<b>1290.54</b>	<b>284.88</b>	<b>12236.40</b>	<b>6004.80</b>	<b>5475.86</b>
<b>CAPITAL WORK IN PROGRESS</b>									<b>2194.10</b>	<b>1184.58</b>

\* THE ABOVE INCLUDES BUILDING HAVING COST AND WRITTEN DOWN VALUE OF ₹ 8.86 LAKHS (PREVIOUS YEAR ₹ 8.86 LAKHS) AND ₹ 2.39 LAKHS (PREVIOUS YEAR ₹ 2.60 LAKHS) RESPECTIVELY, WHICH IS NOT IN USE PENDING CLERANCE FROM KOLKATA MUNICIPAL CORPORATION.

DEPRECIATION FOR THE YEAR INCLUDES PRIOR PERIOD DEPRECIATION ₹ 41.37 LAKHS (PREVIOUS YEAR ₹ 0.14 LAKHS)



## Schedule 'D'

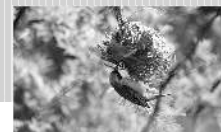
		AS AT 31-03-2011 ₹ IN LAKHS		AS AT 31-03-2010 ₹ IN LAKHS	
INVESTMENTS					
LONG TERM INVESTMENTS					
AT COST					
I. TRADE					
UNQUOTED					
CAPITAL CONTRIBUTION IN PETROLEUM INDIA INTERNATIONAL		500.00		500.00	
SHARE IN ACCUMULATED SURPLUS OF * PETROLEUM INDIA INTERNATIONAL		<u>613.93</u>	1113.93	<u>632.30</u>	1132.30
			<u>1113.93</u>		<u>1132.30</u>
II. OTHER THAN TRADE					
QUOTED					
IN UNITS OF FIXED MATURITY PLAN OF MUTUAL FUNDS					
6,000,000 (NIL)	UTI FIXED TERM INCOME FUND SERIES VII - III (367 DAYS ) - GROWTH PLAN OF ₹ 10 EACH		600.00		0.00
6,000,000 (NIL)	SBI DEBT FUND SERIES -370 DAYS- 4 GROWTH PLAN OF ₹ 10 EACH		600.00		0.00
10,000,000 (NIL)	SBI DEBT FUND SERIES-370 DAYS-5-GROWTH PLAN OF ₹ 10 EACH		1000.00		0.00
100,000,000 (NIL)	SBI DEBT FUND SERIES- 370 DAYS-9-GROWTH OF ₹ 10 EACH		10000.00		0.00
50,000,000 (NIL)	UTI FMP - YEARLY FMP SERIES : YFMP (01/11) INSTITUTIONAL GROWTH PLAN OF ₹ 10 EACH		5000.00		0.00
100,000,000 (NIL)	SBI DEBT FUND SERIES-370 DAYS-10- GROWTH PLAN OF ₹ 10 EACH		10000.00		0.00
16,000,000 (NIL)	IDBI FMP-367 DAYS SERIES-1 (MARCH 2011) PLAN-C-GROWTH PLAN OF ₹ 10 EACH		1600.00		0.00
25,000,000 (NIL)	IDBI FMP-367 DAYS SERIES-1 (MARCH 2011) PLAN-D-GROWTH PLAN OF ₹ 10 EACH		2500.00		0.00
75,000,000 (NIL)	UTI FIXED TERM INCOME FUND SERIES IX- I - (367 DAYS)- GROWTH PLAN OF ₹ 10 EACH		7500.00		0.00
82,000,000 (NIL)	SBI DEBT FUND SERIES-370 DAYS-11- GROWTH PLAN OF ₹ 10 EACH		8200.00		0.00
			<u>47000.00</u>		<u>0.00</u>

\* REFER NOTE NO. -- 2 OF SCHEDULE - J



## Schedule 'D' (Contd.)

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>UNQUOTED</b>		
<b>INVESTMENT IN SUBSIDIARY COMPANIES</b>		
1) <b>EIL ASIA PACIFIC SDN BHD MALAYSIA</b>		
2,50,000 ORDINARY SHARES OF RM 1 EACH FULLY PAID UP IN WHOLLY OWNED SUBSIDIARY COMPANY, OUT OF WHICH	3.04	3.04
2,25,000 EQUITY SHARES WERE RECEIVED BY WAY OF BONUS SHARES		
2) <b>CERTIFICATION ENGINEERS INTERNATIONAL LIMITED</b>		
1,00,000 EQUITY SHARES @ ₹ 100 EACH FULLY PAID UP IN WHOLLY OWNED SUBSIDIARY COMPANY, OUT OF WHICH 80,000 EQUITY SHARES WERE RECEIVED BY WAY OF BONUS SHARES	20.00	20.00
<b>INVESTMENT IN JOINT VENTURE COMPANIES</b>		
1) <b>TEIL PROJECTS LIMITED</b>	300.00	200.00
24,997 EQUITY SHARES OF ₹ 10 EACH FULLY PAID UP AND 49,75,000 EQUITY SHARES OF ₹ 10 EACH, OUT OF WHICH ₹ 5.979899 PER SHARE (₹ 3.9698 PER SHARE) CALLED UP & PAID UP		
LESS : PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT	269.53	0.00
	30.47	200.00
2) <b>TECNIMONT EIL EMIRATES -CONSULTORES E SERVICOS, LDA</b>	100.62	100.62
QUOTA : 1,50,000 EURO OF SHARE CAPITAL		
LESS : PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT	26.52	0.00
	74.10	100.62
<b>INVESTMENT IN UNITS OF MUTUAL FUNDS</b>		
23,298,618.392 UTI FIXED INCOME INTERVAL FUND-ANNUAL INTERVAL	3000.00	1000.00
(8,295,381.961) PLAN SERIES - I - INSTITUTIONAL GROWTH PLAN OF ₹ 10 EACH		
	3127.61	1323.66
<b>TOTAL (A)</b>	<b>51241.54</b>	<b>2455.96</b>
<b>CURRENT INVESTMENTS</b>		
<b>OTHER THAN TRADE</b>		
<b>INVESTMENT IN UNITS OF MUTUAL FUNDS</b>		
<b>UNQUOTED</b>		
NIL UTI LIQUID CASH PLAN INSTITUTIONAL - DAILY INCOME	0.00	2200.64
(215,866.183) OPTION- REINVESTMENT OF ₹ 1000 EACH		
NIL LIC MUTUAL FUND LIQUID FUND - DIVIDEND PLAN	0.00	5415.97
(49,325,320.281) OF ₹ 10 EACH		
<b>TOTAL (B)</b>	<b>0.00</b>	<b>7616.61</b>
<b>TOTAL (A+B)</b>	<b>51241.54</b>	<b>10072.57</b>
AGGREGATE VALUE OF QUOTED INVESTMENTS - BOOK VALUE	47000.00	0.00
AGGREGATE VALUE OF QUOTED INVESTMENTS - MARKET VALUE	47609.20	0.00
AGGREGATE VALUE OF UNQUOTED INVESTMENTS - BOOK VALUE	4241.54	10072.57
<b>INVESTMENTS PURCHASED AND SOLD DURING THE YEAR ENDED MARCH 31, 2011</b>		
<b>NAME OF THE FUND</b>	<b>FACE VALUE ₹</b>	<b>UNITS (IN NO'S)</b>
		<b>COST (₹ IN LAKHS)</b>
LIC NOMURA MF LIQUID FUND- DIVIDEND PLAN	10	306043949.455
SBI PREMIER LIQUID FUND-INSTITUTIONAL-DAILY DIVIDEND	10	16944928.981
SBI PREMIER LIQUID FUND-SUPER INSTITUTIONAL-DAILY DIVIDEND	10	377423374.034
SBI MAGNUM INSTA CASH FUND -DAILY DIVIDEND OPTION	10	328657980.747
UTI LIQUID CASH PLAN INSTITUTIONAL - DAILY INCOME OPTION-REINVESTMENT	1000	4862293.494
IDBI LIQUID FUND - DAILY DIVIDEND-REINVESTMENT	1000	1156500.000
LIC NOMURA INCOME PLUS FUND - DIVIDEND PLAN	10	212502382.797
SBI DEBT FUND SERIES - 180 DAYS-11- DIVIDEND	10	17000000.000
SBI-SHF- ULTRA SHORT TERM FUND - INSTITUTIONAL PLAN- DAILY DIVIDEND	10	224902884.185
UTI TREASURY ADVANTAGE FUND - INSTITUTIONAL PLAN - DAILY DIVIDEND- REINVESTMENT PLAN	1000	1886838.518



## Schedule 'E'

	AS AT 31-03-2011		AS AT 31-03-2010	
	₹ IN LAKHS		₹ IN LAKHS	
CURRENT ASSETS, LOANS & ADVANCES				
(A) CURRENT ASSETS				
1) INVENTORIES				
STORES, SPARES AND CHEMICALS IN HAND		87.49		97.25
2) WORK IN PROGRESS*		21286.53		4221.59
3) SUNDRY DEBTORS (UNSECURED)				
DEBTS OUTSTANDING FOR A PERIOD				
EXCEEDING SIX MONTHS:				
CONSIDERED GOOD	8126.70		6722.07	
CONSIDERED DOUBTFUL	<u>4875.88</u>		<u>4840.24</u>	
	13002.58		11562.31	
OTHER DEBTS:CONSIDERED GOOD **	<u>23562.66</u>		<u>24952.12</u>	
	36565.24		36514.43	
LESS: PROVISION FOR DOUBTFUL DEBTS	<u>4875.88</u>	31689.36	<u>4840.24</u>	31674.19
4) CASH AND BANK BALANCES				
CASH AND STAMPS IN HAND	29.99		68.70	
CHEQUES IN HAND	2693.29		121.11	
WITH SCHEDULED BANKS IN CURRENT ACCOUNTS @	7702.79		11950.42	
WITH SCHEDULED BANKS IN TERM DEPOSIT ACCOUNTS @	165920.75		164164.46	
((INCLUDES ₹ 64.65 LAKHS (₹ 64.46 LAKHS) HELD				
UNDER LIEN AGAINST BANK GUARANTEE)				
WITH NON SCHEDULED BANKS IN CURRENT ACCOUNTS @@	<u>122.06</u>	176468.88	<u>92.16</u>	176396.85
5) OTHER CURRENT ASSETS				
INTEREST ACCRUED ON BANK DEPOSITS	4857.00		4965.80	
INCOME ACCRUED - JOBS	<u>7384.15</u>	12241.15	<u>16129.46</u>	21095.26
CARRIED FORWARD		241773.41		233485.14



## Schedule 'E' (Contd.)

	AS AT 31-03-2011 ₹ IN LAKHS		AS AT 31-03-2010 ₹ IN LAKHS	
BROUGHT FORWARD		241773.41		233485.14
<b>(B) LOANS &amp; ADVANCES #</b>				
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED:				
SECURED- CONSIDERED GOOD @@@		3097.14		3481.30
UNSECURED-CONSIDERED GOOD @@@	22092.81		12160.16	
UNSECURED-CONSIDERED DOUBTFUL	6.54		5.18	
	22099.35		12165.34	
LESS: PROV. FOR DOUBTFUL ADVANCES	6.54	22092.81	5.18	12160.16
		25189.95		15641.46
ADVANCE INCOME TAX ( NET)		0.00		2197.43
ADVANCE FRINGE BENEFIT TAX	309.86		580.00	
LESS: PROVISION FOR FRINGE BENEFIT TAX	286.67	23.19	556.87	23.13
DUE FROM SUBSIDIARY COMPANY		0.00		0.02
<b>SECURITY DEPOSIT</b>				
UNSECURED- CONSIDERED GOOD ***	161.44		304.14	
UNSECURED-CONSIDERED DOUBTFUL	0.35		0.35	
	161.79		304.49	
LESS: PROV. FOR DOUBTFUL DEPOSITS	0.35	161.44	0.35	304.14
CLAIMS RECEIVABLE		286.30	25660.88	286.30
		267434.29		18452.48
				251937.62

# INCLUDES ₹ 6.59 LAKHS (PREVIOUS YEAR ₹ 6.55 LAKHS) DUE FROM TEIL PROJECTS LIMITED, A JOINT VENTURE COMPANY

\* AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT

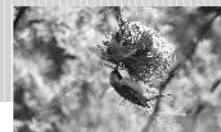
\*\* INCLUDES ₹ 51.62 LAKHS FROM CEIL (PREVIOUS YEAR ₹ 43.32 LAKHS) WHOLLY OWNED SUBSIDIARY COMPANY FOR SERVICES RENDERED

\*\*\* INCLUDES ₹ 24.97 LAKHS (PREVIOUS YEAR ₹ 82.50 LAKHS) AS RETENTION MONEY AGAINST CONTRACTS

@ INCLUDES ₹ 7466.44 LAKHS (PREVIOUS YEAR ₹ 11219.89 LAKHS) HELD ON BEHALF OF CLIENTS / THIRD PARTIES INCLUDING MOBILISATION ADVANCE AND UNCLAIMED DIVIDEND ACCOUNT

	AS AT 31-03-2011 ₹ IN LAKHS		AS AT 31-03-2010 ₹ IN LAKHS	
	CLOSING BALANCE	MAXIMUM BALANCE	CLOSING BALANCE	MAXIMUM BALANCE
<b>@@ IN CURRENT ACCOUNT WITH:</b>				
I) B.E.D. ALGERIE, ALGERIA	104.91	130.56	66.20	127.61
II) BURGAN BANK - KUWAIT	16.94	27.38	25.76	86.63
III) NATIONAL COMMERCIAL BANK, TRIPOLI	0.21	0.21	0.20	0.24
	122.06		92.16	
<b>@@@ INCLUDES DUE FROM DIRECTORS ON ACCOUNT OF ADVANCES INCLUDING LOANS &amp; ADVANCES GIVEN FOR HOUSE BUILDING &amp; VEHICLE ETC. AS PER POLICY OF THE COMPANY CONSIDERED GOOD</b>	8.35	12.24	0.00	14.31





## Schedule 'F'

	AS AT 31-03-2011		AS AT 31-03-2010	
	₹ IN LAKHS		₹ IN LAKHS	
CURRENT LIABILITIES AND PROVISIONS				
(A) CURRENT LIABILITIES				
SUNDRY CREDITORS *	30733.62		19266.03	
SECURITY DEPOSITS	15145.34		14014.91	
ADVANCES	88664.04		79926.60	
SERVICE TAX PAYABLE	2525.51		2512.67	
UNCLAIMED DIVIDEND **	70.81		5104.16	
OTHER LIABILITIES	<u>17088.57</u>	154227.89	<u>19216.41</u>	140040.78
(B) PROVISIONS				
EMPLOYEES' POST RETIREMENT/ LONG TERM BENEFITS	5845.40		3697.55	
CONTRACTUAL OBLIGATIONS	23666.25		18598.88	
PROVISION FOR TAXATION	74320.02		55008.84	
LESS: ADVANCE INCOME TAX	<u>73462.26</u>	857.76	<u>55008.84</u>	0.00
PROPOSED DIVIDEND	13477.46		0.00	
TAX ON DIVIDEND	<u>2153.94</u>	46000.81	<u>9543.73</u>	31840.16
		<u>200228.70</u>		<u>171880.94</u>

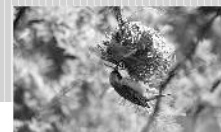
\* INCLUDES AMOUNT DUE TO SUBSIDIARY COMPANY ₹ 47.41 LAKHS (PREVIOUS YEAR ₹ 20.59 LAKHS)

\*\* THIS DOES NOT INCLUDE ANY AMOUNT DUE FOR PAYMENT TO INVESTOR EDUCATION AND PROTECTION FUND



## Schedule 'G'

	2010-2011 ₹ IN LAKHS		2009-2010 ₹ IN LAKHS	
I) INCOME				
A) CONSULTANCY & ENGINEERING SERVICES	113200.82		107306.14	
	<u>113200.82</u>		<u>107306.14</u>	
B) LUMPUSUM TURNKEY PROJECTS	152062.68		91104.03	
	<u>152062.68</u>		<u>91104.03</u>	
	<u>265263.50</u>		<u>198410.17</u>	
II) INCREASE/(DECREASE) IN WORK-IN-PROGRESS				
A) CONSULTANCY & ENGINEERING SERVICES				
CLOSING WORK-IN-PROGRESS	853.54		1260.14	
LESS: OPENING WORK-IN-PROGRESS	<u>1260.14</u>	(406.60)	<u>3033.14</u>	(1,773.00)
B) LUMPUSUM TURNKEY PROJECTS				
CLOSING WORK-IN-PROGRESS	20432.99		2,961.45	
LESS: OPENING WORK-IN-PROGRESS	<u>2961.45</u>	17471.54	<u>17064.94</u>	218.92
			2742.53	<u>969.53</u>
III) OTHER INCOME				
INTEREST EARNED (GROSS)				
TAX DEDUCTED AT SOURCE ₹ 1172.83 LAKHS (₹ 2040.25 LAKHS)				
ON BANK DEPOSITS	11578.91		14698.75	
ON OTHER DEPOSITS	0.00		1.05	
ON ADVANCES TO EMPLOYEES	184.75		229.19	
ON INCOME TAX REFUND	397.08		0.00	
OTHERS	<u>264.88</u>		<u>149.60</u>	
	<u>12425.62</u>		<u>15078.59</u>	
INCOME FROM LONG TERM INVESTMENTS:				
SHARE OF PROFIT FROM AOP (TRADE INVESTMENT)	0.00		1.95	
DIVIDEND INCOME FROM SUBSIDIARY COMPANY	300.00		300.00	
DIVIDEND INCOME FROM CURRENT INVESTMENTS	172.69		278.30	
CAPITAL GAIN ON INVESTMENTS	68.14		1698.21	
FUNDS RECD. FOR EXPENDITURE AGAINST R&D	165.45		50.68	
LESS: UTILISATION	<u>(165.45)</u>	-	<u>(50.68)</u>	-
PROFIT ON SALE OF ASSETS	1.50		2.18	
FOREIGN EXCHANGE DIFFERENCE (NET)	190.32		446.22	
PROVISIONS NO LONGER REQUIRED WRITTEN BACK	1872.54		126.99	
MISCELLANEOUS INCOME	<u>1005.82</u>		<u>434.66</u>	
	<u>3611.01</u>	<u>16036.63</u>	<u>3288.51</u>	<u>18367.10</u>



## Schedule 'H'

		2010-2011 ₹ IN LAKHS		2009-2010 ₹ IN LAKHS
<b>EXPENDITURE</b>				
I) TECHNICAL ASSISTANCE/SUB CONTRACTS		<u>64666.09</u>		<u>30024.75</u>
II) CONSTRUCTION MATERIALS & EQUIPMENTS		<u>81188.98</u>		<u>55609.92</u>
III) SALARIES & BENEFITS				
SALARIES AND ALLOWANCES*				
STAFF @	41630.50		37637.43	
DIRECTORS	<u>176.20</u>	41806.70	<u>143.22</u>	37780.65
CONTRIBUTION TOWARDS EMPLOYEES` PENSION AND PROVIDENT FUND & ADMINISTRATION CHARGES THEREON:				
STAFF	2748.45		2442.44	
DIRECTORS	<u>8.52</u>	2756.97	<u>4.12</u>	2446.56
CONTRIBUTION TOWARDS EMPLOYEES` DEFINED CONTRIBUTORY SUPERANNUATION SCHEME:				
STAFF	1925.97		4502.11	
DIRECTORS	<u>6.04</u>	1932.01	<u>14.61</u>	4516.72
STAFF WELFARE				
STAFF	4878.24		3099.58	
DIRECTORS	<u>4.91</u>	4883.15	<u>11.73</u>	3111.31
CONTRIBUTION TO GRATUITY FUND**	439.06		837.42	
LESS: CONTRIBUTION RECEIVED FROM OTHERS	<u>2.66</u>	436.40	<u>5.40</u>	832.02
SITTING FEES TO INDEPENDENT DIRECTORS		4.90		2.80
		<u>51820.13</u>		<u>48690.06</u>

\* INCLUDES PROVISION FOR BONUS OF ₹ 0.09 LAKHS (PREVIOUS YEAR ₹ 0.07 LAKHS)

\*\* INCLUDES TERM INSURANCE PREMIUM PAID TO LIC OF INDIA

@ INCLUDES ₹ 40.81 LAKHS (PREVIOUS YEAR ₹ 62.46 LAKHS) AS PER ACCOUNTING POLICY -11(f) TOWARDS PAYMENT ON ACCOUNT OF VOLUNTARY RETIREMENT SCHEME TO EMPLOYEES UNDER RETIREMENT BENEFITS.



## Schedule 'H' (Contd.)

	2010-2011		2009-2010	
	₹ IN LAKHS		₹ IN LAKHS	
IV) FACILITIES				
RENT :				
OFFICE		362.21		268.44
RESIDENTIAL ACCOMMODATION				
STAFF	433.53		472.50	
DIRECTORS	29.13	462.66	9.97	482.47
LESS: RECOVERED - STAFF	71.00		91.20	
- DIRECTORS	3.67	74.67	4.84	96.04
		387.99		386.43
LIGHT, WATER & POWER		689.72		674.43
INSURANCE		227.82		88.89
MISC. REPAIRS & MAINTENANCE *		1695.32		1499.61
HIRE CHARGES OF OFFICE EQUIPMENTS		58.92		51.84
		3421.98		2969.64
V) CORPORATE COST				
BANK CHARGES		250.88		204.42
INTEREST		146.70		129.08
ADVERTISEMENT FOR TENDER				
& RECRUITMENT		1253.34		927.61
PUBLICITY		590.48		35.47
SUBSCRIPTION		59.29		77.22
ENTERTAINMENT		185.19		181.85
REMUNERATION TO AUDITORS:				
FOR AUDIT #	5.00		4.00	
FOR TAX AUDIT	1.00		1.00	
OTHERS	3.56		3.00	
REIMBURSEMENT OF SERVICE TAX	0.98	10.54	0.82	8.82
FILING FEE		124.73		2.73
LEGAL & PROFESSIONAL CHARGES		441.34		393.11
LICENCES & TAXES		141.41		95.32
LOSS ON SALE OF ASSETS		5.47		3.75
		3209.37		2059.38

\* INCLUDES ₹ 270.79 LAKHS ( PREVIOUS YEAR ₹ 217.86 LAKHS) FOR REPAIRS & MAINTENANCE OF OWN BUILDING AND ₹ 212.60 LAKHS ( PREVIOUS YEAR ₹ 245.39 LAKHS) FOR PLANT & MACHINERY

# DOES NOT INCLUDE ₹ 3.31 LAKHS (PREVIOUS YEAR NIL) FEES PAID FOR PROFESSIONAL SERVICES IN CONNECTION WITH OFFER FOR SALE BY GOVERNMENT OF INDIA, WHICH WERE REIMBURSED TO THE COMPANY.



## Schedule 'H'(Contd.)

	2010-2011 ₹ IN LAKHS		2009-2010 ₹ IN LAKHS	
VI) OTHERS				
CONSUMABLES/STORES		4.98		2.32
TRAVEL & CONVEYANCE				
DIRECTORS @	64.89		40.49	
OTHERS	<u>5215.03</u>	5279.92	<u>4647.83</u>	4688.32
PRINTING , STATIONERY & GENERAL OFFICE SUPPLIES		459.57		412.98
NEWSPAPERS AND PERIODICALS		39.81		44.95
POSTAGE & TELECOMMUNICATIONS		487.21		487.96
COURIER, TRANSPORTATION & HANDLING		161.46		97.27
COMMISSION TO FOREIGN AGENTS		153.00		94.91
PROVISION FOR DOUBTFUL DEBTS & ADVANCES (NET)		37.00		81.82
BAD DEBTS WRITTEN OFF		174.07		0.00
PROVISION FOR CONTRACTUAL OBLIGATIONS		6065.10		4757.56
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT IN JOINT VENTURES		296.05		0.00
TRAINING EXPENSES				
TRAVEL	34.56		45.20	
OTHERS	<u>154.13</u>	188.69	<u>139.57</u>	184.77
MISCELLANEOUS EXPENSES		274.50		116.16
		<u>13621.36</u>		<u>10969.02</u>
LESS: EXPENDITURE RELATING TO CAPITAL WORKS		48.15		1.35
		<u>13573.21</u>		<u>10967.67</u>
VII) DEPRECIATION & FIXED ASSETS WRITTEN OFF				
DEPRECIATION	1429.68		1290.40	
FIXED ASSETS WRITTEN OFF	<u>24.72</u>	1454.40	<u>7.23</u>	1297.63
		<u>1454.40</u>		<u>1297.63</u>

@ INCLUDES RECOVERY OF ₹ 0.59 LAKHS ON  
ACCOUNT OF USE OF CAR ( PREVIOUS YEAR ₹ 0.53 LAKHS)

## Schedule 'I'

### Significant Accounting Policies

#### 1. Accounting Concepts

The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern, and consistent with generally accepted accounting principles in accordance with the mandatory accounting standards and disclosure requirements as per the provisions of the Companies Act, 1956.

#### 2. Income Recognition

(A) Income from services rendered is accounted for:

- In the case of cost plus jobs, on the basis of amount billable under the contracts;
- In the case of lumpsum services and lumpsum Turnkey contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work; and
- In the case of contracts providing for a percentage fee on equipment/project cost, on the basis of physical progress duly certified.

(B) Other claims including interest on outstandings are accounted for when there is virtual certainty of ultimate collection.

#### 3. Turnover/work-in-progress

(A) No income has been taken into account on jobs for which:

- 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 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 / lumpsum turnkey contracts and physical progress is less than 25%.

(B) The Cost of such jobs as stated in 'A' above is carried forward as work-in-progress at actual direct cost.

#### 4. Fixed Assets

- Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.
- The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition / upgradation of software is being capitalized as an 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 capitalised and depreciation charged as per Para 5 (a) below. All expenditure on subsequent modifications and repairs of partitions/fixtures and fittings are charged to revenue in the year it is incurred.

#### 5. Depreciation

- Depreciation on fixed assets 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 the minimum rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher.
- No depreciation has been provided in the case of land which is on perpetual lease or where no lease deeds have been executed. Premium paid on land where lease agreements have been executed are written off over the period of lease proportionately.
- 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.
- 100% depreciation is provided on library books in the year of purchase since individual books are low value items.
- Assets individually costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

#### 6. Impairment of 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.

#### 7. Inventories

Inventories in respect of stores, spares and chemicals etc. are valued at cost or net realisable value which ever is less. Cost is determined on "First In First Out" Basis.

#### 8. Provision for Contractual Obligations

The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lumpsum services and lumpsum turnkey contracts awarded to the Company are being made on the basis of assessment of risk and consequential probable



liabilities on each such job made by the management.

#### 9. Foreign Currency Transactions

- a) Fixed assets are incorporated at the rates in force when transaction takes place.
- b) Current Assets and Current Liabilities including Cash and Bank balances are carried at the year end exchange rates. Any gain or loss on account of exchange difference is charged to the Profit & Loss Account.
- c) Foreign currency transactions (Income & Expenditure) 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 & Japanese Yen and in respect of other currencies at Government rates prevailing in the month. Payments to sub-contractors/vendors from Foreign Currency (FCN) account are recorded at bank rate prevailing on the date of transaction.

#### 10. Research and Development Expenditure/Government Grant

- (a) Revenue expenditure on Research and Development is charged to Profit and Loss Account in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under respective fixed assets.
- (b) Government grant of capital nature for promotion and setting up of R&D Centre is treated as Capital Reserve and shown separately under Reserves and Surplus.
- (c) Funds received from Government Agencies to carry out Research and Development activities are shown under the Head 'other income' as adjustment against expenditure incurred. Unutilised funds are shown under other liabilities.

#### 11. Retirement / Other Long Term Employee Benefits

- a) Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by LIC and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- b) Liability towards carried forward leave and post retirement medical benefits, being defined benefit plans, is paid to a fund maintained by LIC and difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- c) Contributions with respect to Provident Fund, a defined contribution plan, are made to the trust set-up by the Company for the purpose.
- d) Contribution with respect to Superannuation Scheme, a defined contribution plan for employees is paid to a fund maintained by the Life Insurance Corporation of India and administered through separate irrecoverable Trust set up by the Company.
- e) Liability in respect of other long term/terminal employee benefits, being defined benefit plans, is recognized on the basis of actuarial valuation.
- f) Voluntary retirement expenses are charged to Profit & Loss Account in the year of its incurrence.

12. Expenses/Income booked to Profit and Loss Account are after adjustment of excess/short provisions. However, in cases of specific provisions where no expenses/income has been incurred/received against such provisions, the same are adjusted as excess provisions of previous years written back/Miscellaneous income.

13. Dividend on Units/Shares is accounted for on declaration made upto the close of the accounting year. Income distributed/undistributed surplus on investment in an AOP is recognised as income as per intimation received.

#### 14. Taxes On Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realised.

#### 15. Investment

Long-term investments are carried at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline.

Current Investments are carried at the lower of cost or market value.

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

As per our report of even date attached  
For Jagdish Chand & Co.  
Chartered Accountants

(RAVI GOEL)  
Partner

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



## Schedule 'J'

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED 31<sup>st</sup> MARCH, 2011

## 1. Contingent Liabilities

- A) Claims against the Company not acknowledged as debt.
- Commercial claims pending in the Courts or lying with Arbitrators amounting to ₹ 205.18 Lakhs (₹ 7075.67 Lakhs).
  - Few cases relating to the employees/others are pending in the Court against the Company, in respect of which the liability is not ascertainable.
- B) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 3883.26 Lakhs (₹ 5589.45 Lakhs).
- C) Income Tax/Fringe Benefit Tax assessments have been completed upto the assessment year 2008-09. Income Tax / Fringe benefit Tax liability, if any, in respect of pending assessments for the assessment years 2009-10 and 2010-11 cannot be ascertained although tax as per return/revised return has been paid in full.
- 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 ₹ 2099.23 lakhs for Assessment years 2008-09 and 2009-10.
- Income Tax Department is in appeal for an amount of ₹ 662.27 lakhs with Income Tax Appellate Tribunal against the Commissioner of Income Tax (Appeals) Orders in Company's favour u/s 250 for the Assessment Years 2002-03, 2004-05, 2006-07 and 2007-08.
- The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 2.55 Lakhs against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.
- Wealth Tax Assessments have been completed upto the Assessment Year 2008-09. Wealth Tax liability, if any, in respect of pending assessments for the Assessment Years 2009-10 and 2010-11 cannot be ascertained although tax on returned wealth has been paid in full.
- Company has filed an appeal against demand of Service Tax for ₹ 1.58 lakhs (₹ 1.58 Lakhs) and interest/penalty thereon by Additional Commissioner Service Tax, Delhi for the financial year 1997-98 before Commissioner of Central Excise (Appeals).
- Company has filed an appeal against demand of service tax (inclusive of penalty of ₹ 31.44 Lakhs) for ₹ 62.87 lakhs (₹ 62.87 lakhs) and interest thereon by Additional Commissioner, Service Tax, Delhi for the period 01.04.2002 to 17.04.2006 before Commissioner of Central Excise (Appeals).
- Service Tax Department is in appeal for ₹ 284.50 Lakhs (₹ 284.50 Lakhs) before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) New Delhi, against the Commissioner (Appeals) order in Company's favour for Refund of service tax.
- D) Guarantees issued by the banks and outstanding as on 31st March, 2011 – ₹ 33166.77 Lakhs (₹ 41595.89 Lakhs), against which a provision of ₹ 12157.65 Lakhs (₹ 13072.94 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- E) Letter of credit outstanding as on 31<sup>st</sup> March, 2011—₹ 23031.68 Lakhs (₹ 13005.83 Lakhs).
- F) Uncalled liability on partly paid equity shares of TEIL Projects Ltd., a joint venture company – ₹ 200.00 Lakhs (₹ 300.00 Lakhs)

2. Details of share in accumulated surplus for investment in Petroleum India International, an association of person in which the Company is a member, based on last available annual audited accounts for the financial year 2009-10 and amount received during the current year is as under:

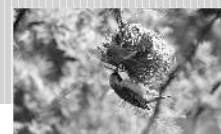
(₹ in Lakhs)

Balance as on 01/04/2010	Amount received during the year 2010-11	Balance
632.30	18.37	613.93

Other Member Companies are: Bharat Petroleum Corporation Ltd, Hindustan Petroleum Corporation Limited, Indian Oil Corporation Limited, Indian Petrochemical Corporation Limited, Chennai Petroleum Corporation Limited, Oil and Natural Gas Corporation Limited and Oil India Limited.

During the year Petroleum India International has ceased its business activities and is in process of dissolution.





3. Jobs with lumpsum price, where the physical progress of work is less than 25 per cent, the direct cost incurred thereon amounting to ₹ 21286.53 Lakhs (₹ 4221.59 Lakhs) have been carried forward as Work in Progress.(Refer item 3(A)(b) of Accounting Policies).
4. The profit & loss account include Research & Development expenditure of ₹ 1540.92 Lakh (₹ 1140.15 Lakhs).
5. Wage Revision liability in respect of unionized staff has been provided in the books of accounts for the period 01.01.2007 to 31.03.2011.
6. Land & Buildings include ₹ 0.07 Lakhs (₹ 0.07 Lakhs) being amount invested as Share Money in Cooperative Housing Societies as detailed below:  
Twintowers Premises Cooperative Society Ltd., Mumbai  
10 ordinary shares of ₹ 50/- each fully paid.  
Gardenview Premises Cooperative Society Ltd., Mumbai  
10 ordinary shares of ₹ 50/- each fully paid.  
Heera Panna Towers Cooperative Housing Society Ltd., Vadodara  
10 ordinary shares of ₹ 50/- each fully paid.  
Suflam Cooperative Housing Society Ltd., Ahmedabad  
8 ordinary shares of ₹ 250/- each fully paid.  
Darshan Co-operative Society Ltd., Vadodara  
80 ordinary shares of ₹ 50/- each fully paid
7. i) Following depreciation rates are charged in terms of the Accounting Policy 5 of Schedule – I.

Sl.No.	Particulars	Rate (%age)
1.	Land Freehold	Nil
2.	Land Leasehold	1.66
3.	<b>Building</b>	
	Office Building	2.4
	R&D Centre, Gurgaon	4.0
	Air-conditioner Plant & Transformer	9.5
	AC Central Plant	6.5
	Lifts	6.5
	Electric Power Sub Station	8.0
	Tubewell & Pumps	9.5
	Fire Alarm System	5.15
	Fire Fighting System	9.5
	Chilling Plant	8.0
4.	<b>Plant &amp; Machinery</b>	
	Plant & Machinery	8.0
	Storage Tank	6.0
5.	<b>Furniture &amp; Fixtures, Office &amp; Construction Equipment</b>	
	Furniture & Fixtures	8.0
	Office Equipment	12.0
	Construction Equipment	12.0
6.	<b>Computer Software/Hardware</b>	
	Hardware	16.21
	Software	33.33*
7.	Motor Vehicles	13.75
8.	Library Books	100.00

\* Software individually costing up to ₹ 5.00 Lakhs is fully amortized during the year of its acquisition.



- ii) The Capital work in progress comprises outstanding advances paid to acquire the fixed assets and cost of fixed assets that are not yet ready for their intended use at the balance sheet date, the details of which are as under :

(₹ in Lakhs)

S.No.	Particulars	As on 31.3.2011	As on 31.03.2010
a)	Advance for acquisition of Land	780.68	421.00
b)	Advance for acquisition of other Capital Assets	105.48	104.37
c)	Capital expenditure incurred / Capital Assets acquired, but not yet ready for use at balance sheet date	1307.94	659.21
	<b>Total</b>	<b>2194.10</b>	<b>1184.58</b>

8. There is no impairment of cash generating assets during the year in terms of Accounting Standard (AS-28) "Impairment of Assets".
9. Provisions no longer required written back under head 'Other Income' represents:
- Contractual obligations written back for ₹ 997.73 Lakhs (₹ 126.99 Lakhs) in respect of contracts for which obligation under respective contracts is completed.
  - Consequent to settlement & closeout agreement after the close of financial year between the company and one of its sub-contractor for claim of sub-contractor which is under arbitration between the parties, the excess provision amounting to ₹ 874.81 lakhs being the difference between the amount provided by the Company in its books of accounts till 31<sup>st</sup> March, 2011 and amount settled has been written back.
10. The movement in provision for doubtful debts and advances during the year is as follows:

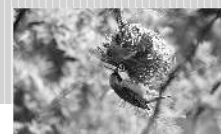
(₹ in Lakhs)

	2010-11	2009-10
Opening Balance	4845.77	4763.95
Add : Amount provided during the year	1330.03	636.08
Less: Amount written back during the year	1293.03	554.26
Net provision during the year	37.00	81.82
Closing Balance	4882.77	4845.77

11. Advances under Current Liabilities include adjustment in turnover amounting to ₹ 86878.92 Lakhs (₹ 79402.03 Lakhs) in terms of Accounting Policy 2 & 3 of Schedule- 'I'.
12. Information regarding imports and foreign exchange earnings, expenditures etc. (Excluding exchange difference on conversion of foreign currency).

(₹ in Lakhs)

		2010-11	2009-10
a)	Expenditure (Disbursement Basis) in Foreign Currency on account of :		
	(i) Know how and professional fees including sub contracts (others)	651.29	2704.87
	(ii) Sub-Contractor/Construction Material LSTK jobs	22177.83	13969.62
	(iii) Others (foreign travel, living allowance membership fees, agency commission, foreign office expenses)	996.34	1257.48
b)	(i) Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 231.42 Lakhs (₹ 386.25 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 200.42 Lakhs (₹ 267.10 Lakhs) incurred in local foreign currencies.	9268.16	9992.27
	(ii) Interest earned in foreign exchange	1.02	0.95



13. (a) Amount payable in Foreign Currency (Unhedged) on account of the following:

Amount in Lakhs

Current Liabilities & Provisions			
As on 31st March, 2011		As on 31st March, 2010	
₹	Foreign Currency	₹	Foreign Currency
100.85	AED 8.04	59.26	AED 4.68
6420.97	USD 142.15	7248.82	USD 159.04
22.96	KWD 0.14	--	--
1029.92	EURO 16.11	339.43	EURO 5.54
453.40	GBP 6.25	286.07	GBP 4.15
146.52	SWK 20.46	69.13	SWK 10.97
--	--	740.13	JPY 1510.47
0.06	OR 0.00	--	--
0.96	QR 0.08	--	--
1.57	BD 0.01	--	--

- (b) Amount receivable in Foreign Currency (Unhedged) on account of the following:

Amount in Lakhs

Current Assets, Loans & Advances			
As on 31st March, 2011		As on 31st March, 2010	
₹	Foreign Currency	₹	Foreign Currency
795.20	AED 67.39	821.42	AED 68.91
570.96	USD 12.90	1020.87	USD 22.85
120.37	KWD 0.77	40.58	KWD 0.27
1053.08	EURO 16.93	1112.52	EURO 18.66
--	--	14.71	QR 1.15
2.06	BD 0.02	7.89	BD 0.07
4.84	GBP 0.07	5.44	GBP 0.08
0.21	LD 0.01	0.21	LD 0.01
124.38	AD 197.43	128.93	AD 201.45
0.24	YUAN 0.03	--	--

14. The Working Capital facilities from Banks are secured by hypothecation of stocks, book debts and other current assets of the Company, both present and future.
15. In terms of provision of Accounting Standard (AS –7) “Construction Contracts”, for Lumpsum / Lumpsum Turnkey Projects for contract in progress as on 31.03.2011:
- The aggregate amount of Cost incurred and recognized Profit up to 31.03.2011 ₹ 599116.47 lakhs (₹ 460345.28 Lakhs).
  - The amount of advances received ₹ 1587.06 lakhs (₹ 319.32 Lakhs).
  - The amount of retention – ₹ 19.31 Lakhs (₹ 9.46 Lakhs)
16. In terms of Accounting Standard 27, “Financial Reporting of Interest in Joint Ventures of the Company”, a brief description of joint ventures of the Company is :
- a) **TEIL Projects Limited**
- 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 & gas, fertilizers, steel, railways, power and infrastructure.



The Joint Venture Company formed in this regard having its Registered Office at New Delhi has an Authorized capital of ₹ 1500 Lakhs & Issued, Subscribed & Paid-up capital of ₹ 1000 lakhs.

Of the issued, subscribed and paid-up capital, 24,997 equity shares of ₹ 10/- each fully paid-up and 49,75,000 equity shares of ₹ 10/- each, ₹ 5.979899 per share (₹ 3.9698 per share) called and paid up amounting to ₹ 300.00 lakhs (₹ 200.00 Lakhs) are held by the Company, being 50% of paid-up capital of joint venture company.

From the date of its commencement and till 31<sup>st</sup> March 2011, the Joint Venture Company has accumulated losses to the tune of ₹ 539.05 Lakhs. As the joint venture company could not secure any substantial business since its inception, the company during the current year provided for diminution in value of investment of ₹ 269.53 Lakhs in joint venture in its financial statements.

**b) Tecnimont EIL Emirates Consultores E Servicios LDA**

A joint venture with Tecnimont SPA, Italy was formed for pursuing EPC Projects in UAE and registered with the Commercial Registry of Maderia Trade Zone, Portugal during the Financial Year 2008-09.

The company has invested Euro 151620 (Euro 151620) (equivalent to Indian Rupees 100.62 lakhs) being 30% quota amounting to 150000 Euro, out of total quota of 500000 Euro. The 70% quota amounting to 350000 Euro (Euro 350000) is invested by other joint venture partner Tecnimont, SPA, Italy.

The Management of the Company decided to liquidate / wind up the Joint Venture "Tecnimont EIL Emirates Consultores E Servicios LDA", as the joint venture company could not secure any business due to market scenario at UAE and disinclination of majority partner Tecnimont SPA Italy to continue with the joint venture.

The joint venture was formally liquidated & registration cancelled on 4<sup>th</sup> April, 2011 and proceeds amounting to ₹ 74.10 Lakhs net of expenses were received after the close of financial year. The differential amounting to ₹ 26.52 Lakhs between the carrying amount of investment at ₹ 100.62 lakhs and net liquidation proceeds of ₹ 74.10 Lakhs is recognized as provision for diminution in value of investment in joint venture in the financial statements of the company for the current year.

The Company's share in Assets and Liabilities and Income and Expenditure related to its interest in TEIL Projects Limited, based on audited financial statements for the year ended 31<sup>st</sup> March, 2011.

(₹ in Lakhs)

Particulars	2010-11*	2009-10
Assets	53.16	149.40
Liabilities	22.69	11.19
Income	3.94	0.00
Expenditure	127.78	99.46

\* The above does not include the amounts for joint venture Tecnimont EIL Emirates Consultores E Servicios LDA, as the same was formally liquidated and registration cancelled on 4<sup>th</sup> April, 2011.

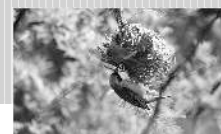
**17. The disclosures required under Accounting Standard (AS-15) "Employee Benefits" are given below:**

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under:

(₹ in Lakhs)

Particulars	Expense recognized in 2010-11	Expense recognized in 2009-10
Contributory Provident Fund & Employees Pension Scheme, 1995	2756.97	2446.56
Employees Defined Contributory Superannuation Scheme	1932.01	4516.72



### Defined Benefit Plan

The 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)

(₹ in Lakhs)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>a) Actuarial Assumptions</b>										
Discount rate	8.00%	8.00%	8.00%	8.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on assets	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	--	--	--	--
Expected rate of future salary increase	10.00%	10.00%	10.00%	10.00%	--	--	--	--	--	--
Increase in compensation levels	--	--	--	--	7.00%	5.00%	--	--	--	--
Increase in price (Gold) of award (Silver)	--	--	--	--	--	--	13.00%	9.00%	--	--
							16.00%	9.00%		
Increase in other benefits on Retirement	--	--	--	--	--	--	--	--	5.00%	5.00%
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>										
Present value of obligations as at beginning of year	10480.80	9580.48	16562.53	14250.65	6267.88	6188.22	487.82	440.73	139.81	138.48
Interest cost	838.46	718.54	1325.00	1068.80	501.43	464.12	39.03	33.05	11.18	10.39
Current Service Cost	334.50	315.72	1574.85	2115.03	143.14	167.57	170.74	32.94	7.72	5.87
Past Service Cost	--	1627.00	--	--	--	--	426.02	--	--	--
Benefits paid	(1184.42)	(2412.95)	(1577.10)	(1604.84)	(476.48)	(424.91)	(55.39)	(30.86)	(19.73)	(15.93)
Actuarial (gain)/loss on Obligations	211.29	652.01	1442.72	732.89	1092.53	(127.12)	538.04	11.96	21.31	1.00
Present value of obligations as at end of year	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>										
Fair value of plan assets as on beginning of year	9987.96	4277.25	13935.01	14002.49	6318.33	5288.92	--	--	--	--
Expected return on plan assets	966.96	877.70	1453.82	1289.20	579.35	502.45	--	--	--	--
Contributions	827.34	7245.96	2627.51	248.16	--	899.30	--	--	--	--
Benefits paid	(1184.42)	(2412.95)	(1577.10)	(1604.84)	(476.48)	(424.91)	--	--	--	--
Actuarial Gain/(Loss) on Plan assets	--	--	--	--	--	52.56	--	--	--	--
Fair value of plan assets at the end of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
<b>d) Fair value of plan assets as on 31.03.2011</b>										
Fair value of plan assets at beginning of year	9987.96	4277.25	13935.01	14002.49	6318.33	5288.92	--	--	--	--
Actual return on plan assets	966.96	877.70	1453.82	1289.20	579.35	555.01	--	--	--	--
Contributions	827.34	7245.96	2627.51	248.16	--	899.30	--	--	--	--
Benefits paid	(1184.42)	(2412.95)	(1577.10)	(1604.84)	(476.48)	(424.91)	--	--	--	--
Fair value of plan assets at the end of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
Funded status	(82.79)	(492.84)	(2888.76)	(2627.52)	(1107.30)	50.44	(1606.26)	(487.82)	(160.29)	(139.81)
Excess of Actual over estimated return on plan	--	--	--	--	--	52.56	--	--	--	--



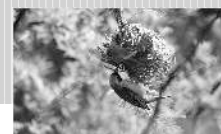
(₹ in Lakhs)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>e) Actuarial Gain/Loss recognized for the year 2010-11</b>										
Actuarial gain/(Loss) for the year - Obligation	(211.29)	(652.01)	(1442.72)	(732.89)	(1092.53)	(127.12)	(538.04)	(11.96)	(21.31)	(1.00)
Actuarial (gain)/Loss for the year - plan assets	--	--	--	--	--	(52.56)	--	--	--	--
Total (gain)/Loss for the year	211.29	652.01	1442.72	732.89	1092.53	(179.68)	538.04	11.96	21.31	1.00
Actuarial (gain)/Loss recognized in the year	211.29	652.01	1442.72	732.89	1092.53	(179.68)	538.04	11.96	21.31	1.00
<b>f) The amounts recognized in the balance sheet</b>										
Present value of obligations as at the end of year	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
Fair value of plan assets as at the end of the year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
Funded status	(82.79)	(492.84)	(2888.76)	(2627.52)	(1107.30)	50.44	(1606.26)	(487.82)	(160.29)	(139.81)
Net (Asset)/liability recognized in balance sheet	82.79	492.84	2888.76	2627.52	1107.30	(50.44)	1606.26	487.82	160.29	139.81
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>										
Current Service Cost	334.50	315.72	1574.85	2115.03	143.14	167.57	170.74	32.94	7.72	5.87
Past Service cost	--	--	--	--	--	--	426.02	--	--	--
Interest cost	838.46	718.54	1325.00	1068.80	501.43	464.12	39.03	33.05	11.18	10.39
Expected return on plan assets	(966.96)	(877.70)	(1453.82)	(1289.20)	(579.35)	(502.45)	--	--	--	--
Net Actuarial (gain)/Loss recognized in the year	211.29	652.01	1442.72	732.89	1092.53	(179.68)	538.04	11.96	21.31	1.00
Expenses recognized in statement of Profit & Loss	417.29	808.57	2888.76	2627.52	1157.74	(50.44)	1173.83	77.95	40.21	17.26
<b>h) Amount for the current period</b>										
Present Value of Obligation	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
Plan Assets	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
Surplus (Deficit)	(82.79)	(492.84)	(2888.76)	(2627.52)	(1107.30)	50.44	(1606.26)	(487.82)	(160.29)	(139.81)
<b>i) Major Categories of Plan Assets (as percentage of total plan assets)</b>										
Fund managed by Insurer	100%	100%	100%	100%	100%	100%	--	--	--	--

j) The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates on the following in respect of Post Retirement Medical Benefits Scheme:

(₹ in Lakhs)

	At 7% rate of escalation	At 6% rate of escalation	At 8% rate of escalation
Current Service Cost (for the period 01.04.2010 to 31.03.2011)	143.14	117.93	177.09
Interest Cost (for the period 01.04.2010 to 31.03.2011)	598.11	545.48	661.47
Value of Projected Benefit Obligation on 31.03.2011	7528.50	6834.52	8368.11



18. As per Accounting Standard (AS-22) "Accounting for taxes on Income", the major components of deferred tax assets and liabilities arising on account of timing differences are:

(₹ in Lakhs)

Sl.No	Particulars of Deferred Tax Assets/ (Liability)	Upto 31.3.2010	For the year 2010-11	As on 31.3.2011
<b>A.</b>	<b>Deferred Tax Asset</b>			
1.	Provision For leave Encashment	5201.93	1069.04	6270.97
2.	Provision for Contractual Obligations	5718.51	1538.43	7256.94
3.	Provision for Doubtful Debts	1609.45	(24.58)	1584.87
4.	Provision for Post Retirement Medical	2082.04	361.68	2443.72
5.	Provision for Leave encashment, Superannuation and Provident fund for pay revision allowable on cash basis u/s 43B	79.05	(1.79)	77.26
6.	Provision for Other Benefits on retirement	46.44	5.59	52.03
7.	Provision for Long Service Awards	162.04	359.20	521.24
8.	Voluntary Retirement Scheme	0.00	10.59	10.59
9.	Carry forward of unabsorbed long term Capital Loss on Investment in Fixed Maturity Plans of Mutual Funds	0.00	12.30	12.30
10.	Provision for Loss in Joint Venture	0.00	64.04	64.04
	Total Deferred Tax Asset	14899.46	3394.50	18293.96
<b>B.</b>	<b>Deferred Tax Liability:</b>			
1.	Depreciation	747.51	(17.13)	730.38
	Total Deferred Tax Liability	747.51	(17.13)	730.38
<b>C.</b>	<b>Net Deferred Tax Asset / (Liability)</b>	14151.95	3411.63	17563.58

19. Prior period items net debit of ₹ 577.45 Lakhs (net debit ₹ 79.96 Lakhs) shown under prior period adjustments are as detailed below:-

**Prior Period Income**

(₹ in Lakhs)

	Particulars	2010-11	2009-10
I	Consultancy & Engineering Services	(536.08)	(80.70)
II	Miscellaneous Income	-	1.42
	(A)	(536.08)	(79.28)

**Prior Period Expenditure**

(₹ in Lakhs)

	Particulars	2010-11	2009-10
I	Corporate Cost	-	0.54
ii	Depreciation	41.37	0.14
	(B)	41.37	0.68
	TOTAL(A-B)	(577.45)	(79.96)

20. In line with Accounting Standard (AS-17) "Segment Reporting", the Company has (segmented) identified its business activity into two business segment i.e. Consultancy & Engineering Projects and Lump sum Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segment. Segment results are given below:-



## SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Lakhs)

	Year ended 31.03.2011	Year ended 31.03.2010
<b>Segment Revenue</b>		
Consultancy & Engineering projects	112794.22	105533.14
Lumpsum Turnkey Projects	169534.22	93846.56
<b>Total</b>	<b>282328.44</b>	<b>199379.70</b>
<b>Segment Profit</b>		
Consultancy & Engineering Projects	48663.76	42423.98
Lumpsum Turnkey Projects	19564.49	9200.77
<b>Total (a)</b>	<b>68228.25</b>	<b>51624.75</b>
Prior period adjustment	577.45	79.96
Interest	146.70	129.08
Other un-allocable expenditure	5087.27	3735.02
<b>Total (b)</b>	<b>5811.42</b>	<b>3944.06</b>
<b>Other Income (c)</b>	<b>16036.63</b>	<b>18367.10</b>
<b>Profit Before Tax (a-b+c)</b>	<b>78453.46</b>	<b>66047.79</b>
<b>Capital Employed(*)</b>	<b>144211.97</b>	<b>111470.58</b>

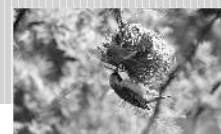
(\*) Fixed Assets used in the Company's Business or Liabilities Contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made.

## 21. DISCLOSURE PURSUANT TO AS-18 "RELATED PARTY DISCLOSURES":-

## (A) RELATED PARTIES:

S.NO.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
1.	CERTIFICATION ENGINEERS INTERNATIONAL LIMITED	WHOLLY OWNED SUBSIDIARY
2.	EIL ASIA PACIFIC SDN BHD	WHOLLY OWNED SUBSIDIARY
3.	PETROLEUM INDIA INTERNATIONAL	ASSOCIATION OF PERSON
4.	TEIL PROJECTS LTD.	JOINT VENTURE COMPANY
5.	TECNIMONT EIL EMIRATES CONSULTORES E SERVICOS, LDA	JOINT VENTURE COMPANY
6.	DIRECTORS	KEY MANAGEMENT PERSONNEL
	Mr. A. K. PURWAHA	CHAIRMAN & MANAGING DIRECTOR
	Mr. L. N. GUPTA	DIRECTOR (GOVT. NOMINEE)
	Mr. DEPENDRA PATHAK	DIRECTOR (GOVT. NOMINEE) upto 02.07.2010 & again appointed w.e.f. 22.02.2011
	Mr. RAM SINGH	DIRECTOR (FINANCE)
	Mr. P. K. RASTOGI	DIRECTOR (HR) W.E.F 30.04.2010
	Mr. R K SAXENA	DIRECTOR (COMMERCIAL) upto 31.05.2010
	Mr. G.D. GOYAL	DIRECTOR (COMMERCIAL) W.E.F 20.07.2010
	Mr. M.K. JOSHI	DIRECTOR (TECHNICAL) UPTO 31.07.2010
	Mr. P.MAHAJAN	DIRECTOR (TECHNICAL) W.E.F 15.11.2010
	Mr. R.K. GROVER	DIRECTOR (PROJECTS) upto 31.01.2011
	Mr. D. MOUDGIL	DIRECTOR (PROJECTS) W.E.F 22.03.2011
	Mr. A.K. PURWAR	DIRECTOR
	Mr. U.N. BOSE	DIRECTOR
	Mr. B. N. BANKAPUR	DIRECTOR
	Dr. AVINASH CHANDRA	DIRECTOR
	Mr. ADIT JAIN	DIRECTOR W.E.F 09.07.2010
	Dr. (Prof.) KDP NIGAM	DIRECTOR W.E.F 09.07.2010



**(B) RELATED PARTY TRANSACTIONS:**

(₹ in Lakhs)

PARTICULARS	WHOLLY OWNED SUBSIDIARIES	JOINT VENTURE COMPANIES	ASSOCIATION OF PERSON	KEY MANAGEMENT PERSONNEL	TOTAL
Deputation of employees & Reimbursement of expenses (at cost)		24.64 (23.48)			24.64 (23.48)
Dividend / Share of profit	300.00 (300.00)		0.00 (1.95)		300.00 (301.95)
Rendering of services (lump-sum contracts)	343.80 (293.64)				343.80 (293.64)
Outstanding receivables	51.62 (43.34)	6.59 (6.55)	0.00 (21.71)		58.21 (71.60)
Services & facilities Received	161.88 (114.85)	6.50 (0.00)			168.38 (114.85)
Outstanding Payable	47.41 (20.59)				47.41 (20.59)
Remuneration/ Sitting fees*				200.57 (176.48)	200.57 (176.48)
Rent paid for residential accommodation				25.46 (5.13)	25.46 (5.13)
Interest Income on loans given				0.12 (0.08)	0.12 (0.08)
Outstanding Loans, Interest & other receivables				8.35 (0.00)	8.35 (0.00)
Equity Contributions		100.00 (102.98)			100.00 (102.98)

\* The remuneration does not include provision for post retirement/other long term benefits under Accounting Standard-15 (Revised), since the same is not available for individual employees.

22. During the current financial year, "Further Public Offer" of 33693660 equity shares of ₹ 5/- each of the Company through an offer for sale by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India was made through the 100% book building process. Consequently, shareholding of Government of India reduced to 80.401% from 90.401%.
23. During the current year, as approved by the Shareholders of the Company, the equity shares of face value of ₹ 10/- each were sub-divided into 2 equity shares of face value of ₹ 5/- each and bonus shares were issued in the ratio of 2:1.
24. In terms of Accounting Standard-20 "Earning per Share", Basic and Diluted earning per share has been adjusted for past period presented, based on new number of share post sub-division and bonus i.e. 33,69,36,600 equity share of ₹ 5/- each.

**EARNING PER SHARE ( E. P. S. )**

	Calculation of E.P.S.	2010-11	2009-10
A	Net Profit for the year attributable to Equity Shareholders (₹ in Lakhs)	52251.94	43557.51
B	Weighted average number of Equity shares	336936600	336936600
C	Basic & Diluted Earning per share (A)/(B)	₹ 15.51	₹ 12.93
D	Nominal value per share	₹ 5	₹ 5



24. In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the Enterprises under the above Act, the required information could not be furnished.
25. Remuneration to Chairman & Managing Director and full time Directors are as per their appointment letters from the Ministry of Petroleum & Natural Gas, Government of India, New Delhi. They are also allowed to use the staff car for private journeys upto a ceiling of 1000 kms per month.
26. Previous year's figures have been recasted and/or regrouped wherever necessary to make them comparable with the current year's figures. Figures shown within brackets in Schedule `J' represents previous year's figures.

Schedules `A' to `J' form an integral part of Balance Sheet and Profit and Loss Account and have been authenticated.

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

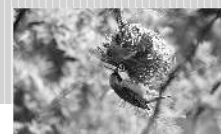
A.K. PURWAHA  
Chairman & Managing Director

As per our report of even date attached.  
For Jagdish Chand & Co.  
Chartered Accountants

( RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



## Statutory Information Pursuant to Part - IV of Schedule - VI to the Companies Act, 1956

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

Registration No. 55-004352

State Code 5 5

Balance Sheet Date 3 1 0 3 2 0 1 1

#### II. Capital Raised during the Year (₹ in Thousands)

Public Issue

NIL

Bonus Issue

1123122

Right Issue

NIL

Private Placement

NIL

#### III. Position of Mobilisation and Deployment of Funds (₹ in Thousands)

Total Liabilities

14421197

Total Assets

14421197

Sources of Funds

Paid up Capital

1684684

Secured Loans

NIL

Reserves & Surplus

12736513

Share Application money

NIL

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets\*

820126

Net Current Assets

6720559

Deferred Tax (Asset) Net

1756358

Investments

5124154

Misc. Expenditure

NIL

Accumulated Losses

NIL

#### IV. Performance of the Company (Amount in ₹ Thousands)

Turnover\*\*

29836507

Total Expenditure\*\*\*

21991161

+ - Profit/Loss Before Tax

7845346

+ - Profit /Loss After Tax

5225194\*\*\*\*

Earning Per Share in ₹\*\*\*\*\*

15.51

Dividend Rate %

100%

#### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

a) Item Code No. (ITC Code) Product Description

**CONSULTANCY**

b) Item Code No. (ITC Code) Product Description

**COMPANY**

c) Item Code No. (ITC Code) Product Description

**HENCE NOT**

**APPLICABLE**

**Note:** ITC code of products as per Indian Trade Classification based on harmonised commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics.

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F & A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

\* Includes capital work-in-progress.

\*\* Includes increase/( decrease) in work-in-progress and other income.

\*\*\* Includes prior period adjustments.

\*\*\*\* After adjusting Deferred tax Assets ₹ 341163 thousands and excess provision of tax for earlier years ₹ 33448 thousands.

\*\*\*\*\* Post Split & Bonus



## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company

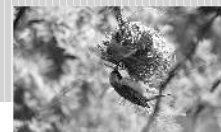
1. Name of the Company	EIL Asia Pacific Sdn. Bhd. (Incorporated in Malaysia)
2. Issued, Subscribed and Paid-up Capital of Subsidiary Company	2.50 Lakhs equity shares of RM 1 each
3. (a) No. of shares held by EIL at the end of the Financial year of the Subsidiary company	2.50 Lakhs equity shares of RM 1 each
(b) Extent of interest of holding company At the end of the Financial Year of the Subsidiary Company	100%
4. Financial Year of Subsidiary Company ended on	31st December, 2010
5. Date from which it became subsidiary company	21st February, 1994
6. Net aggregate amount of the subsidiary Company's Profit/Losses so far it concerns the member of the Holding Company	
(a) <u>Not dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year ending 31st December, 2010 (Amounts in Lakhs)	RM (0.23)
2. For the previous financial year(s) of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	RM 0.45
(b) <u>Dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year ending 31st December, 2010 (Amounts in Lakhs)	NIL
2. For the previous financial year(s) of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	RM 14.00

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director



## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company

1. Name of the Company	Certification Engineers International Limited
2. Issued, Subscribed and Paid-up Capital of Subsidiary Company	1 Lakh equity shares of ₹ 100 each
3. (a) No. of shares held by EIL at the end of the Financial year of the Subsidiary company	1 Lakh equity shares of ₹ 100 each
(b) Extent of interest of holding company At the end of the Financial Year of the Subsidiary Company	100%
4. Financial Year of Subsidiary Company ended on	31st March, 2011
5. Date from which it became subsidiary company	26th October, 1994
6. Net aggregate amount of the subsidiary Company's Profit/Losses so far it concerns the member of the Holding Company	
(a) <u>Not dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year 01.04.2010 to 31.03.2011 (Amounts in Lakhs)	₹ 843.85
2. For the previous financial year(s) Of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	₹ 3814.77
(b) <u>Dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year 01.04.2010 to 31.03.2011 (Amounts in Lakhs)	₹ 300.00
2. For the previous financial year(s) of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	₹ 1601.00

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director



## Comments of the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 on the Accounts of Engineers India Limited for the year ended March 31, 2011

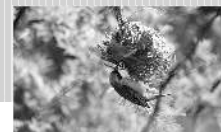
The preparation of financial statement of Engineers India Limited for the year ended March 31, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribe by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated May 26, 2011.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Engineers India Limited for the year ended March 31, 2011. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619 (4) of the Companies Act, 1956.

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

(Ila Singh)  
Principal Director of Commercial Audit  
& ex-officio Member, Audit Board-I  
New Delhi

Place : New Delhi  
Date : July 5, 2011



## Directors' Report

To

The Shareholders,

**Certification Engineers International Limited**

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report together with Audited accounts of the Company for the year ended 31<sup>st</sup> March 2011 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

### PERFORMANCE DURING THE YEAR 2010-11:

The overall financial performance for the year 2010-11 is highlighted below:

(₹ IN THOUSANDS)

RESULTS OF OPERATIONS	For the year ended 31.3.2011	For the year ended 31.3.2010
<b>INCOME FROM SERVICES RENDERED</b> (Including adjustment of work-in-progress )	294914	239063
<b>EXPENDITURE</b>	168025	126169
Operating profit	126889	112894
Other Income	26866	23319
<b>PROFIT BEFORE TAX &amp; PRIOR PERIOD ADJ.</b>	153755	136213
Prior period adjustment	( 569)	239
<b>PROFIT BEFORE TAX</b>	153186	136452
Provision for Taxation		
Current Tax	51743	48627
Deferred Tax	(-)868	(-)2144
Adj. of previous year's Tax Provision	105	622
<b>PROFIT AFTER TAX</b>	102206	89347
Interim/Proposed Dividend	32500	30000
Tax on dividend	5321	5031
Transfer to General Reserve	64385	54316
<b>SOURCES AND USES OF FUNDS</b>		
Authorised Capital	20000	20000
Issued, Subscribed & Paid-up Capital	10000	10000
Reserves and Surplus	445862	381477
	<u>455862</u>	<u>391477</u>
<b>REPRESENTED BY</b>		
Fixed Assets (Net)	29649	30645
Investment	7841	-
Net Current Assets	413544	356872
Deferred Tax	4828	3960
	<u>455862</u>	<u>391477</u>

**DIVIDEND**

Your Directors are pleased to recommend dividend payment of ₹ 325/- per share on paid-up capital resulting cash outgo of ₹ 3.25 crores and applicable tax on dividend. Out of this, interim dividend at the rate of ₹125/- per share has already been paid in February, 2011.

**BUSINESS REVIEW – THE YEAR IN RETROSPECT**

During the financial year, the income from services rendered by your Company has increased to ₹ 29.49 Crores from ₹ 23.91 Crores in the previous year, which is 23.4% higher than the previous year, on account of the higher level of activities and better revenue mix.

Profit before tax has increased to ₹ 15.32 Crores from ₹ 13.65 Crores in previous year, which is 12.3% higher. Profit after tax has increased by 14.4% from ₹ 8.93 Crores in previous year to ₹ 10.22 Crores in the current year.

Your company has taken various measures to reduce average man-day cost substantially, through fresh recruitment and outsourcing, to effectively counter the pressure of reduced average realizations, and higher manpower cost due to pay revision. Further, your Company is aggressively targeting business proposals in Overseas and also inspection of imported components in new refineries, for improvement in man-day realization and existing market share.

**OPERATIONS**

During the year, work on the following major assignments progressed well :

- ONGC – 26WPP Project
- ONGC – Pipeline Replacement Project II
- VMSS – Material Inspection for VMSS Works
- SMC - Material Inspection for SMC Works
- L & T – MRPL-DHT & HGU Projects
- OPaL - DFCU of ONGC Petro Additives Ltd
- Tecnimont ICB – CHTU-MRPL Project
- GSPL – Various Pipeline Projects.

The following major assignments were secured during the year:

- ONGC – TPI for D1 Development Project
- Corp. of Chennai – TPI for Construction of SWD and Canals under JnNURM Scheme
- VUDA- TPI for various Infrastructure Projects
- GSPL- TPI for various Pipeline Projects and Technical Audit
- Anup Engineering - TPI of SS Plates at various vendor Works.

Besides above, sizeable number of TPI jobs was awarded directly by suppliers of package equipments for the projects of IOCL, ONGC, and State Govt. Organizations etc.

**OUTLOOK**

Your Company had a order book position of around ₹ 25.00

Crores as on 31.03.2011, mainly comprising of the in process portion of the orders from OPaL, GSPL and Corporation of Chennai etc. Over 75% of execution is expected in the Financial Year 2011-12. Your Company expects to secure further assignments in the course of the year from ONGC, State Infrastructre, GSPL, and major LSTK Contractors, which will ensure healthy growth in turnover for 2011-12 and maintain good order book position at the year end.

Your Company is also continuously exploring the possibility of securing Certification & TPI jobs from other sectors/contractors and enhancing its service portfolio to include areas concerning environment, Plant Operation & Safety, specialized engineering analysis etc.

**MANPOWER**

As on 31<sup>st</sup> March 2011, your Company had total manpower of 69. Regular employees were 63 and number of employees on deputation from EIL stood at 6.

Employees were nominated for various training programs from time to time.

For meeting job requirements at lower cost, your Company is also outsourcing manpower from agencies and empanelled Engineers etc.

**PARTICULARS OF EMPLOYEEES**

The company had no employee in respect of whom disclosure is required to be made pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

**CONSERVATION OF ENERGY & FOREIGN-EXCHANGE EARNINGS AND OUTGO**

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption are not applicable.

The particulars regarding foreign exchange earnings and outgo is appearing in Schedule- J- notes forming parts of accounts - Item No.15. The Company does not own any manufacturing facilities; hence the other particulars relating to Foreign Exchange Earnings & Outgo in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) that 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 and loss of the Company for that period.

- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that they have prepared the annual accounts on a going concern basis.

#### **COMPLIANCE CERTIFICATE PURSUANT TO SECTION-383A OF THE COMPANIES ACT, 1956**

The Compliance Certificate as required under Section 383A of the Companies Act, 1956 from a Practicing Company Secretary has been obtained and placed as per Annexure-A.

#### **DIRECTORS**

After the date of last Directors' Report i.e. 06.08.2010, Shri Ajay Deshpande has been appointed as Additional Director on the Board of CEIL w.e.f. 04.02.2011.

Shri C.B. Singh, Director (Exploration-III), Ministry of Petroleum & Natural Gas was appointed as Government Director on the Board of the Company by MoP&NG vide its letter No. C-31019/1/2006-CA dated 18.02.2011. Accordingly, he was appointed as Additional Director by the Board of Directors of the Company pursuant to Section 260 of the companies Act, 1956 and Article 62(1) of the Articles of Association of the Company w.e.f. 22.02.2011.

Shri A.K. Purwaha continued to be the Chairman of the Company.

Shri G.D. Goyal and Shri D. Moudgil continued to be the Directors of the Company.

In accordance with the provisions of the Companies Act, 1956,

Dr. Avinash Chandra and Shri Sudershan Gupta, Directors would retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

In accordance with the provisions of the Companies Act, 1956, Shri Ajay Deshpande and Shri C.B. Singh who were appointed as Additional Directors after the date of last Directors report, shall vacate their office at the ensuing Annual General Meeting. Necessary notices have been received from the Director/ Member of the Company under Section 257 of the Companies Act, 1956 proposing their candidature for appointment. The Board recommends their appointment.

#### **AUDITORS**

M/s R. Vender Gupta & Associates, Chartered Accountants were appointed as Auditors of your Company for the Financial Year 2010-11 by the Office of the Comptroller & Auditor General of India.

#### **ACKNOWLEDGEMENTS**

The Board of Directors express their sincere thanks to the esteemed clients for their continued patronage and express their deep appreciation for the assistance provided by the Ministries of the Government of India.

The Board of Directors express their sincere gratitude to EIL, the holding company for their all round support and look forward to their continued support and guidance.

The Board of Directors also wish to place on record their appreciation for the excellent contribution made by all the employees towards the successful operation of the Company.

For & on behalf of the  
Board of Directors

Place : New Delhi  
Date : May 18, 2011

(A K Purwaha)  
Chairman



## Compliance Certificate

CIN : U74899DL1994GOI062371.  
Nominal Capital : ₹ 2 Crores  
Paid-up Capital : ₹ 1 Crore

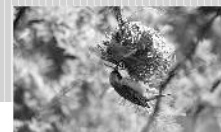
To,

The Members,

**Certification Engineers International Limited**

We have examined the registers, records, books and papers of M/s Certification Engineers International Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum, and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2011 (Financial Year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi within the time prescribed under the Act and rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met 4 (Four) times on 17/05/2010, 16/08/2010, 11/11/2010 and 04/02/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 16/08/2010 after giving shorter notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary general meeting was held during the financial year.
8. The Company, being a Government Company, provisions of Section 295 of the Act are not applicable.
9. The Company, being a Government Company, provisions of section 297 of the Act are not applicable.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgement thereof for transfer in accordance with the provision of the Act. However, there was no allotment/ transmission of securities during the financial year;  
(ii) The Company has paid one final dividend (for financial year 2009-10) and one interim dividend (for financial Year 2010-11) during the financial year out of current accounts of the Company within five days of the declaration of such dividends. However, no separate bank account for the payment of these dividends was opened.  
(iii) The Company has paid dividend to all the members within 30 days from the date of declaration of dividend;  
(iv) The Company has not transferred the amounts in unpaid dividend account as the provision of section 205A is not applicable on wholly owned Government companies.  
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. R. K. Saxena & Mr. M. K. Joshi were ceased to be the Director of the Company w. e. f. 31/05/2010 and 31/07/2010, respectively. There was change in designation of Mr. A. K. Purwaha & Mr. Avinash Chandra from Additional Director to Director in the Annual General Meeting of the Company held on 16/08/2010. Mr. Ajay Deshpande & Mr. Chandra Bhan Singh were appointed as Additional Director of the Company w. e. f. 04/02/2011 and 22/02/2011, respectively. Except these, there was no other appointment of additional directors, alternate directors, and directors to fill casual vacancy during the financial year.
15. The Company, being a Government Company, provisions regarding appointment and remuneration of Managing Director/Whole time director/ Manager are not applicable.



16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares/debentures during the year after complying with the provisions of the Act.
22. There were no transaction necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited any deposits including unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company, being a Government Company, provisions of section 372A of the Companies Act are not applicable.
26. The Company has not altered the provisions of Memorandum of Association with respect to the situation of Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of Memorandum of Association with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the financial year.
30. The Company has altered its Articles of Association after obtaining approval of the members in the Annual General Meeting held on 16<sup>th</sup> August, 2010 and the amendments to the Articles have been duly filed with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi.
31. We have been given to understand that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. Since the Company has not constituted its own provident fund trust, provisions of section 418 of the Act is not applicable to the Company.

for Santosh Kumar Pradhan  
(Company Secretaries)

Santosh Kumar Pradhan

Place : New Delhi  
Date : May17, 2011

(Proprietor)  
C. P.No. 7647



## ANNEXURE A

### Statutory Registers

1. Register of members.
2. Register of directors, managing director, manager and secretary.
3. Register of director's shareholdings.
4. Register of share allotment.
5. Seal book.
6. Register of director's attendance.
7. Register of share transfer.
8. Register of Particulars of Contracts in which Directors are Interested.

9. Minutes Book of Meetings.
10. Register of Charges.
11. Register of Investments or Loans made, Guarantee Given or Security provided.

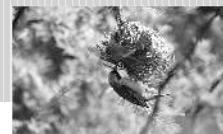
**Note:** The Company has not maintained the following registers as it was informed that there were no entries/ transactions to be recorded therein:

1. Register of renewed and duplicate certificates.
2. Register of destruction of records/ documents.
3. Register of securities bought back.
4. Register of debenture holders.
5. Foreign register of members.

## ANNEXURE B

Forms and returns as filed by the Company with the Registrar of Companies during the financial year ending on 31<sup>st</sup> March, 2011:

S. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
1.	Form 32 vide SRN No. A87576559	303(2)	Cessation of Mr. R. K. Saxena from the Directorship of the Company w. e. f. 31/05/2010	22/06/2010	Yes	N/A
2.	Form 32 vide SRN No. A90513730	303(2)	Cessation of Mr. M. K. Joshi from the Directorship of the Company w. e. f. 31/07/2010	03/08/2010	Yes	N/A
3.	Form 32 vide SRN No. A93762185	303(2)	Change in Designation of Mr. A. K. Purwaha & Mr. Avinash Chandra from Additional Director to Director w. e. f. 16/08/2010	10/09/2010	Yes	N/A
4.	Form 66 vide SRN No. P52139615	Proviso to Sec. 383A (1)	Compliance Certificate for the financial year 2009-10	10/09/2010	Yes	N/A
5.	Form 23AC and Form 23ACA vide SRN No. P52141090	220	Balance Sheet & Profit & Loss Account for the financial year 2009-10	10/09/2010	Yes	N/A



S. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
6.	Form 23 vide SRN No. A93889616	192	Post facto approval for payment of sitting fees to Non-official (Independent) part time Director & Alteration in Articles of Association of the Company w. e. f. 16/08/2010	13/09/2010	Yes	N/A
7.	Form 20B vide SRN No. P53661807	159	Annual Return as on date of Annual General Meeting held on 16/08/2010	05/10/2010	Yes	N/A
8.	Form 32 vide SRN No. B06760557	303(2)	Appointment of Mr. Ajay Deshpande as Additional Director of the Company w. e. f. 04/02/2011	01/03/2011	Yes	N/A
9.	Form 32 vide SRN No. B07644677	303(2)	Appointment of Mr. Chandra Bhan Singh as Additional Director of the Company w. e. f. 22/02/2011	12/03/2011	Yes	N/A



## Auditors' Report

To,

THE MEMBERS

Certification Engineers International Ltd.  
Engineers India Bhawan,  
Bhikaiji Cama Place,  
New Delhi – 110 066

We have audited the attached Balance Sheet of CERTIFICATION ENGINEERS INTERNATIONAL LTD. NEW DELHI as at 31<sup>st</sup> March 2011 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraph 4 & 5 of the said Order to the extent applicable to the Company, is annexed.
2. Subject to our comments in Annexure referred to in para 1 above, we report as follows:
  - 2.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary, for the purposes of our audit.
  - 2.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - 2.3 The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - 2.4 In our opinion and based on the information given to us, the Profit and Loss Account and Balance Sheet and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - 2.5 In terms of notification No. G.S.R. 829 (E) dated 21.10.2003, issued by the Ministry of Finance, Department of Company Affairs, Government of India, clause(g) of sub-section (I) of section 274 of the Companies Act, 1956 is not applicable to Government Companies.
  - 2.6 In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account and Cash Flow Statement read together with accounting policies and notes to accounts as per Schedule I & Schedule J, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011; and
    - (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
    - (c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For R.VENDER GUPTA & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 002614N

(RAGHVENDER GUPTA)  
Partner

Place : New Delhi  
Date : May 18, 2011

M.No. 81544



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the account of Certification Engineers International Ltd., New Delhi as at 31<sup>st</sup> March, 2011)

**(i) In respect of fixed assets:**

- (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- (b) The fixed assets have been physically verified by the management once during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies are noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year.

**(ii) In respect of its inventories:**

The company does not have any inventory. Hence the provisions of clause (ii)(a) (b) and (c) of the paragraph 4 of this order (as amended) are not applicable to the company.

**(iii) According to the information and explanations given to us in respect of loans:**

- (a) the company has not granted any loan secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Hence, the provisions of clause (iii) (b), (c) and (d) of the paragraph 4 of the Order (as amended) are not applicable to the Company.
- (b) the company has not taken any loan secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Hence, the provisions of clause (iii) (f) and (g) of paragraph 4 of the Order (as amended) are not applicable to the Company.

- (iv) In our opinion and according to information and explanations given to us, the company has an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The purchase of inventory and sale of goods are not made by the company during the current year.

- (v) (a) According to the information and explanations given to us, there are no transactions during the year, which are required to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- (b) Accordingly, the provisions of the clause v (b) of paragraph 4 of the Order (as amended) are not applicable to the company.

**(vi) The Company has not accepted any deposit from the public during the current year.**

- (vii) We have been informed that the internal audit of the company is carried out by the official deputed by the Internal Audit Department of EIL, the parent company, once in the year. In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and nature of its business.

- (viii) As informed to us, the Company is not engaged in production, processing, manufacturing or mining activity as such Section 209(1) (d) of the Companies Act 1956, is not applicable to the Company. Hence, the clause (viii) of para 4 of the order (as amended) is not applicable to the company.

**(ix) According to the information and explanations given to us in respect of statutory and other dues:**

- (a) We are informed that the Employees' State Insurance Scheme, Investor Education and Protection Fund, Sales Tax, Wealth Tax, Custom Duty and Excise Duty are not applicable to the Company. The Company has been regular in depositing undisputed applicable statutory dues including Provident Fund, Income Tax, Service Tax, Cess and other material statutory dues with the appropriate authorities during the year. There are no undisputed statutory dues as mentioned above which are outstanding for payment for a period exceeding six months on the date of the Balance Sheet of the Company.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise duty / Cess on account of any dispute, which have not been deposited by the company as on the



date of the balance sheet. In respect of Income Tax / Service Tax as per the records of the Company, the dues outstanding on account of any dispute are as follows :-

Name of the Statute	Nature of dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where dispute is pending
Service Tax Act, 1994	Show Cause Notice cum Demand of Service Tax	22747.44	April'04 to March'09	Commissioner, Service Tax, Mumbai
Service Tax Act, 1994	Show Cause Notice cum Demand of Service Tax	321.40	April'09 to March'10	Commissioner, Service Tax, Mumbai

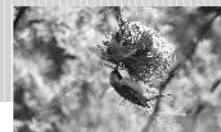
- (x) The Company has no accumulated losses at the end of the current financial year and has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not taken any loans from any financial institutions or any banks.
- (xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore the provision of clause(xiii) of paragraph 4 of the order (as amended) is not applicable to the Company for the year ended on 31<sup>st</sup> March, 2011.
- (xiv) The company is not dealing / trading in shares, securities, debentures and other investments. Therefore the provision of clause (xiv) of paragraph 4 of the Order (as amended) is not applicable to the Company for the year ended on 31<sup>st</sup> March, 2011.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not availed any term loan during the year.
- (xvii) According to the information and explanations given to us, the company has not raised any fund on short term basis during the year. As such clause (xvii) of paragraph 4 of the order (as amended) is not applicable to the company for the year ended on 31.03.2011.
- (xviii) The Company has not made any preferential allotment during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed for the purpose of reporting true & fair view of the financial statements and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For R.VENDER GUPTA & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 002614N

(RAGHVENDER GUPTA)  
Partner  
M.No. 81544

Place : New Delhi  
Date : May 18, 2011





# Balance Sheet

AS AT MARCH 31, 2011

(₹ IN THOUSAND)

	SCHEDULE	AS AT 31-03-2011	AS AT 31-03-2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
EQUITY SHARE CAPITAL	<b>A</b>	10,000.00	10,000.00
RESERVES & SURPLUS	<b>B</b>	445,862.49	381,477.11
<b>TOTAL</b>		<u>455,862.49</u>	<u>391,477.11</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	<b>C</b>	37,579.25	36,872.04
LESS: DEPRECIATION		<u>7,930.40</u>	<u>6,226.93</u>
NET BLOCK		29,648.85	30,645.11
<b>INVESTMENTS</b>	<b>D</b>	7,840.75	0.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
WORK-IN-PROGRESS		65.48	90.03
SUNDRY DEBTORS		119,417.94	97,720.43
CASH & BANK BALANCES		330,331.72	289,902.43
OTHER CURRENT ASSETS		27,975.49	27,708.97
LOANS & ADVANCES		<u>14,044.51</u>	<u>11,495.32</u>
		<b>491,835.14</b>	<b>426,917.18</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
LIABILITIES	<b>F</b>	38,108.10	39,043.55
PROVISIONS		<u>40,182.21</u>	<u>31,001.65</u>
		78,290.31	70,045.20
<b>NET CURRENT ASSETS (E-F)</b>		413,544.83	356,871.98
<b>DEFERRED TAX</b>			
DEFERRED TAX ASSETS		7,468.10	6,213.95
DEFERRED TAX LIABILITIES		<u>(2,640.04)</u>	<u>(2,253.93)</u>
		4,828.06	3,960.02
<b>TOTAL</b>		<u>455,862.49</u>	<u>391,477.11</u>
<b>ACCOUNTING POLICIES</b>			
NOTES FORMING PART OF ACCOUNTS	<b>I</b>		
SCHEDULES 'A' TO 'J' FORMING INTEGRAL PART OF ACCOUNTS	<b>J</b>		

M. V. K. KUMAR  
Chief Executive Officer

SUDERSHAN GUPTA  
Director

A.K. PURWAHA  
Chairman

As per our report of even date attached  
For R.VENDER GUPTA & ASSOCIATES  
Chartered Accountants  
Firm Regn. No. 002614N  
(RAGHVENDER GUPTA)  
Partner  
M. No. 081544

Place : New Delhi  
Date : May 18, 2011



## Profit & Loss Account

FOR THE YEAR ENDED MARCH 31, 2011

(₹ IN THOUSANDS)

	SCHEDULE	2010-2011	2009-2010
<b>A. INCOME</b>	<b>G</b>		
INCOME FROM SERVICES RENDERED		294,939.01	239,181.86
OTHER INCOME		26,865.85	23,318.63
INCREASE/(DECREASE) IN WORK-IN-PROGRESS		(24.55)	(118.40)
<b>TOTAL</b>		<b>321,780.31</b>	<b>262,382.09</b>
<b>B. EXPENDITURE</b>	<b>H</b>		
MANPOWER SERVICES		58,801.78	48,344.09
SALARIES AND BENEFITS		49,972.82	37,464.14
FACILITIES		7,567.32	5,815.65
CORPORATE COST		2,225.42	1,427.84
OTHERS		47,754.45	31,671.93
DEPRECIATION		1,703.46	1,445.22
<b>TOTAL</b>		<b>168,025.25</b>	<b>126,168.87</b>
<b>PROFIT BEFORE TAX &amp; PRIOR PERIOD ADJ. (A - B)</b>		<b>153,755.06</b>	<b>136,213.22</b>
LESS : PRIOR PERIOD ADJUSTMENTS		568.99	(238.49)
<b>PROFIT BEFORE TAX</b>		<b>153,186.07</b>	<b>136,451.71</b>
PROVISION FOR TAXATION			
CURRENT TAX		51,743.27	48,627.28
DEFERRED TAX		(868.04)	(2,144.54)
EARLIER YEAR'S TAX ADJUSTMENTS-(EXCESS)/SHORT		104.87	622.00
<b>PROFIT AFTER TAX</b>		<b>102,205.97</b>	<b>89,346.97</b>
LESS: INTERIM DIVIDEND PAID		12,500.00	12,500.00
LESS: PROPOSED DIVIDEND		20,000.00	17,500.00
LESS: TAX ON DIVIDEND		5,320.59	5,030.91
PROFIT TRANSFERRED TO GENERAL RESERVE	<b>B</b>	<b>64,385.38</b>	<b>54,316.06</b>
EPS (BASIC & ROUNDED OFF, IN ₹)		1022	893
<b>ACCOUNTING POLICIES</b>	<b>I</b>		
<b>NOTES FORMING PART OF ACCOUNTS</b>	<b>J</b>		
<b>SCHEDULES 'A' TO 'J' FORMING INTEGRAL PART OF ACCOUNTS</b>			

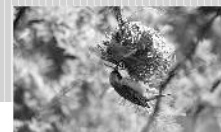
M. V. K. KUMAR  
Chief Executive Officer

SUDERSHAN GUPTA  
Director

A.K. PURWAHA  
Chairman

As per our report of even date attached  
For R.VENDER GUPTA & ASSOCIATES  
Chartered Accountants  
Firm Regn. No. 002614N  
(RAGHVENDER GUPTA)  
Partner  
M. No. 081544

Place : New Delhi  
Date : May 18, 2011



# Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2011

(₹ IN THOUSANDS)

	PARTICULARS	YEAR ENDED on 31.03.2011	YEAR ENDED on 31.03.2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	NET PROFIT BEFORE TAX & PRIOR PERIOD ITEMS	153,755.06	136,213.22
	ADJUSTMENT FOR :		
	DEPRECIATION	1,703.46	1,438.51
	PROVISION FOR POST RETIREMENT & LONG TERM BENEFITS	7,081.48	265.57
	PROVISION FOR DOUBTFUL DEBTS/ADVANCES	(1,587.88)	6,365.10
	INTEREST INCOME	(22,275.04)	(23,214.88)
	DIVIDEND INCOME	(438.76)	-
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>138,238.32</b>	<b>121,067.52</b>
	ADJUSTMENT FOR :		
	DEBTORS	(20,109.63)	(12,452.88)
	OTHER CURRENT ASSETS	1,818.29	(10,962.17)
	LOANS & ADVANCES	(893.12)	(2,184.44)
	WORK-IN-PROGRESS	24.55	118.40
	TRADE PAYABLES & OTHER LIABILITIES	(935.45)	611.08
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>118,142.96</b>	<b>96,197.51</b>
	DIRECT TAXES PAID	(54,243.09)	(50,789.77)
	<b>CASH FLOW BEFORE PRIOR PERIOD ITEMS</b>	<b>63,899.87</b>	<b>45,407.74</b>
	PRIOR PERIOD ITEMS	(568.99)	238.49
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES A</b>	<b>63,330.88</b>	<b>45,646.23</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	FIXED ASSETS PURCHASED	(707.21)	(0.17)
	INTEREST INCOME	20,190.23	22,810.98
	INVESTMENTS (OTHERS)	(7,840.75)	-
	DIVIDEND INCOME	438.76	-
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES B</b>	<b>12,081.03</b>	<b>22,810.81</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	DIVIDEND PAID	(30,000.00)	(30,000.00)
	TAX ON DIVIDEND	(4,982.62)	(5,098.50)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES C</b>	<b>(34,982.62)</b>	<b>(35,098.50)</b>
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	40,429.29	33,358.54
	OPENING BALANCE (CASH AND CASH EQUIVALENT)	289,902.43	256,543.89
	CLOSING BALANCE (CASH AND CASH EQUIVALENT)	330,331.72	289,902.43

- Notes :** 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.  
 2. Previous year's figures have been regrouped wherever necessary in order to conform to this year presentation.  
 3. Bracket indicates cash outflow.

M. V. K. KUMAR  
Chief Executive Officer

SUDERSHAN GUPTA  
Director

A.K. PURWAHA  
Chairman

As per our report of even date attached  
For R.VENDER GUPTA & ASSOCIATES  
Chartered Accountants  
Firm Regn. No. 002614N

(RAGHVENDER GUPTA)  
Partner  
M. No. 081544

Place : New Delhi  
Date : May 18, 2011

**SCHEDULES****Schedule 'A'**

(₹ IN THOUSANDS)

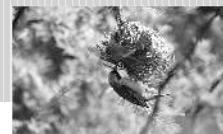
	AS AT 31.03.2011	AS AT 31.03.2010
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,000 EQUITY SHARES OF ₹100 EACH	20,000.00	20,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP*</b>		
1,00,000 EQUITY SHARES OF ₹100 EACH FULLY PAID UP (ALL SHARES ARE HELD BY HOLDING COMPANY- ENGINEERS INDIA LTD. AND ITS NOMINEES)	10,000.00	10,000.00
	10,000.00	10,000.00

\* INCLUDES 80,000 EQUITY SHARES OF ₹100 EACH ALLOTTED AS FULLY PAID BONUS SHARES BY WAY OF CAPITALISATION OF GENERAL RESERVE

**Schedule 'B'**

(₹ IN THOUSANDS)

	AS AT 31.03.2011	AS AT 31.03.2010
<b>RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
BALANCE AS PER LAST BALANCE SHEET	381,477.11	327,161.05
ADD: TRANSFERRED FROM P & L A/c	64,385.38	54,316.06
	445,862.49	381,477.11
<b>TOTAL</b>	<b>445,862.49</b>	<b>381,477.11</b>



## Schedule 'C'

### Fixed Assets as on 31st March, 2011

(₹ in Thousands)

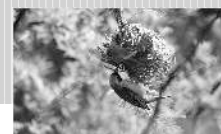
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31.03.2010	ADDITIONS FOR THE YEAR	SOLD/ ADJ	AS ON 31.03.2011	DEP UPTO 31.03.2010	DEP FOR THE YEAR	LESS : DEP WRITTEN BACK	TOTAL DEP AS ON 31.03.2011	WDV AS ON 31.03.2011	WDV AS ON 31.03.2010
FURNITURE & FIXTURES	5584.52	44.10	0.00	5628.62	876.14	350.74	0.00	1226.88	4401.74	4708.38
OFFICE EQUIPMENTS	278.78	63.12	0.00	341.90	76.16	18.98	0.00	95.15	246.75	202.62
LEASEHOLD PROPERTY*	23127.59	0.00	0.00	23127.59	1031.58	385.46	0.00	1417.04	21710.55	22096.01
AIR CONDITIONERS	2160.02	0.00	0.00	2160.02	228.25	102.60	0.00	330.85	1829.17	1931.77
COMPUTERS	4375.63	402.85	0.00	4778.48	2669.30	648.54	0.00	3317.84	1460.64	1706.33
SOFTWARE	1311.31	0.00	0.00	1311.31	1311.31	0.00	0.00	1311.31	0.00	0.00
LIBRARY BOOKS	34.19	197.14	0.00	231.33	34.19	197.14	0.00	231.33	0.00	0.00
<b>TOTAL</b>	<b>36872.04</b>	<b>707.21</b>	<b>0.00</b>	<b>37579.25</b>	<b>6226.93</b>	<b>1703.46</b>	<b>0.00</b>	<b>7930.40</b>	<b>29648.85</b>	<b>30645.11</b>
PREVIOUS YEAR	36871.87	38.06	37.89	36872.04	4788.43	1445.22	6.72	6226.93	30645.11	32083.44

\*ACQUIRED FROM CIDCO LTD. ON 60 YEARS LEASE BASIS



## Schedule 'D'

	AS AT 31.03.11 (₹ IN THOUSANDS)	AS AT 31.03.10 (₹ IN THOUSANDS)
INVESTMENTS		
OTHER THAN TRADE (UNQUOTED)		
7839.073 UNITS (PREV. YEAR NIL) OF UTI TREASURY ADVANTAGE FUND (FACE VALUE ₹ 1000/- PER UNIT), VALUED AT COST	7840.75	0.00
	<u>7840.75</u>	<u>0.00</u>
INVESTMENTS PURCHASED AND SOLD DURING THE YEAR ENDED MARCH 31, 2011	FACE VALUE <u>(₹)</u>	UNITS <u>(IN NOS)</u> COST <u>(₹ IN THOUSANDS)</u>
UTI TREASURY ADVANTAGE FUND	1000	61084.930      61,098.01



## Schedule 'E'

(₹ IN THOUSANDS)

AS AT 31.03.2011

AS AT 31.03.2010

### CURRENT ASSETS, LOANS & ADVANCES

#### WORK IN PROGRESS

65.48

90.03

#### SUNDRY DEBTORS (UNSECURED)

DEBTS OUTSTANDING FOR A PERIOD  
EXCEEDING SIX MONTHS

CONSIDERED GOOD 33,400.39

27,142.52

CONSIDERED DOUBTFUL 8,512.48

10,100.36

41,912.87

37,242.88

OTHER DEBTS : CONSIDERED GOOD

86,017.55

70,577.91

127,930.42 \*

107,820.79

LESS : PROVISION FOR DOUBTFUL DEBTS

8,512.48

10,100.36

119,417.94

97,720.43

\* INCLUDING ₹ 5289.53 THOUSAND (PREV. YR. ₹ 2302.83 THOUSAND) DUE FROM HOLDING COMPANY

#### CASH & BANK BALANCES

CASH IN HAND 6.54

16.11

WITH SCHEDULED BANKS IN CURRENT ACCOUNTS 4,293.68

15,110.73

WITH SCHEDULED BANKS IN FIXED DEPOSIT ACCOUNTS 326,031.50

330,331.72

274,775.59

289,902.43

INCLUDES ₹ 35431.50 THOUSAND (PREV. YR. ₹ 39,857.50 THOUSAND) HELD UNDER  
LIEN AGAINST BANK GUARANTEE

#### OTHER CURRENT ASSETS

INTEREST ACCRUED ON BANK DEPOSITS 13,899.31

11,815.34

INTEREST ACCRUED - OTHERS 10.03

9.19

INCOME ACCRUED ON JOBS 14,066.15

27,975.49

15,884.44

27,708.97

#### LOANS & ADVANCES

ADVANCES RECOVERABLE IN CASH OR  
IN KIND OR FOR VALUE TO BE RECEIVED:

UNSECURED-CONSIDERED GOOD :

ADVANCES 1,042.11

1,602.07

PREPAID ITEMS 284.59

168.21

EMD/DEPOSIT/OTHER RECEIVABLE 5,941.55

4,604.84

LESS: PROVISION FOR DOUBTFUL DEPOSITS 349.68

5,591.87

349.68

4,255.16

ADVANCE FRINGE BENEFIT TAX 6,043.40

6,043.40

LESS : PROVISION FOR FRINGE BENEFIT TAX 4,860.06

4,860.06

1,183.34

1,183.34

ADVANCE INCOME TAX & TDS 142,100.89

91,817.54

LESS: PROVISION FOR TAXATION 136,158.29

87,531.00

5,942.60

4,286.54

14,044.51

11,495.32

TOTAL

491,835.14

426,917.18



## Schedule 'F'

(₹ IN THOUSANDS)

AS AT 31.03.2011

AS AT 31.03.2010

## CURRENT LIABILITIES &amp; PROVISIONS

## LIABILITIES

DUE TO HOLDING COMPANY (E.I.L.)	5,162.04		4,333.75	
ADVANCES RECEIVED	2,349.29		2,211.00	
INCOME BILLED BUT NOT DUE	1,638.10		6,814.07	
SERVICE TAX PAYABLE ON REALISATION	10,925.48		9,779.63	
OTHER LIABILITIES	18,033.19	38,108.10	15,905.10	39,043.55

## PROVISIONS

EMPLOYEE'S POST RETIREMENT/LONG TERM BENEFIT	14,579.60		7,498.12	
FOR INCOME TAX (CURRENT YEAR)	51,743.27		48,627.28	
LESS : ADVANCE INCOME TAX & TDS	49,385.16	2,358.11	45,530.28	3,097.00
FOR PROPOSED DIVIDEND	20,000.00		17,500.00	
TAX ON PROPOSED DIVIDEND	3244.50	40,182.21	2,906.53	31,001.65

## TOTAL

78,290.31

70,045.20

## Schedule 'G'

(₹ IN THOUSANDS)

2010-2011

2009-2010

## INCOME

INCOME FROM SERVICES RENDERED	294,939.01	239,181.86
-------------------------------	------------	------------

## OTHER INCOME

INTEREST EARNED (GROSS)

TDS ₹ 2227.42 THOUSAND (PREV.

YEAR ₹ 2388.59 THOUSAND)

ON BANK DEPOSITS	22274.20	23,213.80	
ON ADVANCES TO EMPLOYEES	0.84	22,275.04	1.08
DIVIDEND INCOME FROM MUTUAL FUND INVESTMENTS	438.76		0.00
PROVISION FOR DOUBTFUL DEBTS NO LONGER REQUIRED	4,151.93		71.82
MISCELLANEOUS INCOME	0.12	26,865.85	31.93

## INCREASE/(DECREASE) IN

## WORK-IN-PROGRESS

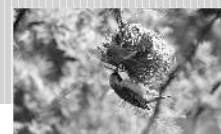
CLOSING WORK-IN-PROGRESS	65.48	90.03
LESS: OPENING WORK-IN-PROGRESS	90.03	(24.55)

## TOTAL

321,780.31

262,382.09





## Schedule 'H'

(₹ IN THOUSANDS)

		2010-2011	2009-2010
<b>EXPENDITURE</b>			
<b>MANPOWER SERVICES</b>	(i)	58,801.78	48,344.09
<b>SALARIES AND BENEFITS</b>			
SALARIES AND ALLOWANCES		44,018.39	33,175.78
CONTRIBUTION TOWARDS EMPLOYEES' PENSION AND PROVIDENT FUND AND ADMINISTRATION CHARGES THEREON		2,918.44	2,446.13
STAFF WELFARE		590.82	1405.42
CONTRIBUTION TO GRATUITY FUND		2395.17	426.81
SITTING FEES TO DIRECTORS		50.00	10.00
	(ii)	49,972.82	37,464.14
<b>FACILITIES</b>			
RENT - RESIDENTIAL ACCOMMODATION		3,534.80	2211.80
LESS: RECOVERED		311.85	156.07
RENT		1,062.64	936.09
ELECTRICITY & WATER		1,136.66	1,129.31
MISC. REPAIRS & MAINTENANCE**		1,709.50	1,522.94
INSURANCE		315.77	92.84
HIRE CHARGES - OFFICE EQUIPMENT		119.80	78.74
	(iii)	7,567.32	5,815.65
<b>CORPORATE COST</b>			
BANK CHARGES		429.97	412.32
PUBLICITY		869.39	243.95
ENTERTAINMENT		570.92	412.58
PAYMENT TO AUDITORS			
- AUDIT FEES		100.00	62.00
- TAX AUDIT		20.00	14.00
- OTHERS		7.50	12.50
- FOR OUT OF POCKET EXP & ST		83.63	73.41
FILING FEE		4.10	3.70
LEGAL & PROFESSIONAL CHARGES		139.91	193.38
	(iv)	2,225.42	1,427.84
<b>OTHERS</b>			
TRAVEL & CONVEYANCE		41,727.35	22,622.92
PRINTING, STATIONERY & GENERAL OFFICE SUPPLIES		632.40	463.82
NEWSPAPER AND PERIODICALS		16.37	17.19
POSTAGE & TELECOMMUNICATIONS		903.69	913.47
EXCHANGE DIFFERENCE		192.77	355.06
COURIER, TRANSPORTATION & HANDLING		294.35	195.83
MISCELLANEOUS EXPENSES***		1,157.99	448.27
PROVISION FOR DOUBTFUL DEBTS		2564.06	6,436.92
TRAINING EXPENSES		265.47	218.45
	(v)	47,754.45	31,671.93
DEPRECIATION	(vi)	1,703.46	1,445.22
<b>GRAND TOTAL</b>	(i) + (ii) + (iii) + (iv) + (v) + (vi)	168,025.25	126,168.87

\*\* INCLUDES ₹ 204.45 THOUSAND (PREV. YEAR ₹ 19.47 THOUSAND) FOR REPAIRS AND MAINTENANCE OF BUILDING.

\*\*\* INCLUDES ₹ 500.00 THOUSAND (PREV. YEAR NIL) PAID TO CREDIT RATING AGENCY FOR CREDIT RATING.



## Schedule 'I'

### ACCOUNTING POLICIES

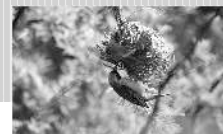
1. The financial statements are prepared on Historical Cost Convention and generally comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and also conform to the statutory provisions and practice prevalent in the country.
2. Expenses / Income booked to Profit and Loss Account are after adjustment of excess / short provisions of earlier year. However, in case of specific provisions where no expenses / income has been incurred/ received against such provisions, the same are adjusted as excess provisions of previous year written back / Miscellaneous Income.
3. The method of Accounting followed for preparation of Accounts is generally on Accrual basis unless otherwise stated.
4. **INCOME FROM SERVICES RENDERED IS ACCOUNTED FOR:**
  - a) In case of cost plus/rate basis jobs, on the basis of amount billable under the contracts.
  - b) In case of lump sum contracts, as proportion of actual direct costs of the work to date to the latest estimated total direct costs of the work, and
  - c) 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.
5. **WORK-IN-PROGRESS**
  - I) Cost of jobs are carried forward as Work-in-Progress for which:
    - a) 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 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.
    - b) The terms have been agreed to at lump sum basis but the physical progress is less than 25% of the job.
  - II) Work-in-Progress is valued at direct cost.
6. **FIXED ASSETS**

Fixed assets are stated at cost, which comprises of purchase price, duties, levies and any directly attributable cost of bringing the assets to their working condition.
7. **IMPAIRMENT OF 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.
8. **DEPRECIATION**

Depreciation on Fixed Assets is charged on straight-line method on the basis of rates prescribed under Schedule XIV of the Companies Act, 1956, except in case of software, for which straight line method and life expectancy of 3 years is considered. In case of assets where actual cost does not exceed ₹ 5 thousands, 100% depreciation is provided. 100% depreciation is provided on library books, being low value items. Leasehold properties are amortized over the period of lease, or as per rates prescribed under Scheduled XIV of the Companies Act, 1956, whichever is higher.
9. **CONTINGENT LIABILITIES**

The ascertained amount is disclosed in the final accounts and wherever it is unascertained the same is disclosed by way of statement.
10. **RETIREMENT BENEFITS**
  - a) Contribution in respect of Provident Fund, a defined contribution plan, is deposited to Regional Provident Fund Commissioner. The company's contribution to Provident Fund is charged to Profit and Loss Account of the year.
  - b) Liability in respect of carried forward leave being defined benefit plan is recognized on the basis of actuarial valuation.



- c) Liability in respect of Gratuity is being paid to a fund managed by LIC and administered through a separate irrevocable trust set up by the company. Difference between the fund value and accrued liability based on actuarial valuation at the end of the year is charged to Profit & Loss Account.

#### 11. FOREIGN CURRENCY TRANSACTIONS

- a) Current Assets and Current Liabilities are being recorded at the rates in force when transaction takes place. However these are re-stated at the year-end at Bank's closing rates. Exchange fluctuation is accounted for in Profit and Loss Account.
- b) Foreign currency transactions in relation to revenue and expenditure have been accounted for at predetermined average monthly rates based on market rates for preceding month.
- c) Gain / Loss arising out of fluctuations in Exchange Rate for the transactions settled during the accounting period is accounted for in the Profit and Loss Account of the relevant year.

#### 12. INCOME TAX

- a) Income Tax is provided on the taxable income determined as per income tax laws.  
Deferred tax assets/liability is recorded for timing difference as per Accounting Standard 22 issued by the Institute of Chartered Accountants of India.
- b) Tax on dividend distributed/paid is provided at the prevailing Income Tax rates.

#### 13. INVESTMENT

Long-term investments are stated at cost. Cost includes commission, transfer charges and related direct expenses. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

Other investments are carried at the lower of cost or market value.

## Schedule 'J'

### NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

#### 1. Contingent Liabilities

- Guarantees issued by Bank and outstanding as on 31st March 2011 ₹ 32,158.33 Thousand (₹ 25,256.09 Thousand).
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹ 104.72 Thousand (₹ NIL).
- Income Tax assessments have been completed upto the A.Y. 2007-2008. Tax liability, if any, in respect of pending assessment for the assessment years 2008-2009, 2009-2010 and 2010-2011 cannot be ascertained. Due taxes on self assessment basis have been paid.
- The Company has filed a reply to show cause notice cum demand of ₹ 22,747.44 Thousand created by Commissioner, Service Tax, Mumbai on 27th Nov, 2009, covering the period from April, 2004 to March, 2009.
- The Company has filed a reply to show cause notice cum demand of ₹ 321.40 Thousand created by Commissioner, Service Tax, Mumbai on 29th Oct, 2010, covering the period from April, 2009 to March, 2010.

#### 2. Balances of Sundry Debtors, Sundry Creditors, Loans and Advances, Security Deposits etc., whether in debit or credit are subject to confirmation and reconciliation. Amounts, which may remain unrecovered, shall be written off at the time of final settlement.

- 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 a Memorandum of Understanding with Engineers India Limited for providing manpower services to EIL at actual cost plus 10% margin.

#### 4. In terms of Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006, the amount due to these enterprises are required to be disclosed. These enterprises are required to be registered under that Act. In the absence of the information about their registration, the required information cannot be stated.

#### 5. In the opinion of the Management, the Current Assets, Loans and Advance have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and all the known liabilities have been provided for.

#### 6. The movement in provision for doubtful debts and deposits during the year is as follows:

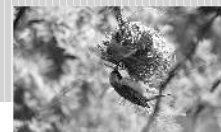
(₹ in Thousands)

	2010-11	2009-10
Opening Balance	10450.03	4084.93
Add : Amount provided during the year	2564.06	6436.92
Less : Amount written back during the year	4151.93	71.82
Closing Balance at the year end	8862.16	10450.03

#### 7. 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 AS-17 issued by The Institute of Chartered Accountant of India are not applicable.

#### 8. RELATED PARTY DISCLOSURE

- The names of related parties as identified in accordance with provisions of the Accounting Standard - 18 "Related Party Disclosure":-



S. No.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
1.	ENGINEERS INDIA LIMITED	COMPANY HOLDING
2.	KEY MANAGEMENT PERSONNEL	
	A. Mr. A.K.PURWAHA Chairman	C&MD in EIL
	B. Mr. M.K.JOSHI (Upto 31.07.10) Director	Director in EIL
	C. Mr. R.K.SAXENA (Upto 31.05.10) Director	Director in EIL
	D. Mr. AVINASH CHANDRA Director	Director in EIL
	E. Mr. SUDERSHAN GUPTA Director	ED in EIL
	F. Mr. G.D.GOYAL Director	Director in EIL
	G. Mr. D.MOUDGIL Director	Director in EIL
	H. Mr. A. DESHPANDE (From 04.02.11) Director	GM in EIL
	I. Mr. C.B. SINGH (From 22.02.11) Director	Government Nominee
	J. Mr. MVK KUMAR CEO	ED in EIL

(b) (1) RELATED PARTY TRANSACTIONS

During the year, ended 31<sup>st</sup> March 2011, the company had following transactions with related parties: -

(₹ in Thousands)

Name of related party	Particulars	Relationship	Amount	Payable/Receivable as on 31.3.11
Engineers India Limited	Purchase of Professional & Technical services and Facilities	Holding Company	34,379.62 (29,364.01)	Payable 5,162.04 (4,333.75)
-do-	Execution of contract for services	-do-	16,188.47 (11,484.89) (2059.36)	Receivable 4795.58*
-do-	Dividend (Interim & Final)	-do-	30,000.00 (30,000.00)	

\*Service Tax receivable from EIL amounting to ₹ 493.95 thousands (₹ 243.47 Thousand) is not included.

(2) Director's Remuneration :

Sitting Fees paid to a part time Director ₹ 50.00 Thousand (₹ 10.00 Thousand)

- (c) Chief Executive Officer of the Company is on deputation from EIL (Holding Company) and the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of manhour cost as per agreement with the company which are accounted for as professional charges, under the head "Manpower Services".

9. As per the requirement of AS-22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax assets for the current year amounting to ₹ 868.04 Thousands (₹ 2,144.54 Thousands) has been recognized in the Profit & Loss Account.

Break-up of deferred tax liabilities and assets: -



(₹ in Thousands)

S.No.	Particulars of Deferred Tax Assets / (Liabilities)	Upto 31-03-2010	For the year 2010-11	As on 31-03-2011
<b>A.</b>	<b>Deferred Tax Assets</b>			
1.	Provision for Leave Encashment	2690.45	1586.73	4277.18
2.	Provision for Doubtful Debts/Advances	3471.24	(595.91)	2875.33
3.	Provision for Long Service Awards	0.00	253.76	253.76
4.	Provision for Leave Encashment & PF for pay revision	52.26	9.57	61.83
	<b>Total</b>	<b>6213.95</b>	<b>1254.15</b>	<b>7468.10</b>
<b>B.</b>	<b>Deferred Tax Liabilities</b>			
1.	Depreciation	2253.93	386.11	2640.04
<b>C.</b>	<b>Net Deferred Tax Asset/ (Liabilities)</b>	<b>3960.02</b>	<b>868.04</b>	<b>4828.06</b>

10. Prior period items net debit of ₹ 568.99 Thousands (net credit of ₹ 238.49 Thousands) shown under prior period adjustments are as detailed below :

**Prior Period Income**

(₹ in Thousands)

	2010-11	2009-10
Depreciation	0.00	2.82
Others	0.00	264.54
<b>Total (A)</b>	<b>0.00</b>	<b>267.36</b>

**Prior Period Expenditure**

(₹ in Thousands)

	2010-11	2009-10
Depreciation	0.00	0.20
Provision for long service award*	504.45	0.00
Others	64.54	28.67
<b>Total (B)</b>	<b>568.99</b>	<b>28.87</b>

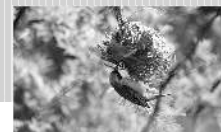
<b>TOTAL (A-B)</b>	<b>(568.99)</b>	<b>238.49</b>
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\*Additional provision necessitated consequent to change in accounting practice from actual payment basis to actuarial valuation basis.

11. There is no impairment of cash generating assets during the year in terms of AS-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India.
12. The provision for arrears of wage revision for Staff level employees, due w.e.f. 01.01.2007, has increased to ₹ 1005.74 Thousand (₹ 518.55 Thousand).
13. Liability in respect of 'Performance Related Pay', amounting to ₹ 4596.11 Thousand (₹ 1790.17 Thousand) for management level employees for the year 2010-2011 has been estimated and provided based on scheme formulated in accordance with DPE Guidelines, based upon certain ranking parameters.
14. Retirement Benefits
- The Company has undernoted employee benefits:

**Defined contribution plan**

The amount recognized as expenses in defined contribution plan are as under:



Particular	Expenses recognized in 2010-2011
Contributory Provident Fund and Employee Pension Scheme 1995	₹ 2,918.44 Thousands (₹ 2,446.13 Thousands)

### Defined Benefit Plan

The Company is having following defined benefit plans:

- i. Gratuity (Funded)
  - ii. Leave Encashment (Unfunded)
  - iii. Long Service Awards (Unfunded)
- I. The liability in respect of these items are provided for as per actuarial valuation. The amount of expenditure in respect of leave encashment (unfunded) and Long Service Awards (Unfunded) are of such size, nature or incidence that a specific disclosure is not needed as per para 132 of AS-15 (Revised). However, the required disclosure as per Accounting Standard AS-15 (Revised) in respect of gratuity (Funded) – defined benefit plan are given below:

(₹ in Thousands)

Gratuity (Funded)	As on 31.03.11	As on 31.03.10
<b>a) Actuarial Assumptions</b>		
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.15%	9.00%
Expected rate of future salary increase	10.00%	10.00%
<b>b) Reconciliation of opening and closing balances of present value of Defined Benefit obligation</b>		
Present value of obligations as at beginning of year	3116.00	2011.07
Interest cost	249.28	160.89
Current Service Cost	820.15	452.27
Benefits paid	(226.67)	(173.98)
Actuarial (gain)/loss on Obligations	1647.04	665.75
Present value of obligations as at end of year	5605.80	3116.00
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets as beginning of year	3717.39	690.75
Expected return on plan assets	357.91	276.45
Contributions	218.80	2924.17
Benefits paid	(226.67)	(173.98)
Actuarial Gain/(loss) on plan assets	NIL	NIL
Fair value of plan assets at the end of year	4067.43	3717.39
<b>d) Fair value of plan assets as on 31.03.2011</b>		
Fair value of plan assets at beginning of year	3717.39	690.75
Actual return on plan assets	357.91	276.45
Contribution	218.80	2924.17
Benefits paid	(226.67)	(173.98)
Fair value of plan assets at the end of year	4067.43	3717.39
Funded status	(1538.37)	601.39
Excess of Actual over estimated return on plan Assets	NIL	NIL



<b>e) Actuarial Gain/Loss recognized for the year 2010-11</b>		
Actuarial Gain/(Loss) for the year - Obligation	(1647.04)	(665.75)
Actuarial Gain/Loss for the year - Plan assets	NIL	NIL
Total (gain)/Loss for the year	1647.04	665.75
Actuarial (gain)/Loss for the year	1647.04	665.75
<b>f) The amounts recognized in the balance sheet</b>		
Present value of obligations as at the end of year	5605.80	3116.00
Fair value of plan assets as at the end of the year	4067.43	3717.39
Funded status	(1538.37)	601.39
Net (Asset)/liability recognized in balance sheet	1538.37	(601.39)
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>		
Current Service Cost	820.15	452.27
Interest cost	249.28	160.89
Expected return on plan assets	(357.91)	(276.45)
Net actuarial (gain)/Loss recognized in the year	1647.04	665.75
Expenses Recognized in statement of Profit & Loss	2358.56	1002.46

15. Other disclosures required under Companies Act. 1956/Schedule-VI.

(₹ in Thousands)

Particulars	For the year ended 31.03.11	For the year ended 31.03.10
a) CIF Value of Import:		
i) Components and spare parts for office equipments.	NIL	NIL
b) Expenditure incurred in foreign currency on account of:		
i) Know-how and professional fee	NIL	NIL
ii) Other matters (Foreign Travel)	8566.96	912.68
c) Earning in foreign exchange Towards professional fees.	2456.06	2572.03

16. In Notes on accounts, figures in brackets represent previous year figures. Elsewhere figures in brackets represent negative figures.

17. Previous Year figures have been recast / regrouped / rearranged / reclassified wherever considered necessary to conform to the classification adopted for the current year.

Signatures to Schedules 'A' to 'J'

M. V. K. KUMAR  
Chief Executive Officer

SUDERSHAN GUPTA  
Director

A.K. PURWAHA  
Chairman

As per our report of even date attached  
For R.VENDER GUPTA & ASSOCIATES  
Chartered Accountants  
Firm Regn. No. 002614N

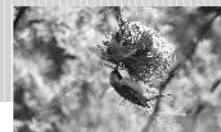
(RAGHVENDER GUPTA)

Partner

M. No. 081544

Place : New Delhi  
Date : May 18, 2011





## Statutory Information Pursuant to Part - IV of Schedule - VI to the Companies Act, 1956

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

 Registration No. 55-62371

 State Code 5 5

 Balance Sheet Date 3 1 0 3 2011

#### II. Capital Raised during the Year (₹ in Thousands)

Public Issue

NIL

Bonus Issue

NIL

Right Issue

NIL

Private Placement

NIL

#### III. Position of Mobilisation and Deployment of Funds (₹ in Thousands)

Total Liabilities

455862

Total Assets

455862

Sources of Funds

Paid up Capital

100000

Secured Loans

NIL

Reserves &amp; Surplus

445862

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

29649

Net Current Assets

413544

Deferred Tax (Asset) Net

4828

Investments

7841

Misc. Expenditure

NIL

Accumulated Losses

NIL

#### IV. Performance of the Company (Amount in ₹ Thousands)

Turnover

294914

Profit Before Tax

153186

Earning Per Share in ₹ (Rounded)

1022

Total Expenses

168025

Profit After Tax

102206

Dividend Rate %

325

#### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

a) Item Code No. (ITC Code)

**CONSULTANCY**

Product Description

**COMPANY**

b) Item Code No. (ITC Code)

**HENCE**

Product Description

**NOT**

c) Item Code No. (ITC Code)

**APPLICABLE**

Product Description

**Note:** ITC code of products as per Indian Trade Classification based on harmonised commodity description and coding system by Ministry or Commerce, Directorate General of Commercial Intelligence & Statistics.

M. V. K. KUMAR  
Chief Executive Officer

SUDERSHAN GUPTA  
Director

A.K. PURWAHA  
Chairman

Place : New Delhi

Date : May 18, 2011



## Comments of the Controller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Certification Engineers International Limited for the year ended 31 March, 2011

The preparation of financial statements of **Certification Engineers International Limited** for the year ended 31 March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18 May 2011.

I on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of **Certification Engineers International Limited** for the year ended 31 March 2011 and as such have no comments to make under Section 619(4) of the Companies Act 1956.

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

(Ila Singh)  
Principal Director of Commercial Audit  
& ex-officio Member, Audit Board-I  
New Delhi.

Place : New Delhi  
Date : July 04, 2011



## Directors' Report

The directors have pleasure in submitting their report and the audited financial statements for the financial year ended 31 December 2010.

### Principal activity

The principal activity of the Company is the provision of technical services to the oil, gas and other industrial projects. The Company has temporarily ceased its business operation in the financial year 2007.

Financial results	RM
Loss after taxation	23,199/-

### Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

### Issue of shares and debentures

The Company has not issued any shares or debentures during the financial year.

### Directorate

The directors in office since the date of last report are:-

DR.SAMAD BIN SOLBAI

ASHOK KUMAR PURWAHA

TAN HOR SENG

RAM SINGH

GORDHAN DAS GOYAL (Apptd.w.e.f. 09.11.2010)

RAJ KUMAR SAXENA (Resgd w.e.f. 31.05.2010)

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

### Directors' benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company or any of its related corporations was a party whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statement) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

### Other statutory information

- (a) Before the income statement and balance sheet were made out, the directors took reasonable steps :-
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances :
  - (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
  - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading, or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person.
  - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.
- (f) In the opinion of the directors,
  - (i) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;



- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the current financial year.

#### Holding Company

The directors' regard Engineers India Limited, a company incorporated in the Republic of India, as the ultimate holding company of the Company.

#### Auditors

Messrs. Sundar & Associates have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28<sup>th</sup> March, 2011.

GORDHAN DAS GOYAL  
Director  
Petaling Jaya

RAM SINGH  
Director

## Statement by Directors

Pursuant to Section 169 (15) of the Companies Act, 1965

We, Gordhan Das Goyal and Ram Singh being two of the directors of EIL ASIA PACIFIC SDN.BHD., do hereby state that, in the opinion of the directors, the accompanying balance sheet and statements of income, cash flows and changes in equity are drawn up in accordance with MASB approved accounting standards for private entities and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and of the results and the cash flows of the Company for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28<sup>th</sup> March, 2011.

GORDHAN DAS GOYAL  
Director

RAM SINGH  
Director

Petaling Jaya

## Statutory Declaration

I, Ram Singh, being the director primarily responsible for the accounting records and financial management of EIL ASIA PACIFIC SDN.BHD., do solemnly and sincerely declare that the accompanying balance sheet and statements of income, cash flows and changes in equity are to the best of my knowledge and belief correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

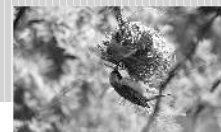
Subscribed and solemnly declared by )

the above named at Petaling Jaya in )

Selangor Darul Ehsan this 28<sup>th</sup> March, 2011.

No. 69A, Jalan SS 21/37  
Damansara Utama,  
47400 Petaling Jaya,  
Selangor Darul Ehsan

RAM SINGH  
Before me,  
Commissioner for Oaths



## Independent Auditors' Report to the Members of EIL ASIA PACIFIC SDN.BHD. (290200 - W)

### Report on the Financial Statements

We have audited the financial statements of EIL ASIA PACIFIC SDN. BHD., which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 17.

### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entities Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance and cash flows for the year then ended.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SUNDAR & ASSOCIATES  
AF No : 1127  
Chartered Accountants (M)  
Place : Petaling Jaya  
Date : March 28, 2011

SUNDARASANA/LARUMUGAM  
1876/02/12(J/PH)  
Chartered Accountant (M)

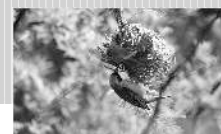


## Income Statement

FOR THE YEAR ENDED DECEMBER 31, 2010

	NOTES	2010 RM	2009 RM
REVENUE	3 (ii)	–	–
OTHER INCOME		6,522	6,892
DEPRECIATION		-	(28)
OTHER OPERATING EXPENSES		(28,417)	(35,817)
		<hr/>	<hr/>
LOSS BEFORE TAXATION	5	(21,895)	(28,953)
TAXATION	6	(1,304)	(1,378)
LOSS AFTER TAXATION		<hr/> (23,199) <hr/>	<hr/> (30,331) <hr/>

The annexed notes form an integral part of these financial statements.



## Balance sheet

AS AT DECEMBER 31, 2010

	NOTES	2010 RM	2009 RM
<b>NON-CURRENT ASSET</b>			
PLANT AND EQUIPMENT	7	2	2
<b>CURRENT ASSETS</b>			
OTHER RECEIVABLES AND DEPOSIT	8	3,381	2,483
FIXED DEPOSIT WITH A LICENSED BANK		272,043	266,419
CASH AND BANK BALANCES		3,699	31,906
		279,123	300,808
<b>CURRENT LIABILITIES</b>			
OTHER PAYABLES AND ACCRUED LIABILITIES	9	6,740	3,500
TAXATION		1,304	3,030
		8,044	6,530
<b>NET-CURRENT ASSET</b>		271,079	294,278
		271,081	294,280
<b>FINANCED BY :</b>			
<b>SHARE CAPITAL</b>	10	250,000	250,000
<b>ACCUMULATED PROFIT</b>		21,081	44,280
		271,081	294,280

The annexed notes form an integral part of these financial statements.



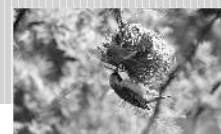
## Statement of changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2010

	SHARE CAPITAL	ACCUMULATED PROFIT	TOTAL
	RM	RM	RM
BALANCE AS AT 1 JANUARY 2010	250,000	44,280	294,280
LOSS AFTER TAXATION	-	( 23,199)	( 23,199)
<b>BALANCE AS AT 31 DECEMBER 2010</b>	<u>250,000</u>	<u>21,081</u>	<u>271,081</u>
BALANCE AS AT 1 JANUARY 2009	250,000	74,611	324,611
LOSS AFTER TAXATION	-	( 30,331)	( 30,331)
<b>BALANCE AS AT 31 DECEMBER 2009</b>	<u>250,000</u>	<u>44,280</u>	<u>294,280</u>

The annexed notes form an integral part of these financial statements.





## Cash Flow Statement

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 RM	2009 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
LOSS BEFORE TAXATION	(21,895)	(28,953)
ADJUSTMENT FOR :		
DEPRECIATION OF PLANT AND EQUIPMENT	-	28
INTEREST INCOME	(6,522)	(6,892)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(28,417)	(35,817)
CHANGES IN WORKING CAPITAL :		
OTHER RECEIVABLES	(898)	931
OTHER PAYABLES	3,240	-
<b>CASH ABSORBED BY OPERATIONS</b>	(26,075)	(34,886)
TAX PAID	(3,030)	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	(29,105)	(34,886)
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
INTEREST RECEIVED	6,522	6,892
<b>NET CASH FLOW FROM INVESTING ACTIVITY</b>	6,522	6,892
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(22,583)	(27,994)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	298,325	326,319
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	275,742	298,325
<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		
FIXED DEPOSIT WITH A LICENSED BANK	272,043	266,419
CASH AND BANK BALANCES	3,699	31,906
	275,742	298,325

THE ANNEXED NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



## Notes to the Financial Statements

DECEMBER 31, 2010

### 1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

### 2. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 28<sup>th</sup> March, 2011

### 3. Significant accounting policies

#### (i) Basis of preparation

The financial statements comply with applicable approved accounting standards for private entities issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

The financial statements have been prepared under the historical cost convention.

#### (ii) Revenue recognition

There is no revenue recognised as the Company has ceased its business operations in prior year.

#### Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

#### (iii) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment loss.

Depreciation on plant and equipment is calculated on a straight – line method based on the estimated useful lives of the assets.

The principal annual rates of depreciation used are as follows:

Office equipment	20%
Computer	20%

Plant and equipment is written down to recoverable amount if, the recoverable amount is less than their carrying value. Recoverable amount is the higher of an asset's net selling price and its value in use.

#### (iv) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity.



**(v) Provisions**

Provisions are recognised when the company has a present legal and constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

**(vi) Cash and cash equivalents**

Cash represent cash, bank balances and fixed deposits with financial institutions. Cash equivalents comprises of investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

**(vii) Employment benefit**

**a. Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**b. Defined contribution plan**

As required by law, companies in Malaysia make contributions to the Employee Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred.

**(viii) Receivables**

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

**(ix) Impairment of assets**

The carrying value of assets excluding deferred tax assets and financial assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount.

A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

**4. Principal activity**

The principal activity of the Company is the provision of technical services to the oil, gas and other industrial projects. The Company has temporarily ceased its business operation in the financial year 2007.

**5. Loss before taxation**

Loss before taxation is stated after charging: -

	2010 RM	2009 RM
Directors' fee	18,495	24,000
Auditor's remuneration	<u>1,750</u>	<u>3,500</u>
And crediting :		
Interest income	<u>6,522</u>	<u>6,892</u>

**6. Taxation**

	2010 RM	2009 RM
Tax charges	<u>1,304</u>	<u>1,378</u>

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows :

	2010 RM	2009 RM
Loss before taxation	<u>(21,895)</u>	<u>(28,953)</u>
Taxation at Malaysian statutory tax rate of 20%	(4,379)	(6,066)
Expenses not deductible for tax purposes	5,683	7,444
Tax expense for the year	<u>1,304</u>	<u>1,378</u>

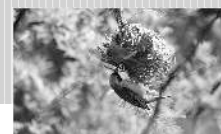
**a. Tax losses**

Subject to agreement of the Inland Revenue Board, the Company has the following available for set-off against future taxable income.

	2010 RM	2009 RM
Unutilised tax losses	746,875	746,875
Unutilised capital allowances	345	345
	<u>747,220</u>	<u>747,220</u>

**7. Plant and equipment**

Cost	Office equipment RM	Computer RM	Total RM
Balance brought forward	590	9,950	10,540
Addition	-	-	-
Disposal	-	-	-
Balance carried forward	<u>590</u>	<u>9,950</u>	<u>10,540</u>



## Accumulated depreciation

	Office equipment RM	Computer RM	Total RM
Balance brought forward	589	9,949	10,538
Current charge	-	-	-
Disposal	-	-	-
Balance carried forward	<u>589</u>	<u>9,949</u>	<u>10,538</u>

## Net book value

	Office equipment RM	Computer RM	Total RM
2010	<u>1</u>	<u>1</u>	<u>2</u>
2009	<u>1</u>	<u>1</u>	<u>2</u>

## 8. Other receivables and deposit

	2010 RM	2009 RM
Deposit	<u>3,381</u>	<u>2,483</u>

## 9. Other payables and accrued liabilities

	2010 RM	2009 RM
Accrued expenses	<u>6,740</u>	<u>3,500</u>

## 10. Share capital

	2010 RM	2009 RM
Authorised :		
500,000 Ordinary shares of RM 1/- each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid :		
250,000 Ordinary shares of RM 1/- each	<u>250,000</u>	<u>250,000</u>



## Income Statement

FOR THE YEAR ENDED DECEMBER 31, 2010

		2010 RM	2009 RM
<b>REVENUE</b>		-	-
Other income :			
Interest income		6,522	6,892
Depreciation	Appendix I	-	(28)
Other operating expenses	Appendix I	(28,417)	(35,817)
Net loss for the year		<u>(21,895)</u>	<u>(28,953)</u>

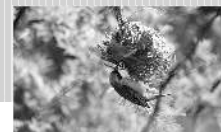
The management income statement is prepared from information furnished by the management of EIL Asia Pacific Sdn. Bhd. and does not form part of the audited financial statements of the Company.

## Schedule of Expenses

for the year ended 31 December, 2010

	2010 RM	2009 RM
<b>Depreciation</b>		
Computer	-	29
Office Equipment	-	(1)
	<u>-</u>	<u>28</u>
<b>Other operating expenses</b>		
Director's fee	18,495	24,000
Legal and professional fee	6,312	5,190
Auditors' remuneration	1,750	3,500
Tax fee	1,000	-
Miscellaneous expenses	1,000	1,000
Communication and courier	566	882
Printing and stationery	282	640
Service tax	554	405
Travelling expenses	150	150
Bank charges	58	50
Overprovision of auditors' remuneration	(1,750)	-
	<u>28,417</u>	<u>35,817</u>

This management schedule of expenses is prepared from information furnished by the management of EIL Asia Pacific Sdn. Bhd. and does not form part of the audited financial statements of the Company.



## Auditors' Report

### Auditors' Report on Consolidated Financial Statements of Engineers India Limited, its subsidiaries and joint ventures

The Board of Directors

**ENGINEERS INDIA LIMITED**

1. We have audited the attached Consolidated Balance Sheet of Engineers India Limited ("the Company"), its subsidiaries and joint venture as at March 31, 2011 and the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries and joint venture, whose financial statements reflect the company's share of total assets of ₹ 4628.37 Lakhs as at 31<sup>st</sup> March, 2011 and total revenue of ₹ 3222.92 Lakhs and total expenditure of ₹ 2326.30 Lakhs for the year ended on that date. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and joint venture, is based solely on the report of other auditors.
4. In respect of subsidiary EIL Asia Pacific Sdn. Bhd. the accounts drawn upto December 2010 have been used in the consolidation. As per information and explanations given to us, no significant transactions or other events occurred between reporting date as above and March 31, 2011, which require adjustment.
5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures".
6. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) In the case of Consolidated Balance Sheet of the consolidated state of affairs of Engineers India Limited, its subsidiaries and joint venture at March 31, 2011.
  - (b) In the case of Consolidated Profit & Loss Account of the consolidated results of operations of Engineers India Limited, its subsidiaries and joint venture for the year ended on that date; and
  - (c) In the case of Consolidated Cash Flow Statement of the consolidated cash flows of Engineers India Limited, its subsidiaries and joint venture for the year ended on that date.

For Jagdish Chand & Co.

Chartered Accountants

( RAVI GOEL )

PARTNER

Membership No. 078748

Firm Registration No. 000129N

Place : New Delhi

Date : May 26, 2011



# Consolidated Balance Sheet

AS AT MARCH 31, 2011

	SCHEDULE	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
SHARE CAPITAL	A	16846.84	5615.62
RESERVES & SURPLUS	B	132140.02	109806.09
<b>TOTAL</b>		<b>148986.86</b>	<b>115421.71</b>
<b>APPLICATION OF FUNDS</b>			
GOODWILL ON CONSOLIDATION		0.00	5.89
<b>FIXED ASSETS</b>			
GROSS BLOCK	C	19693.30	18643.35
LESS: DEPRECIATION		13369.01	12307.73
NET BLOCK		6324.29	6335.62
CAPITAL WORK-IN-PROGRESS		2194.10	1184.58
<b>INVESTMENTS</b>	D	51279.05	9748.91
DEFERRED TAX ASSET (NET)		17611.87	14191.56
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
INVENTORIES		87.49	97.25
WORK-IN-PROGRESS		21287.18	4222.49
SUNDRY DEBTORS		32784.51	32587.50
CASH & BANK BALANCES		179813.08	179448.20
OTHER CURRENT ASSETS		12521.30	21372.61
LOANS & ADVANCES		25751.82	18536.43
		<b>272245.38</b>	<b>256264.48</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
LIABILITIES	F	154524.43	140365.14
PROVISIONS		46143.40	31944.19
		<b>200667.83</b>	<b>172309.33</b>
<b>NET CURRENT ASSETS (E-F)</b>		<b>71577.55</b>	<b>83955.15</b>
<b>TOTAL</b>		<b>148986.86</b>	<b>115421.71</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS</b>			
<b>I</b>			

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

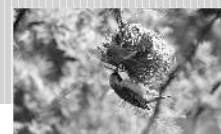
As per our report of even date attached.  
For Jagdish Chand & Co.  
Chartered Accountants

(RAVI GOEL)  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N





# Consolidated Profit & Loss Account

FOR THE YEAR ENDED MARCH 31, 2011

	SCHEDULE	2010-2011 ₹ IN LAKHS	2009-2010 ₹ IN LAKHS
<b>A. INCOME</b>	<b>G</b>		
-CONSULTANCY & ENGINEERING	115691.75	109326.32	
INCREASE (+) / (DECREASE) (-) IN WORK-IN-PROGRESS	(406.84)	(1,774.18)	
	<u>115284.91</u>	<u>107552.14</u>	
-LUMP SUM TURNKEY PROJECTS	152062.68	91104.03	
INCREASE (+) / (DECREASE) (-) IN WORK-IN-PROGRESS	17471.53	2742.53	
	<u>169534.21</u>	<u>93846.56</u>	201398.70
OTHER INCOME	15965.45		18296.95
<b>TOTAL</b>		<u><b>300784.57</b></u>	<u><b>219695.65</b></u>
<b>B. EXPENDITURE</b>	<b>H</b>		
TECHNICAL ASSISTANCE/SUB-CONTRACTS	64845.12	30212.00	
CONSTRUCTION MATERIALS & EQUIPMENTS	81189.23	55582.64	
SALARIES AND BENEFITS	52405.82	49116.58	
FACILITIES	3477.08	3016.75	
CORPORATE COSTS	3234.83	2079.87	
OTHERS	13732.51	11279.85	
DEPRECIATION & FIXED ASSETS WRITTEN OFF	1476.02	1317.09	
<b>TOTAL</b>		<u><b>220360.61</b></u>	<u><b>152604.78</b></u>
<b>PROFIT FOR THE YEAR (A-B)</b>		<b>80423.96</b>	<b>67090.87</b>
LESS: PRIOR PERIOD ADJUSTMENTS (NET)		583.54	81.97
<b>PROFIT BEFORE TAX</b>		<b>79840.42</b>	<b>67008.90</b>
LESS: PROVISION FOR TAXATION			
CURRENT TAX		30465.25	24971.46
DEFERRED TAX		<u>(3,420.31)</u>	<u>(2,315.08)</u>
		52795.48	44352.52
PRIOR PERIOD TAX ADJUSTMENTS (NET)			
CURRENT TAX		(333.43)	493.26
DEFERRED TAX		-	(188.13)
<b>PROFIT AFTER TAX</b>		<u><b>53128.91</b></u>	<u><b>44047.39</b></u>
ADD: TRANSFERRED FROM GENERAL RESERVE		0.00	56156.10
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>		<u><b>53128.91</b></u>	<u><b>100203.49</b></u>
<b>APPROPRIATION:</b>			
INTERIM DIVIDEND		3369.37	59525.47
PROPOSED FINAL DIVIDEND		13477.46	0.00
TAX ON INTERIM / PROPOSED DIVIDEND		2716.93	10145.42
<b>TRANSFER TO GENERAL RESERVE</b>		<u><b>33565.15</b></u>	<u><b>30532.60</b></u>
EARNING PER SHARE (BASIC & DILUTED) (IN ₹)		15.77	13.07
(FACE VALUE ₹ 5/- PER SHARE)			

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

As per our report of even date attached.  
For Jagdish Chand & Co.  
Chartered Accountants  
(RAVI GOEL)

PARTNER

Place : New Delhi  
Date : May 26, 2011

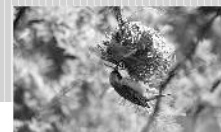
Membership No. 078748  
Firm Registration No. 000129N



# Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2011

	2010-2011 ₹ IN LAKHS	2009-2010 ₹ IN LAKHS
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENTS a	80423.96	67090.87
ADD:		
<b>i) ADJUSTMENT FOR:</b>		
DEPRECIATION	1493.07	1310.00
FIXED ASSETS WRITTEN OFF	24.72	7.23
GOODWILL ON CONSOLIDATION	5.89	-
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT IN JOINT VENTURES	9.80	0.00
DEFERRED REVENUE EXPENDITURE( V R S )	0.00	18.67
(PROFIT)/LOSS ON SALE OF FIXED ASSETS	3.97	1.57
<b>ii) OTHER INCOME:</b>		
INTEREST ON DEPOSITS/ADVANCES TO EMPLOYEES/INCOME TAX REUND ETC.	(12649.31)	(15311.70)
SHARE OF PROFIT ON TRADE INVESTMENT	-	(1.95)
CAPITAL GAIN ON SALE OF INVESTMENT	(68.14)	(1698.21)
DIVIDEND INCOME	(177.44)	(278.30)
<b>b</b>	<u>(11357.44)</u>	<u>(15952.69)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES <b>c=a+b</b>	69066.52	51138.18
<b>iii) ADJUSTMENT FOR:</b>		
(INCREASE)/DECREASE IN SUNDRY DEBTORS	(197.01)	(1686.29)
(INCREASE)/DECREASE IN INVENTORIES	9.76	(12.51)
(INCREASE)/DECREASE IN LOANS & ADVANCES/OTHER CURRENT ASSETS	(862.66)	912.92
(INCREASE)/DECREASE IN WORK IN PROGRESS	(17064.69)	(968.35)
INCREASE/(DECREASE) IN CURRENT LIABILITIES/PROVISIONS	21445.34	10424.27
<b>d</b>	<u>3330.74</u>	<u>8670.04</u>
CASH GENERATED FROM OPERATIONS <b>e=c+d</b>	72397.26	59808.22
LESS: TAX PAID <b>f</b>	27100.30	23832.72
CASH FLOW BEFORE PRIOR PERIOD ADJUSTMENTS <b>g=e-f</b>	45296.96	35975.50
PRIOR PERIOD ADJUSTMENTS <b>h</b>	(583.54)	(81.97)
NET CASH FLOW FROM OPERATING ACTIVITIES <b>i=g+h</b>	<u>44713.42</u>	<u>35893.53</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS(NET OF ADJ.)	(1522.72)	(1838.86)
CAPITAL WORK IN PROGRESS	(1009.52)	(331.56)
SALE OF FIXED ASSETS	12.29	8.54
INTEREST ON DEPOSITS/ADVANCES TO EMPLOYEES/INCOME TAX REUND ETC.	12938.47	15487.65
SHARE OF PROFIT ON TRADE INVESTMENT	-	1.95
DIVIDEND INCOME	177.44	278.30
CAPITAL GAIN ON SALE OF INVESTMENT	68.14	1698.21
INVESTMENT ( OTHERS)	(41539.94)	5399.98
NET CASH FLOW FROM INVESTING ACTIVITIES <b>j</b>	<u>(30875.84)</u>	<u>20704.21</u>



## Consolidated Cash Flow Statement (Contd.)

FOR THE YEAR ENDED MARCH 31, 2011

	2010-2011 ₹ IN LAKHS	2009-2010 ₹ IN LAKHS
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
DIVIDEND PAYMENT (INCLUDING DIVIDEND TAX)	-	(9197.97)
INTERIM DIVIDEND PAYMENT (INCLUDING DIVIDEND TAX)	(13472.70)	(60098.10)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>k</u> (13472.70)	<u>(69296.07)</u>
<b>INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<u>i+j+k</u> <b>364.88</b>	<u>(12698.33)</u>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	179448.20	192146.53
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	<u>179813.08</u>	<u>179448.20</u>
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u><b>364.88</b></u>	<u><b>(12698.33)</b></u>

### NOTES:

- The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements", notified by the Central Govt. under Companies (Accounting Standard) Rules, 2006.
- Cash & Cash Equivalents includes ₹ 70.81 Lakhs ( Previous year ₹ 5104.16 Lakhs ) on account of balances lying in Unclaimed Dividend Account.
- Cash & Cash Equivalents represents :
 

i) Cash and Stamps in Hands	30.06	68.86
ii) Cheques in Hand	2693.29	121.11
iii) Balance with Scheduled Banks in Current Account	7746.65	12130.34
iv) Balance with Scheduled Banks in Deposit Account	169181.06	166912.22
v) Balance with Non Scheduled Banks in Current Account	122.60	178.66
vi) Balance with Non Scheduled Banks in Deposit Account	39.42	37.01
<b>Total</b>	<u><b>179813.08</b></u>	<u><b>179448.20</b></u>
- Cash & Cash Equivalents includes ₹ 0.92 Lakhs ( Previous year ₹ 110.88 Lakhs ) pertaining to 'Joint Venture'.
- Previous year's figures have been regrouped wherever necessary in order to conform to this year presentation.

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

As per our report of even date attached.  
For Jagdish Chand & Co.  
Chartered Accountants

(RAVI GOEL)  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N



## SCHEDULES

## Schedule 'A'

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
600,000,000 EQUITY SHARES OF ₹ 5 EACH (100,000,000 EQUITY SHARES OF ₹ 10 EACH )	30000.00	10000.00
<b>ISSUED</b>		
337,017,600 EQUITY SHARES OF ₹ 5 EACH (56,196,600 EQUITY SHARES OF ₹ 10 EACH )	16850.88	5619.66
<b>SUBSCRIBED AND PAID UP*</b>		
336,936,600 EQUITY SHARES OF ₹ 5 EACH (56,156,100 EQUITY SHARES OF ₹ 10 EACH FULLY PAID UP) *	16846.83	5615.61
<b>ADD: FORFEITED SHARES</b>	0.01	0.01
AMOUNT ORIGINALLY PAID UP ON 2,600 EQUITY SHARES OF ₹ 5 EACH ( 1,300 EQUITY SHARES OF ₹ 10 EACH)	16846.84	5615.62

\* OUT OF THE ABOVE 161,720 EQUITY SHARES OF ₹ 5 EACH WERE ALLOTTED AS FULLY PAID UP PURSUANT TO A CONTRACT WITHOUT PAYMENT BEING RECEIVED IN CASH AND 334,999,200 EQUITY SHARES OF ₹ 5 EACH WERE ALLOTTED AS FULLY PAID BONUS SHARES BY WAY OF CAPITALISATION OF GENERAL RESERVE AND SHARE PREMIUM. (THIS INCLUDES 224,624,400 EQUITY SHARES OF ₹ 5 EACH ALLOTTED AS BONUS SHARES IN RATIO OF 2 : 1 DURING THE CURRENT YEAR)

## Schedule 'B'

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>RESERVES &amp; SURPLUS</b>		
<b>A. GENERAL RESERVE</b>		
BALANCE AS PER LAST BALANCE SHEET	108577.28	134200.78
ADD: TRANSFERRED FROM PROFIT & LOSS ACCOUNT	33565.15	30532.60
LESS: TRANSFERRED TO PROFIT AND LOSS ACCOUNT FOR PAYMENT OF SPECIAL INTERIM DIVIDEND	0.00	56156.10
LESS: UTILIZED FOR ISSUE OF BONUS SHARES	10311.12	131831.31
	<u>10311.12</u>	<u>0.00</u>
<b>B. SHARE PREMIUM ACCOUNT</b>		
BALANCE AS PER LAST BALANCE SHEET	920.10	920.10
LESS: UTILIZED FOR ISSUE OF BONUS SHARES	920.10	0.00
	<u>920.10</u>	<u>0.00</u>
<b>C. CAPITAL RESERVE</b>		
CAPITAL GRANT RECEIVED FROM OIL INDUSTRY DEVELOPMENT BOARD FOR R&D CENTRE	200.00	200.00
CAPITAL RESERVE (DUE TO CONSOLIDATION)	108.71	108.71
	<u>132140.02</u>	<u>109806.09</u>



## Schedule 'C'

### Fixed Assets

(₹ IN LAKHS)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31-Mar-10	ADD. FOR YR.	SOLD/ TRNS/ADJ.	AS ON 31-Mar-11	DEP UPTO 31-Mar-10	DEP FOR YEAR	DEP WRTN. BACK	TOT. DEP 31-Mar-11	WDV AS ON 31-Mar-11	WDV AS ON 31-Mar-10
LAND FREE HOLD	294.96	0.00	(3.12)	298.08	0.00	0.00	0.00	0.00	298.08	294.96
LAND LEASEHOLD	795.17	0.00	3.12	792.05	6.10	0.21	0.00	6.31	785.74	789.07
BUILDING*	4550.71	65.25	125.06	4490.90	2549.01	157.44	101.91	2604.54	1886.36	2001.70
PLANT & MACHINERY	1371.63	12.66	166.97	1217.32	1301.38	4.97	163.88	1142.47	74.85	70.25
FURNITURE, FIXTURES AND OFFICE/CONSTN. EQUIPMENT	2304.32	115.54	38.46	2381.40	1631.33	104.76	34.02	1702.07	679.33	672.99
COMPUTER HARDWARE	5991.45	992.93	141.96	6842.42	3967.87	674.96	131.67	4511.16	2331.26	2023.58
COMPUTER SOFTWARE	2896.89	298.16	0.00	3195.05	2414.03	512.55	0.00	2926.58	268.47	482.86
MOTOR VEHICLES	9.14	0.00	0.04	9.10	8.93	0.00	0.03	8.90	0.20	0.21
LIBRARY BOOKS	429.08	38.18	0.28	466.98	429.08	38.18	0.28	466.98	0.00	0.00
<b>TOTAL</b>	<b>18643.35</b>	<b>1522.72</b>	<b>472.77</b>	<b>19693.30</b>	<b>12307.73</b>	<b>1493.07</b>	<b>431.79</b>	<b>13369.01</b>	<b>6324.29</b>	<b>6335.62</b>
PREVIOUS YEAR	17106.79	1840.53	303.97	18643.35	11282.68	1310.00	284.95	12307.73	6335.62	5824.11
CAPITAL WORK IN PROGRESS									2194.10	1184.58

\* THE ABOVE INCLUDES BUILDING HAVING COST AND WRITTEN DOWN VALUE OF ₹ 8.86 LAKHS (PREVIOUS YEAR ₹ 8.86 LAKHS) AND ₹ 2.39 LAKHS (PREVIOUS YEAR ₹ 2.60 LAKHS) RESPECTIVELY, WHICH IS NOT IN USE PENDING CLERANCE FROM KOLKATA MUNICIPAL CORPORATION.

DEPRECIATION FOR THE YEAR INCLUDES PRIOR PERIOD DEPRECIATION ₹ 41.77 LAKHS (PREVIOUS YEAR ₹ 0.14 LAKHS)

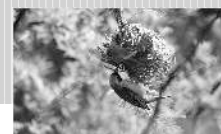
NET FIXED ASSET INCLUDES ₹ 20.64 LAKHS (PREVIOUS YEAR ₹ 24.37 LAKHS) SHARE OF 'JOINT VENTURE'.



## Schedule 'D'

		AS AT 31-03-2011 ₹ IN LAKHS		AS AT 31-03-2010 ₹ IN LAKHS	
INVESTMENTS					
LONG TERM INVESTMENTS					
AT COST					
I. TRADE					
UNQUOTED					
CAPITAL CONTRIBUTION IN PETROLEUM INDIA INTERNATIONAL		500.00		500.00	
SHARE IN ACCUMULATED SURPLUS OF * PETROLEUM INDIA INTERNATIONAL		<u>613.93</u>	1113.93	<u>632.30</u>	1132.30
			<u>1113.93</u>		<u>1132.30</u>
II. OTHER THAN TRADE					
QUOTED					
IN UNITS OF FIXED MATURITY PLAN OF MUTUAL FUNDS					
6,000,000 (NIL)	UTI FIXED TERM INCOME FUND SERIES VII - III (367 DAYS ) - GROWTH PLAN OF ₹ 10 EACH		600.00		0.00
6,000,000 (NIL)	SBI DEBT FUND SERIES -370 DAYS- 4 GROWTH PLAN OF ₹ 10 EACH		600.00		0.00
10,000,000 (NIL)	SBI DEBT FUND SERIES-370 DAYS-5-GROWTH PLAN OF ₹ 10 EACH		1000.00		0.00
100,000,000 (NIL)	SBI DEBT FUND SERIES- 370 DAYS-9-GROWTH OF ₹ 10 EACH		10000.00		0.00
50,000,000 (NIL)	UTI FMP - YEARLY FMP SERIES : YFMP (01/11) INSTITUTIONAL GROWTH PLAN OF ₹ 10 EACH		5000.00		0.00
100,000,000 (NIL)	SBI DEBT FUND SERIES-370 DAYS-10- GROWTH PLAN OF ₹ 10 EACH		10000.00		0.00
16,000,000 (NIL)	IDBI FMP-367 DAYS SERIES-1 (MARCH 2011) PLAN-C-GROWTH PLAN OF ₹ 10 EACH		1600.00		0.00
25,000,000 (NIL)	IDBI FMP-367 DAYS SERIES-1 (MARCH 2011) PLAN-D-GROWTH PLAN OF ₹ 10 EACH		2500.00		0.00
75,000,000 (NIL)	UTI FIXED TERM INCOME FUND SERIES IX- I - (367 DAYS)- GROWTH PLAN OF ₹ 10 EACH		7500.00		0.00
82,000,000 (NIL)	SBI DEBT FUND SERIES-370 DAYS-11- GROWTH PLAN OF ₹ 10 EACH		8200.00		0.00
			<u>47000.00</u>		<u>0.00</u>

\* REFER NOTE NO. -- 2 OF SCHEDULE - J OF HOLDING COMPANY



## Schedule 'D' (Contd.)

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>UNQUOTED</b>		
<b>INVESTMENT IN JOINT VENTURE COMPANIES</b>		
1) TECNIMONT EIL EMIRATES -CONSULTORES E SERVICOS, LDA	100.62	0.00
QUOTA : 1,50,000 EURO OF SHARE CAPITAL		
LESS : PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT	<u>26.52</u>	<u>0.00</u>
	74.10	0.00
<b>INVESTMENT IN UNITS OF MUTUAL FUNDS</b>		
23,298,618.392 UTI FIXED INCOME INTERVAL FUND-ANNUAL INTERVAL	3000.00	1000.00
(8,295,381.961) PLAN SERIES - I - INSTITUTIONAL GROWTH PLAN OF ₹ 10 EACH		
	<u>3074.10</u>	<u>1000.00</u>
<b>TOTAL (A)</b>	<u><b>51188.03</b></u>	<u><b>2132.30</b></u>
<b>CURRENT INVESTMENTS</b>		
<b>OTHER THAN TRADE</b>		
<b>INVESTMENT IN UNITS OF MUTUAL FUNDS</b>		
<b>UNQUOTED</b>		
NIL UTI LIQUID CASH PLAN INSTITUTIONAL - DAILY INCOME	0.00	2200.64
(215,866.183) OPTION- REINVESTMENT OF ₹ 1000 EACH		
NIL LIC MUTUAL FUND LIQUID FUND - DIVIDEND PLAN	0.00	5415.97
(49,325,320.281) OF ₹ 10 EACH		
513.998 UTI - TREASURY ADVANTAGE FUND	12.62	0.00
(NIL) OF ₹ 1000 EACH		
7,839.073 UTI - TREASURY ADVANTAGE FUND	78.40	0.00
(NIL) OF ₹ 1000 EACH		
<b>TOTAL (B)</b>	<u><b>91.02</b></u>	<u><b>7616.61</b></u>
<b>TOTAL (A+B)</b>	<u><b>51279.05</b></u>	<u><b>9748.91</b></u>

ABOVE INCLUDES ₹ 12.62 LAKHS (PREVIOUS YEAR NIL) SHARE OF 'JOINT VENTURE'.

AGGREGATE VALUE OF QUOTED INVESTMENTS - BOOK VALUE	47000.00	0.00
AGGREGATE VALUE OF QUOTED INVESTMENTS - MARKET VALUE	47609.20	0.00
AGGREGATE VALUE OF UNQUOTED INVESTMENTS - BOOK VALUE	4279.05	9748.91

### INVESTMENTS PURCHASED AND SOLD DURING THE YEAR ENDED MARCH 31,2011

NAME OF THE FUND	FACE VALUE ₹	UNITS (IN NO'S)	COST (₹ IN LAKHS)
LIC NOMURA MF LIQUID FUND- DIVIDEND PLAN	10	306043949.455	33603.93
SBI PREMIER LIQUID FUND-INSTITUTIONAL-DAILY DIVIDEND	10	16944928.981	1700.00
SBI PREMIER LIQUID FUND-SUPER INSTITUTIONAL-DAILY DIVIDEND	10	377423374.034	37865.00
SBI MAGNUM INSTA CASH FUND -DAILY DIVIDEND OPTION	10	328657980.747	55051.20
UTI LIQUID CASH PLAN INSTITUTIONAL - DAILY INCOME OPTION-REINVESTMENT	1000	4862293.494	49568.44
IDBI LIQUID FUND - DAILY DIVIDEND-REINVESTMENT	1000	1156500.000	11565.00
LIC NOMURA INCOME PLUS FUND - DIVIDEND PLAN	10	212502382.797	21250.24
SBI DEBT FUND SERIES - 180 DAYS-11- DIVIDEND	10	17000000.000	1700.00
SBI-SHF- ULTRA SHORT TERM FUND - INSTITUTIONAL PLAN- DAILY DIVIDEND	10	224902884.185	22503.78
UTI TREASURY ADVANTAGE FUND - INSTITUTIONAL PLAN - DAILY DIVIDEND- REINVESTMENT PLAN	1000	1886838.518	18872.42
UTI TREASURY ADVANTAGE FUND	1000	61084.930	610.98
UTI TREASURY ADVANTAGE FUND	1000	504.50	12.38

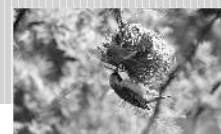


## Schedule 'E'

	AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
<b>1) INVENTORIES</b>		
STORES, SPARES AND CHEMICALS IN HAND	87.49	97.25
<b>2) WORK IN PROGRESS*</b>	21287.18	4222.49
<b>3) SUNDRY DEBTORS (UNSECURED)</b>		
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS:		
CONSIDERED GOOD	8460.70	7044.76
CONSIDERED DOUBTFUL	4961.00	4941.24
	13421.70	11986.00
OTHER DEBTS: CONSIDERED GOOD	24323.81	25542.74
	37745.51	37528.74
LESS: PROVISION FOR DOUBTFUL DEBTS	4961.00	4941.24
	32784.51	32587.50
<b>4) CASH AND BANK BALANCES</b>		
CASH AND STAMPS IN HAND	30.06	68.86
CHEQUES IN HAND	2693.29	121.11
WITH SCHEDULED BANKS IN CURRENT ACCOUNTS @	7746.65	12130.34
WITH SCHEDULED BANKS IN TERM DEPOSIT ACCOUNTS @	169181.06	166912.22
((INCLUDES ₹ 418.97 LAKHS (₹ 463.04 LAKHS) HELD UNDER LIEN AGAINST BANK GUARANTEE)		
WITH NON SCHEDULED BANKS IN CURRENT ACCOUNTS @@	122.06	178.66
WITH NON SCHEDULED BANKS IN DEPOSIT ACCOUNTS @@@	39.42	37.01
	179813.08	179448.20
<b>5) OTHER CURRENT ASSETS</b>		
INTEREST ACCRUED ON BANK DEPOSITS	4996.49	5084.30
INCOME ACCRUED - JOBS	7524.81	16288.31
	12521.30	21372.61
<b>CARRIED FORWARD</b>	<b>246493.56</b>	<b>237728.05</b>

ABOVE INCLUDES ₹ 0.92 LAKHS ( PREVIOUS YEAR ₹ 110.88 LAKHS) SHARE OF 'JOINT VENTURE'.





## Schedule 'E' (Contd.)

		AS AT 31-03-2011 ₹ IN LAKHS	AS AT 31-03-2010 ₹ IN LAKHS
BROUGHT FORWARD		246493.56	237728.05
(B) LOANS & ADVANCES			
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED:			
SECURED- CONSIDERED GOOD @@@@		3097.14	3481.30
UNSECURED-CONSIDERED GOOD @@@@	22112.51		12175.98
UNSECURED-CONSIDERED DOUBTFUL	10.04		8.67
	22122.55		12184.65
LESS: PROV. FOR DOUBTFUL ADVANCES	10.04	22112.51	8.67
		25209.65	15657.28
ADVANCE INCOME TAX ( NET)		0.00	2209.48
ADVANCE FRINGE BENEFIT TAX	370.29		640.43
LESS: PROVISION FOR FRINGE BENEFIT TAX	335.27	35.02	605.47
			34.96
<b>SECURITY DEPOSIT</b>			
UNSECURED- CONSIDERED GOOD ***	220.85		348.41
UNSECURED-CONSIDERED DOUBTFUL	0.35		0.35
	221.20		348.76
LESS: PROV. FOR DOUBTFUL DEPOSITS	0.35	220.85	0.35
			348.41
CLAIMS RECEIVABLE		286.30	286.30
		25751.82	18536.43
		272245.38	256264.48

ABOVE INCLUDES ₹ 18.98 LAKHS (PREVIOUS YEAR ₹ 14.15 LAKHS) SHARE OF 'JOINT VENTURE'.

\* AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT

\*\* INCLUDES ₹ 24.97 LAKHS (PREVIOUS YEAR ₹ 82.50 LAKHS) AS RETENTION MONEY  
AGAINST CONTRACTS

@ INCLUDES ₹ 7466.44 LAKHS ( PREVIOUS YEAR ₹ 11219.89 LAKHS) HELD  
ON BEHALF OF CLIENTS/THIRD PARTIES INCLUDING  
MOBILISATION ADVANCE AND UNCLAIMED DIVIDEND ACCOUNT

	AS AT 31-03-2011 ₹ IN LAKHS		AS AT 31-03-2010 ₹ IN LAKHS	
	CLOSING BALANCE	MAXIMUM BALANCE	CLOSING BALANCE	MAXIMUM BALANCE
@@ IN CURRENT ACCOUNT WITH:				
I) B.E.D. ALGERIE, ALGERIA	104.91	130.56	66.20	127.61
II) BURGAN BANK - KUWAIT	16.94	27.38	25.76	86.63
III) NATIONAL COMMERCIAL BANK, TRIPOLI	0.21	0.21	0.20	0.24
IV) CIMB BANK, MAYLAISIA	0.54	4.43	4.43	9.28
V) BANCO ESPIRITO SANTO	0.00	0.00	82.07	82.07
	<u>122.60</u>		<u>178.66</u>	
@@@ IN DEPOSIT ACCOUNT WITH				
I) CIMB BANK, MALAYSIA	39.42	39.42	37.01	37.01
	<u>39.42</u>		<u>37.01</u>	
@@@@ INCLUDES DUE FROM DIRECTORS ON ACCOUNT OF ADVANCES INCLUDING LOANS & ADVANCES GIVEN FOR HOUSE BUILDING& VEHICLE ETC. AS PER POLICY OF THE COMPANY CONSIDERED GOOD	13.04	22.27	7.06	26.92

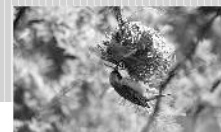


## Schedule 'F'

	AS AT 31-03-2011		AS AT 31-03-2010	
	₹ IN LAKHS		₹ IN LAKHS	
CURRENT LIABILITIES AND PROVISIONS				
(A) CURRENT LIABILITIES				
SUNDRY CREDITORS	30893.55		19300.93	
SECURITY DEPOSITS	15150.46		14016.03	
ADVANCES	88703.91		80019.21	
SERVICE TAX PAYABLE	2634.77		2598.23	
UNCLAIMED DIVIDEND *	70.81		5104.16	
OTHER LIABILITIES	<u>17070.93</u>	154524.43	<u>19326.58</u>	140365.14
(B) PROVISIONS				
EMPLOYEES' POST RETIREMENT/ LONG TERM BENEFITS	5991.20		3772.52	
CONTRACTUAL OBLIGATIONS	23666.25		18598.88	
PROVISION FOR TAXATION	76199.22		56370.85	
LESS: ADVANCE INCOME TAX	<u>75377.12</u>	822.10	<u>56370.85</u>	0.00
PROPOSED DIVIDEND	13477.46		0.00	
TAX ON DIVIDEND	<u>2186.39</u>	46143.40	<u>9572.79</u>	31944.19
	<u>200667.83</u>		<u>172309.33</u>	

ABOVE INCLUDES ₹ 19.40 LAKHS (PREVIOUS YEAR ₹ 7.91 LAKHS) SHARE OF 'JOINT VENTURE'.

\* THIS DOES NOT INCLUDE ANY AMOUNT DUE FOR PAYMENT  
TO INVESTOR EDUCATION AND PROTECTION FUND



## Schedule 'G'

	2010-2011 ₹ IN LAKHS		2009-2010 ₹ IN LAKHS	
I) INCOME				
A) CONSULTANCY & ENGINEERING SERVICES	115691.75		109326.32	
	<u>115691.75</u>		<u>109326.32</u>	
B) LUMPUSUM TURNKEY PROJECTS	152062.68		91104.03	
	<u>152062.68</u>		<u>91104.03</u>	
	<u>267754.43</u>		<u>200430.35</u>	
II) INCREASE/(DECREASE) IN WORK-IN-PROGRESS				
A) CONSULTANCY & ENGINEERING SERVICES				
CLOSING WORK-IN-PROGRESS	854.20		1261.04	
LESS: OPENING WORK-IN-PROGRESS	<u>1261.04</u>	(406.84)	<u>3035.22</u>	(1774.18)
B) LUMPUSUM TURNKEY PROJECTS				
CLOSING WORK-IN-PROGRESS	20432.98		2961.45	
LESS: OPENING WORK-IN-PROGRESS	<u>2961.45</u>	17471.53	<u>218.92</u>	2742.53
		<u>17064.69</u>		<u>968.35</u>
III) OTHER INCOME				
INTEREST EARNED (GROSS)				
TAX DEDUCTED AT SOURCE ₹ 1195.10 LAKHS (₹ 2064.14 LAKHS)				
ON BANK DEPOSITS	11802.59		14931.84	
ON OTHER DEPOSITS	0.00		1.05	
ON ADVANCES TO EMPLOYEES	184.76		229.21	
ON INCOME TAX REFUND	397.08		0.00	
OTHERS	<u>264.88</u>		<u>149.60</u>	
	<u>12649.31</u>		<u>15311.70</u>	
INCOME FROM LONG TERM INVESTMENTS:				
SHARE OF PROFIT FROM AOP (TRADE INVESTMENT)	0.00		1.95	
DIVIDEND INCOME FROM CURRENT INVESTMENTS	177.44		278.30	
CAPITAL GAIN ON INVESTMENTS	68.14		1698.21	
FUNDS RECD. FOR EXPENDITURE				
AGAINST R&D	165.45		50.68	
LESS: UTILISATION	<u>(165.45)</u>	-	<u>(50.68)</u>	-
PROFIT ON SALE OF ASSETS	1.50		2.18	
FOREIGN EXCHANGE DIFFERENCE (NET)	190.13		442.64	
PROVISIONS NO LONGER REQUIRED WRITTEN BACK	1872.54		126.99	
MISCELLANEOUS INCOME	<u>1006.39</u>		<u>434.98</u>	
	<u>3316.14</u>	<u>15965.45</u>	<u>2985.25</u>	<u>18296.95</u>

ABOVE INCLUDES ₹ 0.69 LAKHS (PREVIOUS YEAR NIL) SHARE OF 'JOINT VENTURE'.



## Schedule 'H'

		2010-2011 ₹ IN LAKHS		2009-2010 ₹ IN LAKHS
EXPENDITURE				
I) TECHNICAL ASSISTANCE/SUB CONTRACTS		<u>64845.12</u>		<u>30212.00</u>
II) CONSTRUCTION MATERIALS & EQUIPMENTS		<u>81189.23</u>		<u>55582.64</u>
III) SALARIES & BENEFITS				
SALARIES AND ALLOWANCES*				
STAFF @	42036.37		37912.63	
DIRECTORS	<u>287.17</u>	42323.54	<u>239.30</u>	38151.93
CONTRIBUTION TOWARDS EMPLOYEES` PENSION AND PROVIDENT FUND & ADMINISTRATION CHARGES THEREON:				
STAFF	2772.39		2461.71	
DIRECTORS	<u>14.37</u>	2786.76	<u>9.86</u>	2471.57
CONTRIBUTION TOWARDS EMPLOYEES` DEFINED CONTRIBUTORY SUPERANNUATION SCHEME:				
STAFF	1922.27		4495.08	
DIRECTORS	<u>9.74</u>	1932.01	<u>21.65</u>	4516.73
STAFF WELFARE				
STAFF	4891.86		3124.00	
DIRECTORS	<u>5.90</u>	4897.76	<u>13.16</u>	3137.16
CONTRIBUTION TO GRATUITY FUND**	463.01		841.69	
LESS: CONTRIBUTION RECEIVED FROM OTHERS	<u>2.66</u>	460.35	<u>5.40</u>	836.29
SITTING FEES TO INDEPENDENT DIRECTORS		5.40		2.90
		<u>52405.82</u>		<u>49116.58</u>

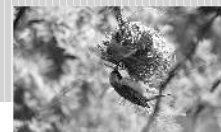
ABOVE INCLUDES ₹ 84.58 LAKHS (PREVIOUS YEAR ₹ 58.69 LAKHS) SHARE OF 'JOINT VENTURE'.

\* INCLUDES PROVISION FOR BONUS

OF ₹ 0.09 LAKHS (PREVIOUS YEAR ₹ 0.15 LAKHS)

\*\* INCLUDES TERM INSURANCE PREMIUM PAID TO LIC OF INDIA

@ INCLUDES ₹ 40.81 LAKHS (PREVIOUS YEAR ₹ 62.46 LAKHS) AS PER ACCOUNTING  
POLICY -11(f) OF HOLDING COMPANY TOWARDS PAYMENT ON ACCOUNT OF VOLUNTARY  
RETIREMENT SCHEME TO EMPLOYEES UNDER RETIREMENT BENEFITS.



## Schedule 'H' (Contd.)

	2010-2011		2009-2010	
	₹ IN LAKHS		₹ IN LAKHS	
IV) FACILITIES				
RENT :				
OFFICE		371.21		276.91
RESIDENTIAL ACCOMMODATION				
STAFF	468.87		481.43	
DIRECTORS	29.13	498.00	9.97	491.40
LESS: RECOVERED - STAFF	74.12		92.76	
- DIRECTORS	3.67	77.79	4.84	97.60
		420.21		393.80
LIGHT, WATER & POWER		692.69		688.42
INSURANCE		230.98		89.81
MISC. REPAIRS & MAINTENANCE *		1701.87		1515.19
HIRE CHARGES OF OFFICE EQUIPMENTS		60.12		52.62
		3477.08		3016.75
V) CORPORATE COST				
BANK CHARGES		255.19		208.63
INTEREST		147.05		129.08
ADVERTISMENT FOR TENDER & RECRUITMENT		1253.84		927.61
PUBLICITY		592.26		36.50
SUBSCRIPTION		59.29		77.23
ENTERTAINMENT		190.79		185.85
REMUNERATION TO AUDITORS:				
FOR AUDIT #	6.58		5.65	
FOR TAX AUDIT	1.20		1.14	
OTHERS	3.64		3.34	
FOR OUT OF POCKET EXPENSES AND SERVICE TAX	1.81	13.23	1.55	11.68
FILING FEE		124.77		3.15
LEGAL & PROFESSIONAL CHARGES		451.15		399.71
LICENCES & TAXES		141.79		96.68
LOSS ON SALE OF ASSETS		5.47		3.75
		3234.83		2079.87

ABOVE INCLUDES ₹ 20.33 LAKHS (PREVIOUS YEAR ₹ 15.09 LAKHS) SHARE OF 'JOINT VENTURE'.

\* INCLUDES ₹ 272.83 LAKHS (PREVIOUS YEAR ₹ 218.05 LAKHS) FOR REPAIRS & MAINTENANCE OF OWN BUILDING AND ₹ 212.60 LAKHS (PREVIOUS YEAR ₹ 245.39 LAKHS) FOR PLANT & MACHINERY

# DOES NOT INCLUDE ₹ 3.31 LAKHS (PREVIOUS YEAR NIL) FEES PAID FOR PROFESSIONAL SERVICES IN CONNECTION WITH OFFER FOR SALE BY GOVERNMENT OF INDIA, WHICH WERE REIMBURSED TO THE COMPANY.

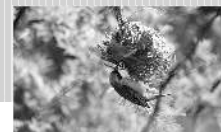


## Schedule 'H' (Contd.)

	2010-2011		2009-2010	
	₹ IN LAKHS		₹ IN LAKHS	
VI) OTHERS				
CONSUMABLES/STORES		4.98		2.32
TRAVEL & CONVEYANCE				
DIRECTORS @	64.89		40.49	
OTHERS	<u>5632.66</u>	5697.55	<u>4866.49</u>	4906.98
PRINTING, STATIONERY & GENERAL OFFICE SUPPLIES		466.79		418.00
NEWSPAPERS AND PERIODICALS		39.97		45.12
POSTAGE & TELECOMMUNICATIONS		498.17		498.96
COURIER, TRANSPORTATION & HANDLING		164.04		99.02
GOODWILL ON CONSOLIDATION ADJUSTED		5.89		0.00
COMMISSION TO FOREIGN AGENTS		153.00		94.91
PROVISION FOR DOUBTFUL DEBTS & ADVANCES (NET)		21.13		145.46
BAD DEBTS WRITTEN OFF		174.07		0.00
PROVISION FOR CONTRACTUAL OBLIGATIONS		6065.10		4757.56
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT IN JOINT VENTURES		9.80		0.00
TRAINING EXPENSES				
TRAVEL	34.56		45.20	
OTHERS	<u>156.78</u>	191.34	<u>141.75</u>	186.95
MISCELLANEOUS EXPENSES		288.83		125.92
		<u>13780.66</u>		<u>11281.20</u>
LESS: EXPENDITURE RELATING TO CAPITAL WORKS		48.15		1.35
		<u>13732.51</u>		<u>11279.85</u>
VII) DEPRECIATION & FIXED ASSETS WRITTEN OFF				
DEPRECIATION	1451.30		1309.86	
FIXED ASSETS WRITTEN OFF	<u>24.72</u>	<u>1476.02</u>	<u>7.23</u>	<u>1317.09</u>
		<u>1476.02</u>		<u>1317.09</u>

ABOVE INCLUDES ₹ 22.86 LAKHS (PREVIOUS YEAR ₹ 25.69 LAKHS) SHARE OF 'JOINT VENTURE'.

@ INCLUDES RECOVERY OF ₹ 0.59 LAKHS ON  
ACCOUNT OF USE OF CAR (PREVIOUS YEAR ₹ 0.53 LAKHS)



## Schedule 'I'

### Statement of Accounting Policies and Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2011

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### a) BASIS OF ACCOUNTING

The Financial Statements are prepared under the historical cost convention and comply with the applicable Accounting Standards and the relevant provisions of the Companies Act, 1956.

##### b) PRINCIPLES OF CONSOLIDATION

i) The Consolidated Financial Statements relate to Engineers India Limited "the Company", its wholly owned Subsidiary Companies and Joint Venture Company. The Consolidated Financial Statements have been prepared on the following basis:-

- The Financial Statements of the Company and its Subsidiary Companies have been Consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
- The Financial Statements of the Company and its Joint Venture Company have been consolidated by applying proportionate consolidation method on a line by line basis for items of assets, liabilities and expenses after eliminating proportionate share of unrealized Profit or Loss in accordance with Accounting standard (AS-27) "Financial Reporting of interests in Joint Ventures" as notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
- 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 Company's separate Financial Statements, except in cases as mentioned under S.No. 3 of Notes to the Consolidated Financial Statements.
- The excess of the cost to the Company of its Investment in Subsidiaries or Joint Venture over its proportionate share in the equity of investee Company at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill. In case the cost of investment in a Subsidiaries or Joint Venture is less than the proportionate share in the equity of the investee company as on the date of investment, the difference is recognized as Capital Reserve in the Consolidated Financial Statements.

##### • FOREIGN EXCHANGE TRANSLATIONS

For the purpose of preparation of Consolidated Financial Statements, assets and liabilities (other than fixed assets) of Overseas Subsidiary/ Joint Venture have been translated at the rate of exchange prevailing on the date of balance sheet of the foreign Subsidiary Company/ Joint Venture and all items of the profit and loss accounts have been translated at average monthly Exchange Rates and the resultant differences are taken directly to the profit and loss account under "Difference in Exchange (Net)".

ii) The Subsidiary Companies/ Joint Venture considered in the Consolidated Financial Statements are:

Name of the Company	Relationship	Country of Incorporation	% Share holding held as at 31st March, 2011
Certification Engineers International Limited	Subsidiary	India	100
EIL Asia Pacific Sdn. Bhd.	Subsidiary	Malaysia	100
TEIL Projects Limited	Joint Venture	India	50

iii) The reporting date of Financial Statements of EIL Asia Pacific Sdn. Bhd. (Foreign Subsidiary of the Company) is December 31, 2010 which is different from that of 'the Company'. Adjustment has been made for the effects of significant transactions that occurred between reporting date of Foreign Subsidiary Company and the date of 'the Company's Financial Statements.



- iv) The joint venture "Tecnimont EIL Emirates Consultores E Servicos LDA" has not been proportionately consolidated in the financial statements for the year 2010-11 of the Company, as the joint venture was under liquidation and formally liquidated & registration cancelled on April 4, 2011. The residual proceeds amounting to ₹.74.10 lakhs (after providing for diminution in value of investment) is accounted for as an investment in accordance with (AS-13), "Accounting for Investments" and the carrying amount of goodwill arising on consolidation of joint venture till last balance sheet date was adjusted.

**c) OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are set out in the notes to accounts under "Statement of Accounting Policies" of the respective financial statements of 'the Company', Certification Engineers International Limited and EIL Asia Pacific Sdn. Bhd. (Subsidiaries).

**II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. Contingent Liabilities**

**A) Claims against the Company not acknowledged as debt.**

- i) Commercial claims pending in the Courts or lying with Arbitrators amounting to ₹205.18 Lakhs (₹7075.67 Lakhs).
- ii) Few cases relating to the employees/others are pending in the Court against the Company, in respect of which the liability is not ascertainable.

**B) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹3884.31 Lakhs (₹5589.61 Lakhs).**

**C) Income Tax/Fringe Benefit Tax assessments have been completed upto the assessment year 2008-09. Income Tax/Fringe benefit Tax liability, if any, in respect of pending assessments for the assessment years 2009-10 and 2010-11 cannot be ascertained although tax as per return/revised return has been paid in full.**

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 ₹2099.23 lakhs for Assessment years 2008-09 and 2009-10.

Income Tax Department is in appeal for an amount of ₹662.27 lakhs with Income Tax Appellate Tribunal against the Commissioner of Income Tax (Appeals) Orders in Company's favour u/s 250 for the Assessment Years 2002-03, 2004-05, 2006-07 and 2007-08.

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹2.55 Lakhs against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

Wealth Tax Assessments have been completed upto the Assessment Year 2008-09. Wealth Tax liability, if any, in respect of pending assessments for the Assessment Years 2009-10 and 2010-11 cannot be ascertained although tax on returned wealth has been paid in full.

Company has filed an appeal against demand of Service Tax for ₹1.58 lakhs (₹1.58 Lakhs) and interest/penalty thereon by Additional Commissioner Service Tax, Delhi for the financial year 1997-98 before Commissioner of Central Excise (Appeals).

Company has filed an appeal against demand of service tax (inclusive of penalty of ₹31.44 Lakhs) for ₹62.87 lakhs (₹62.87 lakhs) and interest thereon by Additional Commissioner, Service Tax, Delhi for the period 01.4.2002 to 17.4.2006 before Commissioner of Central Excise (Appeals).

Service Tax Department is in appeal for ₹284.50 Lakhs (₹284.50 Lakhs) before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) New Delhi, against the Commissioner (Appeals) order in Company's favour for Refund of service tax.

**D) Income Tax Assessments in respect of Certification Engineers International Limited have been completed upto the Assessment Year 2007-08. Income Tax liability, if any, in respect of pending assessment for the assessment years 2008-09, 2009-10 and 2010-11 can not be ascertained although tax as per return has been paid in full.**

The Certification Engineers International Limited has filed a reply to show cause notice cum demand of ₹227.47 lakhs by Commissioner, Service Tax, Mumbai on November 27, 2009, covering the period from April, 2004 to March, 2009.

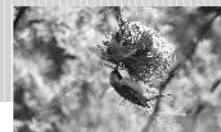
The Certification Engineers International Limited has filed a reply to show cause notice cum demand of ₹3.21 lakhs by Commissioner, Service Tax, Mumbai on October 29, 2010, covering the period from April, 2009 to March, 2010.

**E) Guarantees issued by the banks and outstanding as on March 31, 2011 were ₹33488.35 Lakhs (₹41848.45 Lakhs) against which a provision of ₹12157.65 Lakhs (₹13072.94 Lakhs) has been made in the books towards liability for performance guarantees/warranties.**

**F) Letter of credit outstanding as on March 31, 2011 – ₹23031.68 lakhs (₹13005.83 lakhs).**

**2(i) Jobs in respect of which terms have not been settled and/or scope of work has not been clearly defined, direct cost incurred thereon amounting to ₹0.65 Lakhs (₹0.90 Lakhs) have been carried forward as Work in Progress (Refer item 3(A) (a) of Accounting Policies of 'the Company' and item 5(I) (a) of accounting policies of Certification Engineers International Ltd).**





2(ii) Jobs with lumpsum price, where the physical progress of work is less than 25 per cent, the direct cost incurred thereon amounting to ₹ 21286.53 Lakhs (₹ 4221.59 Lakhs) has been carried forward as Work in Progress. (Refer item 3(A)(b) of Accounting Policies of 'the Company' and Item 5 (I) (b) of Accounting Policies of Certification Engineers International Limited).

3. Recognition of income in case of lumpsum services contracts on the basis of Completed contract method in case of EIL Asia Pacific Sdn. Bhd. as against as proportion of actual direct cost of the work to the latest estimated direct cost of the work (on cost progress basis) in the case of Holding Company.

No deferred tax assets is created on provision for doubtful debts in the case of EIL Asia Pacific Sdn. Bhd.

Depreciation has been provided for on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956, in respect of Joint Venture, TEIL Projects Limited as against on the basis of Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or rates arrived at on the basis of useful life of asset, whichever is higher in the case of 'the Company'.

The proportion of above items in the Consolidated Financial Statements is not material.

4. Land & Buildings include ₹ 0.07 Lakhs (₹ 0.07 Lakhs) being amount invested as Share Money in Cooperative Housing Societies as detailed below:

Twintowers Premises Cooperative Society Ltd., Mumbai

10 ordinary shares of ₹ 50/- each fully paid.

Gardenview Premises Cooperative Society Ltd., Mumbai

10 ordinary shares of ₹ 50/- each fully paid.

Heera Panna Towers Cooperative Housing Society Ltd., Vadodara

10 ordinary shares of ₹ 50/- each fully paid.

Suflam Cooperative Housing Society Ltd., Ahmedabad

8 ordinary shares of ₹ 250/- each fully paid.

Darshan Co-operative Society Ltd., Vadodara

80 ordinary shares of ₹ 50/- each fully paid

5. There is no impairment of cash generating assets during the year in terms of Accounting Standard (AS-28) "Impairment of Assets".

6. Wage Revision liability in respect of unionized staff has been provided in the books of accounts for the period 01.01.2007 to 31.03.2011.

7. Provisions no longer required written back under head 'Other Income' represents:

i. Contractual obligations written back for ₹ 997.73 Lakhs (₹ 126.99 Lakhs) in respect of contracts for which obligation under respective contracts is completed.

ii. Consequent to settlement & closeout agreement after the close of financial year between the company and one of its sub-contractor for claim of sub-contractor which is under arbitration between the parties, the excess provision amounting to ₹ 874.81 lakhs being the difference between the amount provided by the Company in its books accounts till March 31, 2011 and amount settled has been written back.

8. Advances under Current Liabilities include adjustment in turnover amounting to ₹ 86895.30 Lakhs (₹ 79470.17 Lakhs) in terms of Accounting Policy 2 & 3 of Schedule 'I' of 'the Company' and Accounting policy 4 and 5 of Certification Engineers International Limited.

9. In terms of provision of Accounting Standard (AS-7), for Lumpsum/Lumpsum Turnkey projects for contract in progress as on 31.3.2011 in respect of 'the Company':

a) The aggregate amount of cost incurred and recognised Profit upto 31.3.2011 – ₹ 599116.47 Lakhs (₹ 460345.28 Lakhs)

b) The amount of advances received – ₹ 1587.06 Lakhs (₹ 319.32 Lakhs)

c) The amount of retention – ₹ 19.31 Lakh (₹ 9.46 Lakh)

10. The disclosures required under Accounting Standard (AS-15) "Employee Benefits" are given below

#### Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

(₹ In Lakhs)

Particulars	Expense recognized in 2010-11	Expense recognized in 2009-10
Contributory Provident Fund & Employees Pension Scheme, 1995	2786.76	2471.57
Employees Defined Contributory Superannuation Scheme	1932.01	4516.73



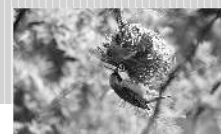
## Defined Benefit Plan

The 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)

(₹ in Lakhs)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>a) Actuarial Assumptions</b>										
Discount rate	8.00%	8.00%	8.00%	8.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on assets	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	--	--	--	--
Expected rate of future salary increase	10.00%	10.00%	10.00%	10.00%	--	--	--	--	--	--
Increase in compensation levels	--	--	--	--	7.00%	5.00%	--	--	--	--
Increase in price (Gold) of award (Silver)	--	--	--	--	--	--	13.00%	9.00%	--	--
							16.00%	9.00%		
Increase in other benefits on Retirement	--	--	--	--	--	--	--	--	5.00%	5.00%
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>										
Present value of obligations as at beginning of year	10480.80	9580.48	16562.53	14250.65	6267.88	6188.22	487.82	440.73	139.81	138.48
Interest cost	838.46	718.54	1325.00	1068.80	501.43	464.12	39.03	33.05	11.18	10.39
Current Service Cost	334.50	315.72	1574.85	2115.03	143.14	167.57	170.74	32.94	7.72	5.87
Past Service Cost	--	1627.00	--	--	--	--	426.02	--	--	--
Benefits paid	(1184.42)	(2412.95)	(1577.10)	(1604.84)	(476.48)	(424.91)	(55.39)	(30.86)	(19.73)	(15.93)
Actuarial (gain)/loss on Obligations	211.29	652.01	1442.72	732.89	1092.53	(127.12)	538.04	11.96	21.31	1.00
Present value of obligations as at end of year	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>										
Fair value of plan assets as on beginning of year	9987.96	4277.25	13935.01	14002.49	6318.33	5288.92	--	--	--	--
Expected return on plan assets	966.96	877.70	1453.82	1289.20	579.35	502.45	--	--	--	--
Contributions	827.34	7245.96	2627.51	248.16	--	899.30	--	--	--	--
Benefits paid	(1184.42)	(2412.95)	(1577.10)	(1604.84)	(476.48)	(424.91)	--	--	--	--
Actuarial Gain/(Loss) on Plan assets	--	--	--	--	--	52.56	--	--	--	--
Fair value of plan assets at the end of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
<b>d) Fair value of plan assets as on 31.03.2011</b>										
Fair value of plan assets at beginning of year	9987.96	4277.25	13935.01	14002.49	6318.33	5288.92	--	--	--	--
Actual return on plan assets	966.96	877.70	1453.82	1289.20	579.35	555.01	--	--	--	--
Contributions	827.34	7245.96	2627.51	248.16	--	899.30	--	--	--	--
Benefits paid	(1184.42)	(2412.95)	(1577.10)	(1604.84)	(476.48)	(424.91)	--	--	--	--
Fair value of plan assets at the end of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
Funded status	(82.79)	(492.84)	(2888.76)	(2627.52)	(1107.30)	50.44	(1606.26)	(487.82)	(160.29)	(139.81)
Excess of Actual over estimated return on plan	--	--	--	--	--	52.56	--	--	--	--



(₹ in Lakhs)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>e) Actuarial Gain/Loss recognized for the year 2010-11</b>										
Actuarial gain/(Loss) for the year - Obligation	(211.29)	(652.01)	(1442.72)	(732.89)	(1092.53)	(127.12)	(538.04)	(11.96)	(21.31)	(1.00)
Actuarial (gain)/Loss for the year - plan assets	--	--	--	--	--	(52.56)	--	--	--	--
Total (gain)/Loss for the year	211.29	652.01	1442.72	732.89	1092.53	(179.68)	538.04	11.96	21.31	1.00
Actuarial (gain)/Loss recognized in the year	211.29	652.01	1442.72	732.89	1092.53	(179.68)	538.04	11.96	21.31	1.00
<b>f) The amounts recognized in the balance sheet</b>										
Present value of obligations as at the end of year	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
Fair value of plan assets as at the end of the year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
Funded status	(82.79)	(492.84)	(2888.76)	(2627.52)	(1107.30)	50.44	(1606.26)	(487.82)	(160.29)	(139.81)
Net (Asset)/liability recognized in balance sheet	82.79	492.84	2888.76	2627.52	1107.30	(50.44)	1606.26	487.82	160.29	139.81
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>										
Current Service Cost	334.50	315.72	1574.85	2115.03	143.14	167.57	170.74	32.94	7.72	5.87
Past Service cost	--	--	--	--	--	--	426.02	--	--	--
Interest cost	838.46	718.54	1325.00	1068.80	501.43	464.12	39.03	33.05	11.18	10.39
Expected return on plan assets	(966.96)	(877.70)	(1453.82)	(1289.20)	(579.35)	(502.45)	--	--	--	--
Net Actuarial (gain)/Loss recognized in the year	211.29	652.01	1442.72	732.89	1092.53	(179.68)	538.04	11.96	21.31	1.00
Expenses recognized in statement of Profit & Loss	417.29	808.57	2888.76	2627.52	1157.74	(50.44)	1173.83	77.95	40.21	17.26
<b>h) Amount for the current period</b>										
Present Value of Obligation	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
Plan Assets	10597.84	9987.96	16439.24	13935.01	6421.20	6318.32	--	--	--	--
Surplus (Deficit)	(82.79)	(492.84)	(2888.76)	(2627.52)	(1107.30)	50.44	(1606.26)	(487.82)	(160.29)	(139.81)
<b>i) Major Categories of Plan Assets (as percentage of total plan assets)</b>										
Fund managed by Insurer	100%	100%	100%	100%	100%	100%	--	--	--	--

- j) The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates on the following in respect of Post Retirement Medical Benefits Scheme:

(₹ in Lakhs)

	At 7% rate of escalation	At 6% rate of escalation	At 8% rate of escalation
Current Service Cost (for the period 01.04.2010 to 31.03.2011)	143.14	117.93	177.09
Interest Cost (for the period 01.04.2010 to 31.03.2011)	598.11	545.48	661.47
Value of Projected Benefit Obligation on 31.03.2011	7528.50	6834.52	8368.11



11. The defined benefit plan in respect of Certification Engineers International Limited are as under:

- (i) Gratuity (Funded)
- (ii) Leave Encashment (Unfunded)
- (iii) Long Service Award (Unfunded)

The liabilities on these accounts are provided for as per actuarial valuation. The requisite disclosures as per Accounting Standard (AS-15) - (Employee Benefits) are disclosed in the notes to accounts of Subsidiary Company.

12. (a) Amount payable in Foreign Currency (Unhedged) on account of the following:

Amount in Lakhs

Current Liabilities & Provisions			
As on 31st March, 2011		As on 31st March, 2010	
₹	Foreign Currency	₹	Foreign Currency
100.85	AED 8.04	59.26	AED 4.68
6420.97	USD 142.15	7248.82	USD 159.04
22.96	KWD 0.14	--	--
1029.92	EURO 16.11	339.43	EURO 5.54
453.40	GBP 6.25	286.07	GBP 4.15
146.52	SWK 20.46	69.13	SWK 10.97
--	--	740.13	JPY 1510.47
0.06	OR 0.00	--	--
0.96	QR 0.08	--	--
1.57	BD 0.01	--	--

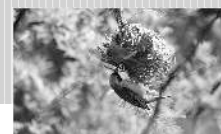
(b) Amount receivable in Foreign Currency (Unhedged) on account of the following:

Amount in Lakhs

Current Assets, Loans & Advances			
As on 31st March, 2011		As on 31st March, 2010	
₹	Foreign Currency	₹	Foreign Currency
795.20	AED 67.39	821.42	AED 68.91
570.96	USD 12.90	1020.87	USD 22.85
120.37	KWD 0.77	40.58	KWD 0.27
1053.08	EURO 16.93	1112.52	EURO 18.66
--	--	14.71	QR 1.15
2.06	BD 0.02	7.89	BD 0.07
4.84	GBP 0.07	5.44	GBP 0.08
0.21	LD 0.01	0.21	LD 0.01
124.38	AD 197.43	128.93	AD 201.45
0.24	YUAN 0.03	--	--

13. The Working Capital facilities from Banks are secured by hypothecation of stocks, book debts and other current assets of the Company, both present and future.

14. As per Accounting Standard (AS-22) "Accounting for Taxes on Income", the major components of deferred tax assets and liabilities arising on account of timing differences are:



(₹ in Lakhs)

Sl. No	Particulars of Deferred Tax Assets/ (Liability)	Upto 31.3.2010	For the year 2010-11	As on 31.3.2011
<b>A.</b>	<b>Deferred Tax Asset</b>			
1.	Provision For leave Encashment	5228.84	1084.91	6313.75
2.	Provision for contractual obligations	5718.51	1538.43	7256.94
3.	Provision for Doubtful Debts	1644.16	(30.54)	1613.62
4.	Provision for Post Retirement Medical	2082.04	361.68	2443.72
5.	Provision for Leave encashment and Provident fund for pay revision allowable on cash basis u/s 43B	79.57	(1.70)	77.87
6.	Provision for other benefits on retirement	46.44	5.59	52.03
7.	Provision for Long Service Awards	162.04	361.74	523.78
8.	Voluntary Retirement Scheme	0.00	10.59	10.59
9.	Carry forward of unabsorbed long term Capital Loss on Investment in Fixed Maturity Plans of Mutual Funds	0.00	12.30	12.30
10.	Provision for Loss in Joint Venture	0.00	64.04	64.04
	<b>Total Deferred Tax Asset</b>	<b>14961.60</b>	<b>3407.04</b>	<b>18368.64</b>
<b>B.</b>	<b>Deferred Tax Liability:</b>			
1.	Depreciation	770.04	(13.27)	756.77
	<b>Total Deferred Tax Liability</b>	<b>770.04</b>	<b>(13.27)</b>	<b>756.77</b>
<b>C.</b>	<b>Net Deferred Tax Asset / (Liability)</b>	<b>14191.56</b>	<b>3420.31</b>	<b>17611.87</b>

15. Prior period items net debit of ₹ 583.54 Lakhs (net debit ₹ 81.97 Lakhs) included in respective head of accounts are as detailed below:-

**Prior Period Income**

(₹ in Lakhs)

Particulars	2010-11	2009-10
I Consultancy & Engineering Services	(536.08)	(80.70)
II Miscellaneous Income	--	1.45
(A)	(536.08)	(79.25)
<b>Prior Period Expenditure</b>		
Particulars	2010-11	2009-10
I Corporate Cost	--	0.54
II Others	0.65	2.04
III Salary & Allowances	5.04	—
IV Depreciation	41.77	0.14
(B)	47.46	2.72
Total (A-B)	(583.54)	(81.97)

16. In line with Accounting Standard (AS- 17) "Segment Reporting", the Company has (segmented) identified its business activity into two business segment i.e. Consultancy & Engineering Projects and Lump sum Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segment. Segment results are given below:-



## Segment wise Revenue, Results and Capital Employed

(₹ in Lakhs)

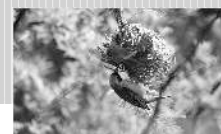
	Year ended 31.03.2011	Year ended 31.03.2010
<b>Segment Revenue</b>		
Consultancy & Engineering projects	115284.91	107552.14
Lumpsum Turnkey Projects	169534.21	93846.56
<b>Total</b>	<b>284819.12</b>	<b>201398.70</b>
<b>Segment Profit</b>		
Consultancy & Engineering Projects	50253.00	43569.80
Lumpsum Turnkey Projects	19564.49	9200.77
<b>Total (a)</b>	<b>69817.49</b>	<b>52770.57</b>
Prior period adjustment	583.54	81.97
Interest	147.05	129.08
Other un-allocable expenditure	5211.93	3847.57
<b>Total (b)</b>	<b>5942.52</b>	<b>4058.62</b>
<b>Other Income (c)</b>	<b>15965.45</b>	<b>18296.95</b>
<b>Profit Before Tax (a-b+c)</b>	<b>79840.42</b>	<b>67008.90</b>
<b>Capital Employed(*)</b>	<b>148986.86</b>	<b>115421.71</b>

(\*) Fixed assets used in the Company's Business or Liabilities Contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made.

## 17. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD (AS-18) "RELATED PARTY DISCLOSURES":-

## (A) RELATED PARTIES:

S.NO.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
1.	PETROLEUM INDIA INTERNATIONAL	ASSOCIATION OF PERSON
2.	TEIL PROJECTS LTD.	JOINT VENTURE COMPANY
3	TECNIMONT EIL EMIRATES CONSULTORES E SERVICOS, LDA	JOINT VENTURE COMPANY
4.	DIRECTORS	KEY MANAGEMENT PERSONNEL
	Mr. A K PURWAHA	CHAIRMAN & MANAGING DIRECTOR
	Mr. L.N. GUPTA	DIRECTOR (GOVT. NOMINEE)
	Mr. DEPENDRA PATHAK	DIRECTOR (GOVT. NOMINEE) upto 02.07.2010 & again appointed w.e.f. 22.02.2011
	Mr. RAM SINGH	DIRECTOR (FINANCE)
	Mr. P.K. RASTOGI	DIRECTOR (HR) W.E.F 30.04.2010
	Mr. R K SAXENA	DIRECTOR (COMMERCIAL) upto 31.05.2010
	Mr. G.D. GOYAL	DIRECTOR (COMMERCIAL)
	Mr. M.K. JOSHI	DIRECTOR (TECHNICAL) UPTO 31.07.2010
	Mr. P.MAHAJAN	DIRECTOR (TECHNICAL) W.E.F 15.11.2010
	Mr. R.K. GROVER	DIRECTOR (PROJECTS) upto 31.01.2011
	Mr. D. MOUDGIL	DIRECTOR (PROJECTS)
	Mr. A.K. PURWAR	DIRECTOR
	Mr. U.N. BOSE	DIRECTOR
	Mr. B.N. BANKAPUR	DIRECTOR
	Dr. AVINASH CHANDRA	DIRECTOR
	Mr. ADIT JAIN	DIRECTOR W.E.F 09.07.2010
	Dr. (Prof.) KDP NIGAM	DIRECTOR W.E.F 09.07.2010
	Mr. SUDERSHAN GUPTA	DIRECTOR (CEIL)
	Mr. MVK KUMAR	CEO, CEIL
	Mr. C.B. SINGH	DIRECTOR (CEIL) (GOVT. NOMINEE) W.E.F 22.02.2011
	Mr. AJAY DESHPANDEY	DIRECTOR (CEIL) W.E.F 04.02.2011
	Mr. SAMAD BIN SOLBAI	DIRECTOR EILAP
	Mr. TAN HOR SENG	DIRECTOR EILAP
	Mr. R.K. GARG	DIRECTOR, TEIL PROJECTS LTD., JOINT VENTURE COMPANY (EIL'S NOMINEE) UPTO 22.12.2010
	Mr. G.K. GHULIANI	DIRECTOR, TEIL PROJECTS LTD., JOINT VENTURE COMPANY (EIL'S NOMINEE) W.E.F 21.12.2010

**(B) RELATED PARTY TRANSACTIONS:**

(₹ in Lakhs)

PARTICULARS	ASSOCIATION OF PERSON	Joint Venture Company	KEY MANAGEMENT PERSONNEL	TOTAL
Dividend / Share of profit	-- (1.95)			-- (1.95)
Outstanding receivables	-- (21.71)	6.59 (6.55)		6.59 (28.26)
Deputation of employees & reimbursement of expenses at cost		24.64 (23.48)		24.64 (23.48)
Services & facilities received		6.50 (0.00)		6.50 (0.00)
Remuneration/ Sitting fees*			322.58 (286.87)	322.58 (286.87)
Rent paid for residential accommodation			25.46 (5.13)	25.46 (5.13)
Interest Income on loans given			0.40 (0.53)	0.40 (0.53)
Outstanding Loans, Interest & other receivables			13.04 (7.06)	13.04 (7.06)

(\*) The remuneration does not include provision for post retirement/other long term benefits under Accounting Standard-15 (Revised), since the same is not available for individual employees.

18. During the current financial year, "Further Public Offer" of 33693660 equity shares of ₹ 5/- each of the Company through an offer for sale by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India was made through the 100% book building process. Consequently, shareholding of Government of India reduced to 80.401% from 90.401%.

19. During the current year, as approved by the Shareholders of the Company, the equity shares of face value of ₹ 10/- each were sub-divided into 2 equity shares of face value of ₹ 5/- each and bonus shares were issued in the ratio of 2:1.

**20. EARNING PER SHARE (E.P.S.)**

As per Accounting Standard – 20 on "Earning Per Share" ("AS-20"), Basic and Diluted Earning Per Share has been adjusted for all periods presented, based on the new number of shares i.e. 336936600 equity shares of ₹ 5/- each.

	Calculation of E.P.S.	2010-11	2009-10
A	Net Profit for the year attributable to Equity Shareholders (₹ in Lakhs)	53128.91	44047.39
B	Weighted average number of Equity shares	336936600	336936600
C	Basic & Diluted Earning per share (A)/(B)	₹15.77	₹ 13.07
D	Nominal value per share	₹ 5	₹ 5



**21. Other notes forming part of the Accounts**

These are set out in the notes to the account under the respective Financial Statements of 'the Company', Certification Engineers International Limited, EIL Asia Pacific Sdn. Bhd. (Subsidiary Companies).

**22. Previous year's figures have been recasted and/or regrouped wherever necessary to make them comparable with the current year's figures. Figures shown within brackets in Schedule 'I' represent previous year's figures.**

Schedules 'A' to 'I' form an integral part of Balance Sheet and Profit and Loss Account and have been authenticated.

RAJAN KAPUR  
Company Secretary

SUDERSHAN GUPTA  
Executive Director (F&A)

RAM SINGH  
Director (Finance)

A.K. PURWAHA  
Chairman & Managing Director

As per our report of even date attached.  
For Jagdish Chand & Co.  
Chartered Accountants

( RAVI GOEL )  
PARTNER

Place : New Delhi  
Date : May 26, 2011

Membership No. 078748  
Firm Registration No. 000129N





## ATTENDANCE SLIP



## ENGINEERS INDIA LIMITED

Regd. Office: 1, Bhikaiji Cama Place, New Delhi - 110 066

Name of the Member / Proxy :

(In Block Letters)

Folio No. :

DP Id\* :

Client Id\* :

No. of Shares held :

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 46th Annual General Meeting of the Company held on Wednesday, the 7th day of September, 2011 at 10.00 a.m. at Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi - 110049.

.....  
Member's / Proxy's Signature

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. NO GIFTS SHALL BE GIVEN AT THE MEETING.
3. THE ATTENDANCE IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF THE MEETING.

\*Applicable for shares held in electronic form.



## PROXY FORM



## ENGINEERS INDIA LIMITED

Regd. Office: 1, Bhikaiji Cama Place, New Delhi - 110 066

I / We ..... of .....being a member / members of Engineers India Limited hereby appoint ..... of .....or failing him .....of .....as my / our proxy to attend and vote for me / us and on my / our behalf at the 46th Annual General Meeting of the Company to be held on Wednesday, the 7th September, 2011 and any adjournment thereof.

Affix  
Revenue  
Stamp of  
₹ 1/-

Signature

Folio No. :

DP Id\* :

Client Id\* :

No. of Shares held :

Signed this ..... day of .....2011

NOTE: 1. The Proxy need not be a member of the Company.

2. Proxy Form signed across a revenue stamp should reach at least 48 hours before the scheduled time of meeting.
3. Please fill in full particulars.
4. Company reserves the right to ask for identification of the proxy.
5. Proxy cannot speak at the meeting or vote on show of hands.

\*Applicable for shares held in electronic form.

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