

47th ANNUAL
REPORT
2011 - 12

Engineering for Sustainable Growth



इंजीनियर्स
इंडिया लिमिटेड  ENGINEERS
INDIA LIMITED

Delivering Excellence through People



VISION

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

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.

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 for Sustainable Growth

The demand for energy is increasing at an exponential rate due to the rapid growth of world population, consequentially urging a global need for sustainable energy technologies. The benefits of cheap energy to the rich nations are obvious, and it should be equally palpable that developing nations can only improve their living standards if they also have access to affordable high-quality energy. Access to affordable energy is one of the most critical factors in creating a Sustainable World.

The hydrocarbon reserves are finite, but they have the potential to supply the major component of the world's increasing energy needs until other sources become commercially available later this century. For the present time at least hydrocarbons sources continue to be the life-blood of the global economy, greatly dictating the fortunes of individual nations.

For about half a century now Engineers India Limited has been the country's premium institution working towards the dream of creating an energy sufficient and self reliant India. Since its inception in 1965, EIL has confidently emerged as Asia's leading design, engineering and turnkey contracting company, providing a complete range of project services needed to conceptualize, plan, design, engineer and construct projects to meet the requirements of its clients. From 'Concept to Commission', EIL has emerged as a Total Solutions Company, the only one of its kind in this part of the world to offer a holistic range of engineering services unique to the Energy and Infrastructure Sectors.

As EIL has evolved over the years, it has helped in the creation of a formidable infrastructural wealth of refineries, offshore platforms, pipelines, petrochemicals on one hand and on the other a vast network of Indian manufacturers required to support such mega projects. This has resulted in unprecedented level of indigenization at around 90% in manufacturing and supply of equipment & machinery in hydrocarbon sector. Financial wizards and social scientists have their task cut to estimate the contribution made by EIL in creating nation's wealth directly in terms of value of physical infrastructure created, the net savings in outflow of foreign exchange, net worth of the indigenous

manufacturing base developed across the land, creation of the expert skills among a large pool of Indian Project Managers, Engineers, Procurement Specialists and skills required for support logistics has enhanced domestic income in remote villages of India through widespread employment generation. As per estimates, this scale of wealth creation could easily include EIL among top wealth creators of the world. Beyond that EIL continues to nurture a strong pool of world class engineers involved in projects at global level and putting to use the skills learnt and honed in EIL to the service of global energy needs.

The knowledge and professional expertise required to execute world class energy processes lies deeply embedded in EIL's DNA with its exclusive class of engineers drawn from various top notch engineering colleges, who have grown with the company and making EIL grow with them. The necessary skills as required be it at project level, engineering level or procurement related aspects gets created over a long period of time and EIL is one such entity where such skills have been developed, honed, preserved and transferred to successive generations for over last 47 years now.

EIL's story can be wonderfully capsulated in the words of the great American Economist Julian Simon when he said 'Resources come out of people's mind more than out of the air or ground.'

Economic growth without environmental & social sustainability at its core will make the energy supply-chain more unstable than it currently is. To address growing concerns about the environmental costs of burning fossil fuels, EIL has re-focused its engineering philosophy & business models to achieve long term sustainable growth by evaluating performance on the triple bottom lines of economic, social and environmental impacts. Our current priority is to develop environmentally acceptable energy solutions that will allow the world to benefit from the convenience and cost-effectiveness of hydrocarbons sources while simultaneously developing the technology to move towards other cost-effective, renewable and sustainable forms of energy technology.

Engineers India Limited

At a Glance

- One of India's leading Consultancy and EPC Companies in Hydrocarbons and Petrochemicals.
- Focused diversification into other emerging sectors
 - 1973 : Diversified business into mining & non-ferrous metallurgy
 - 2001 : Diversified into infrastructure sectors
 - 2004 : Strategic crude oil storage as part of Govt. of India's energy security initiative
 - 2010-11 : Diversification initiatives into Fertilizer, City Gas & Power sectors
 - 2012 : Diversifying into Oil & Gas Exploration (NELP-IX)
- Technology driven organization with an in-house and collaborative R&D.
- Overseas presence in the Middle East, North Africa, South East Asia and Latin America.
- Zero debt firm with consistent record of healthy earnings and dividend payout.





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Chairman's Statement



A. K. Purwaha
Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to report your Company's performance in a year that saw unprecedented growth in its 47 year history.

During the financial year 2011-12, our turnover has touched an all time high of ₹3699 Crores, an increase of 31% and the Profit Before Tax (PBT) and Profit After Tax (PAT) also augmented to all time high of ₹915 Crores and ₹636 Crores, an increase of 17% and 22% respectively.

On the operational front, completion of BORL's refinery at Bina and HMEL's Guru Gobind Singh Refinery at Bathinda, the 9th and 10th grassroot refineries engineered and designed by EIL, commissioning of New FCC unit of HPCL has further strengthened our position as the premier consultancy organization in this sector. Our most recent MoU score of 1.095 which is in 'Excellent' category for 2010-11 has improved against the previous year's score.

While we look back and evaluate our operational and financial performance, it is vital that we also review current and future

business environment and analyze its effect on our business performance both in short term and long term.

It is beyond doubt that we have challenging times ahead of us, but I am confident that owing to our organization's strong fundamentals, technical know-how, skill sets, our zeal to excel and above all our unflinching commitment to succeed, we will face these challenges head on and continue our growth story.

In the era of globalization, our performance will not solely rely on domestic business but will be largely dependent on our overseas performance. Our efforts on widening our global reach have started yielding some results and we have secured overseas jobs which are around three times of what we got last year. We have entered into territories where we have little or no existing presence. Prominent milestones in our global market strategy include breakthrough jobs in Venezuela and Kenya, establishment of Jabal EIL IOT, our Joint Venture with IOTL and Jabal Dhahran for tapping business opportunities in Saudi Arabia, initiating steps for opening a new branch office in Venezuela to



explore business opportunities in South America among many other initiatives.

The success of our global strategy hinges on rising to the high expectations of overseas clients, which can be met only with higher commitment levels across the board, particularly from the Company's experienced work-force. The management is actively engaged in re-orienting the Company's work force to match its global aspirations. Summarily, delivery with high quality and on schedule is the key to our Global Success and we shall continue to focus on global target markets to increase the proportion of international business in our portfolio which is a vital constituent for our future success.

The jobs we are securing today, in our country, are with tight schedules which mean that to maintain our profitability our performance on the operational matrix has to continuously improve. Completion of HMEL's Guru Gobind Singh Refinery in 44 months has set an industrial benchmark in this sector in the country.

To grow, we need to excel in what we do and we challenge the status-quo in situations we face every-day, brainstorm and explore the alternative solutions which are more efficient and results in improved productivity. These incremental improvements in our systems and processes will be defining factors in successful execution of our current and future projects especially in EPC domain. It is our continuous endeavor to re-review our systems, processes and procedures and make them more lean and efficient as to ensure improved delivery both on cost and time matrix for current and upcoming future projects.

We are swiftly converging into a zone where majority of our business will come from the EPC segment and the key to success is increased efficiency and cutting costs by standardization and repeating the designs to the extent possible. I am happy to say that usage of IT, as a vital tool for achieving higher efficiencies, has improved during last couple of years and greater efforts are underway to fully harness information technology to achieve operational excellence.

Effect of recent global economic slowdown on domestic business confidence and environment has resulted in adoption of "Wait and Watch" policy by major players in hydrocarbon sector. This has had an impact on EIL's order book also and the inflow of jobs has not been what we would have desired. Nevertheless, detailed feasibilities and investment commitments for next phase of expansion and new projects are already being undertaken by OMCs and as the economic conditions improve these investments are expected to materialize shortly.

Your Company's diversification strategy from core hydrocarbon sector is firmly on track and will be vital for our long term sustainable growth. We have been harnessing the ample growth opportunities in other related sectors viz. infrastructure and water management, solar and nuclear power, city gas distribution and fertilizers, wherein EIL can play a niche role. Besides developing consulting and EPC service segments in these areas, your Company shall also target other modes of project

management viz. BOO/BOOT, O&M segments and project development. For example, on the power sector, we have secured breakthrough jobs in Nuclear from NPCIL for their Kudankulam Nuclear Plant and in Solar Power we are engaged in engineering of Power Block of 125 MW Solar Thermal Project.

We are also in the process of building engineering and design expertise in deep-sea engineering and oil and shale gas, the hydrocarbon segments with high growth potential.

Your Company remains firmly committed to the development of its core assets - its Human Resource and the overall welfare of its talent pool continues to remain a top priority. The management took a number of initiatives to augment its HR best practices during the year, prominent among them are introduction of reward and recognitions schemes, implementation of Biometric Attendance System, revision in Pay scales, allowances & perks for employees at staff level, revision of medical rules among many others initiatives.

In addition we are in the process of introducing learning management system to support our training and leadership development plans. The success of your Company's robust HR strategies is evidenced by its enviably low attrition rates of less than 3%.

This year also saw the rewards of many tireless years of dedicated efforts by our work-force being crowned with success with several prestigious awards being bestowed on EIL. Prominent among them were SCOPE Institutional Excellence Awards for 2009-10 conferred by Dr. Manmohan Singh, the Hon'ble Prime Minister of India for EIL's overall organizational performance, SCOPE Meritorious Award for excellence in Human Resource Management conferred by Smt. Pratibha Devisingh Patil, the Hon'ble President of India. Other key awards include PSE Excellence Awards 2011 for excellence in R&D and Technology, 'Sarvashreshtha Suraksha Puruskar' (Golden Shield) by the National Safety Council of India for Occupational Health and Safety, CIDC's 4th Vishwakarma Award for Best Project for EIL's Euro IV Upgradation Project of CPCL, First Prize from the Institute of Cost and Works Accountants of India (ICWA) for excellence in Cost Management Practices among many others. While our efforts are self-less and authentic in spirit, these recognitions from external boards of eminent judges, is evidence of our progress in the right direction.

We are confident of maintaining our growth momentum over the next fiscal given our planned investments, our strong focus on research & development, human resource best practices, leadership position in the hydrocarbons and diversification strategies. Further the Company remains committed to good corporate governance and ethical practices as per our listing agreement and government guidelines.

I thank you for your unflinching faith in the Company's growth potential and look forward to your feedback and advice. The EIL management joins me in wishing you and your families the very best of prosperity and good health.

A. K. Purwaha

Board of Directors



A.K. PURWAHA

Chairman & Managing Director

Company Secretary

Corporate Quality Management

Vigilance

Internal Audit



RAM SINGH

Director (Finance)

Financial Management
Project Finance & Appraisal
Financial Accounting & Budgeting
Budgetary Control &
Cost Management
Disbursement
Receivable Management
Tax Planning & Management



P.K. RASTOGI

Director (HR)

Human Resource Management
Administration
Estate Management
Training & Development
Corporate Planning
Corporate Communications
Corporate Social Responsibility
Raj Bhasha



P. MAHAJAN

Director (Technical)

Process Design & Development
Plant Operation & Safety
Heat & Mass Transfer
Research & Development
Information Technology Services
Environment
Specialist Materials &
Maintenance Services
Engineering
Power
Library



D. MOUDGIL
Director (Projects)

Project Management
Project Services
Planning & Scheduling
Management Information System
Construction Management
Regional Offices



SANJAY GUPTA
Director (Commercial)*
(w.e.f. 1.07.2012)

Corporate Strategy
Business Development
Marketing
Joint Ventures
Equity Participation Business
Mergers & Acquisitions
Procurement Services (including RPOs)
Project Services-Cost Engg.
Overseas Operations

***G.D. GOYAL**
Director (Commercial)
(till 30.06.2012)

Non-executive Directors



L.N. GUPTA
Director (Govt. Nominee)



DEPENDRA PATHAK
Director (Govt. Nominee)



U.N. BOSE
Non-executive
(Independent) 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



BIJOY CHATTERJEE
Non-official
Independent Director
(w.e.f. 4.07.2012)



DR. R.K. SHEVGAONKAR
Non-official
Independent Director
(w.e.f. 4.07.2012)



DR. J.P. GUPTA
Non-official
Independent Director
(w.e.f. 4.07.2012)

Company Secretary
RAJAN KAPUR



► STATUTORY AUDITORS

M/s M Verma & Associates
Chartered Accountants,
1209, Hemkunt Chambers,
89, Nehru Place, New Delhi - 110 019

► 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. 040-44655000 Fax No. 040-23420814
Email : 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

Corporation Bank 3, Ansal Chamber-I
Bhikaiji Cama Place,
New Delhi - 110 066

Bank of Baroda 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

HDFC Bank Ltd. B-6/3, Safdarjung Enclave,
DDA Complex,
New Delhi - 110 029

► REGISTERED & HEAD OFFICE

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

► SUBSIDIARY COMPANIES

► Certification Engineers International Limited
Engineers India Bhavan,
1, Bhikaiji Cama Place,
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



Evolution and Key Milestones



1965

- Established as a JV between Gol and Bechtel

1967

- Wholly owned Gol Company
- MRL Refinery (now CPCL— a group company of IOCL)

1969

- Expansion to Petrochem with IPCL (now Reliance Industries Ltd)

1973

- Expansion in Hydrocarbon Value Chain
 - Offshore ➤ Pipelines ➤ Onshore oil and gas ➤ Terminals

1975-78

- First overseas project
- Entered non-ferrous metallurgical sector

1989

- Established R&D Centre in Gurgaon

1997

- Listed on the BSE and NSE stock exchanges
- Accorded the Mini Ratna status



2001

- Diversified into Infrastructure

2004

- Expanded into Strategic Storages for Gol

2007

- Pioneers in hydrocarbon industry in India to enter into Open Book Estimate (OBE) contract

2010

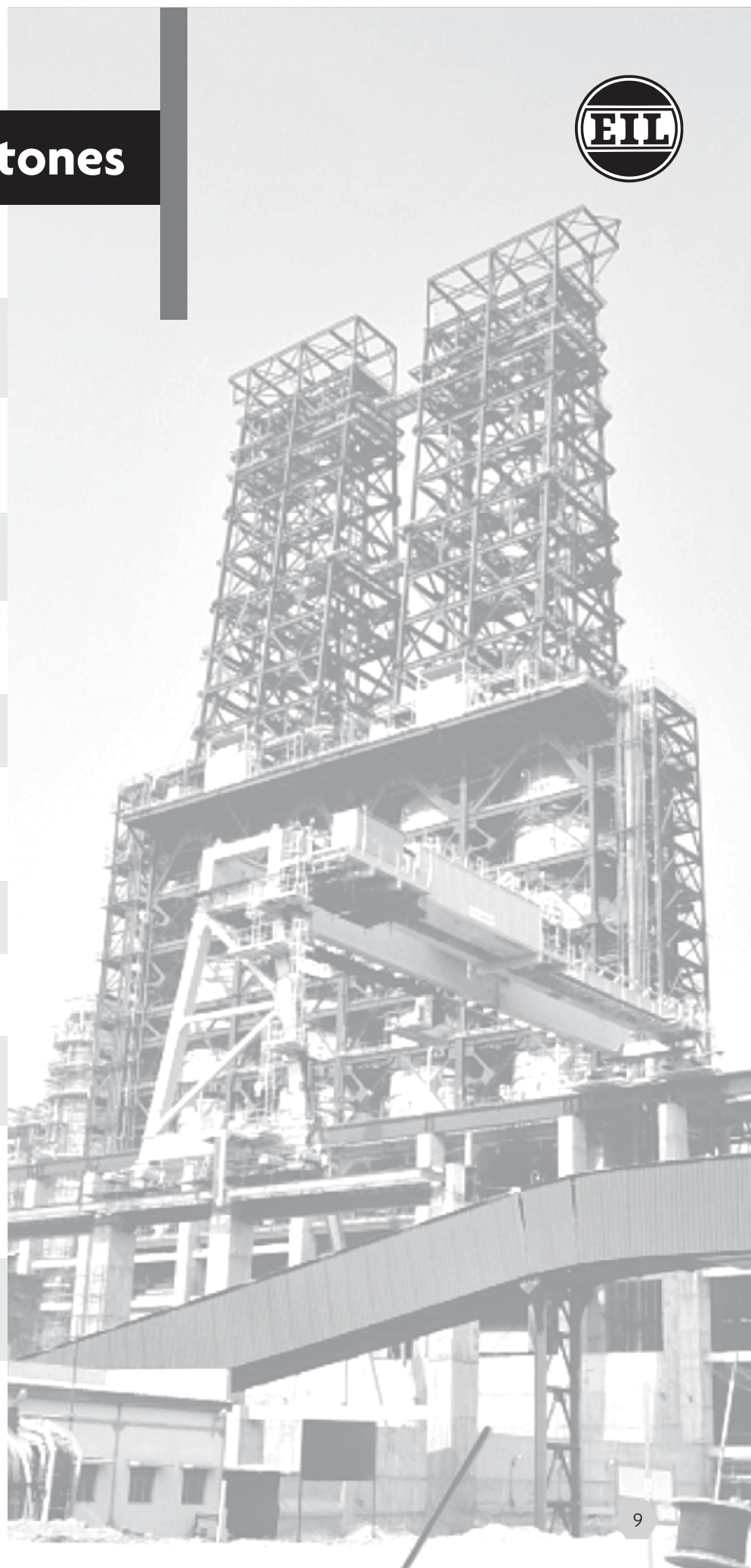
- Share split
- 2:1 Bonus Issue
- 1000 % special interim dividend.
- Successful FPO of 3.36 Cr shares of ₹ 5 each.

2011

- Re-entry into Fertilizer Sector
- 9th grassroot refinery (BORL) designed and engineered by EIL dedicated to the nation

2012

- Diversifying into Oil & Gas Exploration (NELP-IX)
- 10th grassroot refinery (HMEL) designed and engineered by EIL dedicated to the nation



OVERVIEW

KEY HIGHLIGHTS



REFINERIES

- Refinery projects ranging from single unit revamp to mega refinery or refinery cum petrochemical complex.

- Executed over 59 refinery projects in India including 10 grassroots refineries.
- Expertise in LP modelling for configuration studies and energy savings in various refining processes.



PETROCHEMICALS

- Fully-integrated petrochemical complexes as well as large number of individual petrochemical units.

- Involved in the establishment of 7 out of the 8 mega petrochemical complexes in India.
- EPCM services for GAIL, IOCL, BCPL, OPaL, IPCL (now RIL) etc.
- LSTK contract for PX1/PX2 projects of IOCL and PP project of MRPL.



PIPELINES

- More than 10,000 km of Onshore and Subsea Pipeline Projects in India and abroad.

- EIL was involved in the development of the HBJ Pipeline – India's largest Gas Pipeline Network.
- Implementation of one of the world's longest LPG Pipelines for GAIL.
- Developed strategic pipelines for HPCL, BPCL, BORL, IOCL, HMEL and GAIL.



OFFSHORE OIL & GAS

- Offshore Oil & Gas Projects in the West Coast and East Coast.

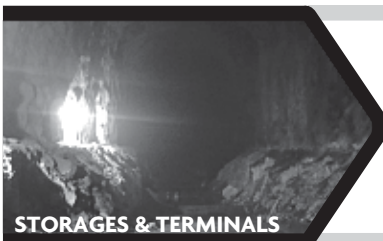
- Over 150 Well Platforms and 30 Process Platforms for ONGC.
- Executed projects in Qatar and UAE.
- Offshore Platform Projects for Deen Dayal Field Development Project of GSPC.
- Oil & Gas exploration of Block-11 at Cambay basin under NELP-IX.



ONSHORE OIL & GAS

- Onshore facilities such as Group Gathering Stations, Multistage Separation, Crude Desalting and Dehydration, Heavy Oil & Sour Oil Processing.

- Developed Gas Processing Complexes at Hazira and Uran and the C2/C3 and LPG recovery units at Vijaipur / Pata.
- Executing Onshore Gas Terminal Project for Deen Dayal Field Development Project of GSPC at Kakinada.
- Executed projects in Algeria and UAE.



STORAGES & TERMINALS

- Coastal engineering projects, including geo-technical engineering & layout for ports & shipyards and materials handling.
- Underground Crude Oil Storages as part of Gol's energy security initiative.

- SPM, Terminal and associated offshore/onshore pipeline of HMPL and BORL.
- Development of Port Facilities including break-waters, import/export Terminal of RGPP/L/GAIL.
- Strategic Crude Oil Storage at Vizag, Mangalore and Padur for Indian Strategic Petroleum Reserves Ltd.

Service Offerings

From Concept to Commissioning

► PROCESS DESIGN SERVICES

- Conceptual designs and feasibility reports
- Basic design packages for
 - Open art process units for Gas-Processing and Refineries
 - Integrated Utilities and Offsite facilities
- Offers a portfolio of more than 30 process technologies for application in Oil and Gas Processing sector
- Residual basic engineering for licensed process units
- Yield and energy optimization and capacity augmentation services in process plants

► CONSTRUCTION MANAGEMENT SERVICES

- Comprehensive services at site including warehouse management, quality control and assurance, health safety and environment (HSE), progress monitoring and scheduling
- Undertakes total site responsibility from survey and soil investigation to mechanical completion of project

► ENGINEERING SERVICES

- Expertise ranges for all engineering services such as Piping, Mechanical, Electrical, Control Systems, Civil, Structural and Architectural, including Advanced Engineering Analysis
- Specialised services for
 - Heat and Mass Transfer
 - Environment Engineering
 - Materials and Maintenance services



► COMMISSIONING SERVICES

- Services include audit of plant readiness, start-up, commissioning and conducting performance guarantee tests
- Includes pre-commissioning and commissioning assistance for projects
- Safety Audit, Hazard and Operability Studies (HAZOP), Risk and Consequence Analysis Services

► PROCUREMENT SERVICES

- Comprehensive procurement services such as strategic sourcing, materials management, contracts management, purchase, expediting, inspection services and logistics

► PROJECT MANAGEMENT SERVICES

- Integrated project management services with focus on cost, quality and schedule
- Services include developing schedules, cost forecasts, progress tracking and reporting, and the integration of the engineering, procurement, logistics, construction and commissioning works

► CERTIFICATION SERVICES

- Certification, re-certification and Third Party Inspection (TPI) services through EIL's subsidiary company - Certification Engineers International Ltd

Service Offerings

Modes of Contracts Managed

EPC

Engineering, Procurement & Construction (EPC)

Contracts under which EIL is responsible for the entire project as a turnkey contractor. EPC contracts fall into two broad categories:

- Lump-sum Turnkey (LSTK) contracts
- Open Book Estimate (OBE) contracts (form of cost reimbursable contract) with a provision for conversion to LSTK for a project. Benefits under OBE contracts primarily relate to ensuring control over the time and expenses for a project and greater certainty of outcome



EPCM

Engineering, Procurement and Construction Management (EPCM)

Contracts under which EIL provides services related to process engineering, detail engineering, procurement, construction supervision through co-ordination of various suppliers & contractors and commissioning & pre-commissioning assistance



FEED

Front End Engineering & Design (FEED)

Upstream process design, residual basic design and front-end basic engineering for complete definition of scope for selection of EPC contractor



PMC

Project Management Consultancy (PMC)

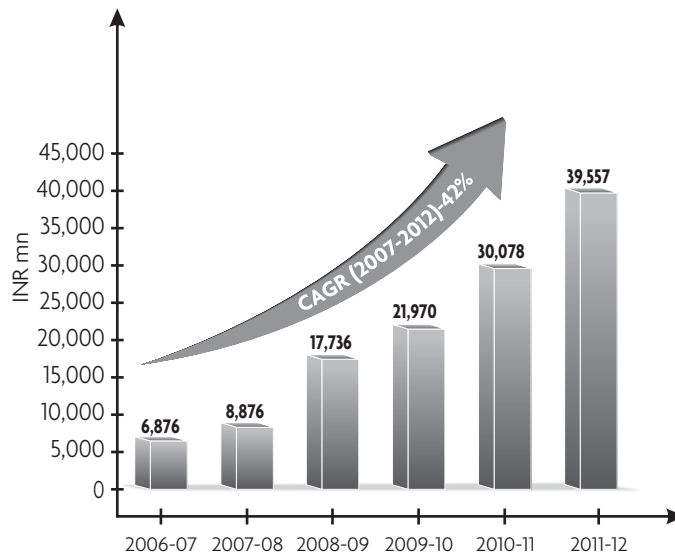
Contracts under which EIL provides comprehensive project management services for the implementation of a project through turnkey contractors ensuring design, quality and schedule



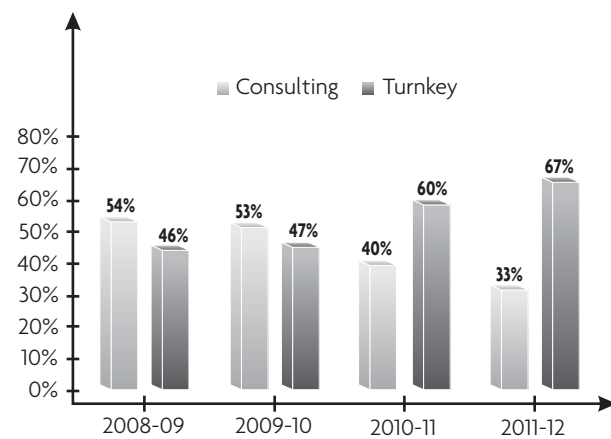


Financial and Operating Track Record - Consolidated

Total Income and Growth (INR mn)*

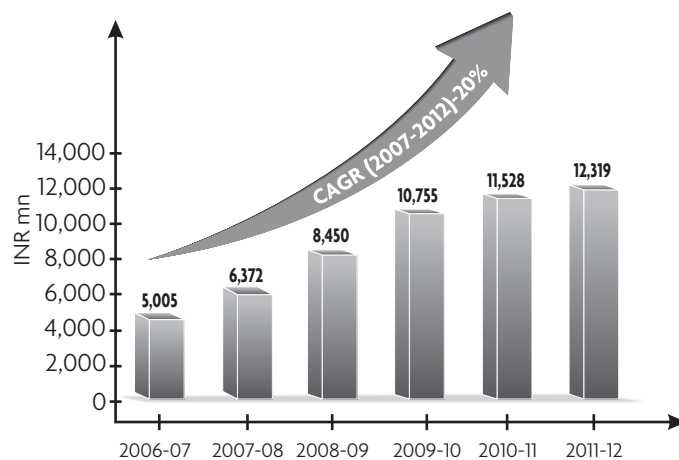


Revenue Segmentation**

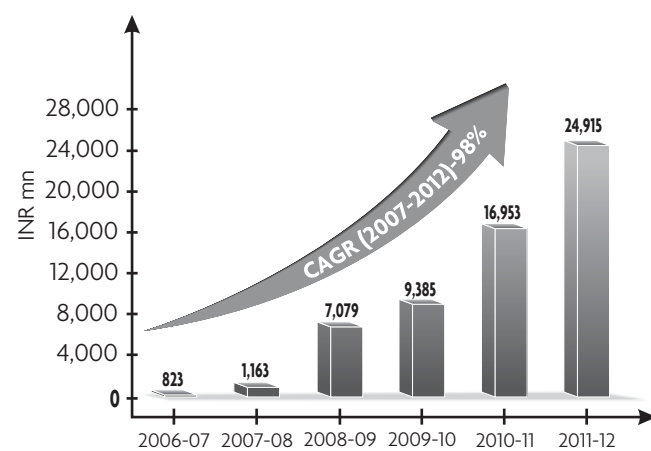


** Revenue does not include other Income

Consultancy & Engineering Revenue (INR mn)*



Lumpsum Turnkey Projects Revenue (INR mn)*



*All figures have been taken on a consolidated basis



Ten Years' Performance at a Glance

(₹ in Lakhs)

PARTICULARS/YEARS	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
A. OPERATING STATISTICS										
Turnover*	81826.92	106953.03	91580.11	79048.04	57108.13	73775.21	153246.28	199379.70	282328.44	369882.43
Other Income	4100.96	4759.33	5786.74	6666.63	10778.65	13557.26	22152.52	18367.10	16036.63	23217.74
Expenditure	74812.58	98713.29	80073.64	65551.08	47450.86	57702.15	123351.90	151619.05	219339.16	301432.07
Prior Period Adjustments										
(Net)	—	—	627.63	185.67	(28.07)	242.27	0.13	79.96	577.45	191.57
Profit before Tax	11115.30	12999.07	16665.58	19977.92	20463.99	29388.05	52046.77	66047.79	78448.46	91476.53
Tax	5452.49	5407.75	6989.22	8025.57	8647.19	10904.48	19385.10	24972.04	29608.15	31707.33
Fringe Benefit Tax	—	—	—	255.00	275.00	270.20	286.67	—	—	—
Deferred Tax (Assets)/										
Liability	(753.65)	(426.78)	(1,587.15)	(2,166.99)	(2,757.61)	(1,246.50)	(2,078.37)	(2,481.76)	(3,411.63)	(3,862.33)
Profit after Tax	6416.46	8018.10	11263.51	13864.34	14299.41	19459.87	34453.37	43557.51	52251.94	63631.53
Amount transfer from General Reserve	—	—	—	—	—	—	—	56156.10	—	—
Dividend including										
Dividend Tax	2533.96	4117.15	4811.75	5122.57	6183.11	7205.74	12124.72	69620.58	19510.55	23438.99
Retained Surplus	3882.50	3900.95	6451.76	8741.77	8116.30	12254.13	22328.65	30093.03	32741.39	40192.54
B. FINANCIAL POSITION										
Capital Employed	75122.78	79023.73	86292.27	95034.04	103150.34	115205.00	137533.65	111470.58	144211.97	184404.51
Non Current Assets										
i) Fixed Assets**	4408.52	4729.79	4148.89	4001.49	3967.54	5035.89	6328.12	7189.38	7315.10	10469.07
ii) Other Non Current Assets***	17844.98	17335.23	18749.23	20014.84	22047.43	24312.64	27058.43	24224.52	28674.83	33573.44
Current Assets***	151713.73	112781.90	139859.79	133432.97	143754.70	182309.81	265175.87	251937.62	310934.04	330363.67
Equity & Liabilities										
i) Share Capital	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	16846.84	16846.84
ii) Reserve & Surplus	69507.16	73408.11	80676.65	89418.42	97534.72	109589.38	131918.03	105854.96	127365.13	167557.67
Non Current Liabilities ****	—	—	—	—	—	—	—	—	2101.85	2515.21
Current Liabilities ****	98844.45	55823.19	76465.64	62415.26	66619.33	96453.34	161028.77	171880.94	200610.15	187486.46
C. RATIOS										
PBT / Turnover	13.58%	12.15%	18.20%	25.27%	35.83%	39.83%	33.96%	33.13%	27.79%	24.73%
PAT / Turnover	7.84%	7.50%	12.30%	17.54%	25.04%	26.38%	22.48%	21.85%	18.51%	17.20%
PBT / Capital Employed	14.80%	16.45%	19.31%	21.02%	19.84%	25.51%	37.84%	59.25%	54.40%	49.61%
PAT / Net Worth	8.54%	10.15%	13.05%	14.59%	13.86%	16.89%	25.05%	39.08%	36.23%	34.51%
Turnover / Net Worth (number of times)	1.09	1.35	1.06	0.83	0.55	0.64	1.11	1.79	1.96	2.01
Sundry Debts / Turnover (Month's Turnover)	3.15	2.06	4.23	3.40	4.21	2.87	2.35	1.91	1.31	1.00

Notes :

* Turnover includes accretion / decurtion to Work in Progress.

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

*** For Financial Year 2010-11 and 2011-12 Assets have been bifurcated into Current and Non Current as per Revised Schedule VI of the Companies Act, 1956. Prior to that other Non Current Assets comprises of Investments, Deferred Tax asset and Voluntary Retirement Compensation (to the extent not written off or adjusted).

**** For Financial Year 2010-11 and 2011-12, Liabilities have been bifurcated into Current and Non Current as per Revised Schedule VI of the Companies Act, 1956.



Notice

Notice is hereby given that the 47th Annual General Meeting of the Members of Engineers India Limited will be held on Thursday, the 30th day of August, 2012 at 10.00 A.M. at Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi - 110 010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss of the Company for the year ended 31st March, 2012 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 U.N. Bose, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. Avinash Chandra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri A.K. Purwar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Shri P. Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix remuneration of Auditors for the financial year 2012-13 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 2012-13."

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 Sanjay Gupta, who was appointed as an Additional Director, in the capacity of Director (Commercial) 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 Sanjay Gupta 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 Bijoy Chatterjee, 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 Bijoy Chatterjee for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."
10. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:
"RESOLVED THAT Dr. R.K. Shevgaonkar, 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 Dr. R.K. Shevgaonkar 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 Ordinary Resolution:
"RESOLVED THAT Dr. J.P. Gupta, 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 Dr. J.P. Gupta for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

By order of the Board

(Rajan Kapur)
Company Secretary

Place : New Delhi
Date: July 16, 2012



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 are requested to:-
 - (i) bring their copy of Annual Report and Attendance Slip, duly completed and signed, to the meeting.
 - (ii) quote their Folio/Client ID & DP ID Nos. in all correspondence with the R&TA/Company.
 - (iii) note that due to strict security reasons, eatables and other belongings are not allowed inside the Auditorium.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 23rd day of August, 2012 to Thursday, the 30th day of August, 2012 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.
6. Dividend, if any, approved at the 47th 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 22, 2012 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 22, 2012.
7. 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. 040-44655000, Fax No. 040-23420814, Email: einward.ris@karvy.com, Website: www.karvy.com/www.karvycomputershare.com) 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) 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.
8. 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.
9. 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.
10. The balance lying in the unpaid dividend account of the Company in respect of dividend declared on 15.09.2005 for the financial year 2004-2005 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 14.10.2012 (tentative date). Members who have not encashed their dividend warrants pertaining to the said year may approach to the Company or its Registrar and Share Transfer Agent for obtaining the payments thereof upon completion of necessary formalities in the said behalf before 30th September, 2012. No claim shall lie against the Company or IEPF, once the dividend is deposited in IEPF.
11. 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.
12. Pursuant to the requirements of Corporate Governance, a brief resume of the Directors proposed for appointment/re-appointment are annexed with the Notice.
13. 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.
14. Members may kindly note that the Company had 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 posted on the website of the Company at www.engineersindia.com. Further, an appeal was also made to the Members in this regard in the Annual Report of the Company for the financial year 2010-11. Since the Company is committed towards Green Initiative, it is earnestly requested again that the Members who have yet not registered/updated their e-mail ids may notify the same by filling up the Registration Form sent vide "Appeal to Members" dated July 16, 2012.
15. **No Gifts shall be distributed in the Annual General Meeting or afterwards.**

By order of the Board

(Rajan Kapur)
Company Secretary

Place: New Delhi
Date: July 16, 2012



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

Item No. 8

Shri Sanjay Gupta was appointed as Additional Director in the capacity of Director (Commercial) w.e.f. 1.07.2012 by the Board of Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, Article 83 and 93-A of the Articles of Association of the Company and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31018/8/2010-CA dated 19.03.2012. In terms of Section 260 of the Companies Act, 1956, he shall hold office up to the date of this Annual General Meeting. The Company has received valid notice along with requisite deposit from Shri Sanjay Gupta under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Director of the Company. Brief resume of Shri Sanjay Gupta has been given in the Annexure to the Notice of 47th Annual General Meeting.

Your Directors recommend the resolution for approval of members.

None of the Directors, except Shri Sanjay Gupta, is interested in the resolution.

Item Nos. 9 to 11

Shri Bijoy Chatterjee, Dr. R.K. Shevgaonkar and Dr. J.P. Gupta were appointed as Additional Directors [Non-official part-time (Independent)] w.e.f. 4.07.2012 by the Board of Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, Article 83 and 93-A of the Articles of Association of the Company and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No.C-31018/2/2010-CA dated 4.07.2012.

In terms of Section 260 of the Companies Act, 1956, these additional directors shall hold office up to the date of this Annual General Meeting. The Company has received valid notices along with requisite deposit from the 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 Annexure to the Notice of 47th Annual General Meeting. Shri Bijoy Chatterjee, Dr. R.K. Shevgaonkar and Dr. J.P. Gupta, Non-official part-time (Independent) Directors have disclosed that they are 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.

By order of the Board

(Rajan Kapur)
Company Secretary

Place: New Delhi
Date: July 16, 2012

**Annexure to AGM Notice****Brief Resume of Directors, retiring by rotation and eligible for re-appointment vide Item Nos. 3 to 6 of Notice of 47th AGM:****Item No. 3**

Name	:	Shri U. N. Bose
Father's Name	:	Late Shri Nityanand Bose
Designation	:	Non-executive (Independent) Director
Official Address	:	Director (Technology & Field Services) ONGC Limited, Jeevan Bharati Building, Connaught Place, New Delhi – 110 001
Date of Birth	:	7.11.1952
Qualification	:	Bachelor Degree (1975) in Mechanical Engineering from Nagpur University
Experience	:	1976-till date-Oil and Natural Gas Corporation Limited He has vast experience in Deviation/Horizontal drilling in Offshore areas including deep water drilling. He has developed various drilling technologies and also implemented drilling programmes in high pressure/high dip/gas well in geologically complex area of Assam-Arakan fields. Also developed high-end training facility for Rig Supervisors which is unique in its kind. He has contributed many technical papers on drilling technologies in different conferences and technical publications.
Other Directorships	:	Oil and Natural Gas Corporation Limited
Other Committee Memberships	:	NIL
Shareholding in EIL	:	NIL

Item No. 4

Name	:	Dr. Avinash Chandra
Father's Name	:	Dr. BNS Chowdhary
Designation	:	Non-Official Part time (Independent) Director
Address	:	B-102, Sector-26, Noida- 201301(U.P.)
Date of Birth	:	4.09.1943
Qualification	:	i) Ph.D in Petroleum Geology from the Imperial College of Science & Technology, U.K. ii) M.Sc (Applied Geology) iii) Post Graduate Degrees in Petroleum Geology & Petroleum Reservoir Engineering from U.K. iv) B.Sc (Hons.)



Experience	:	He has over 49 years of experience in the Oil Industry and has held previous positions at ONGC and Oil India Limited. He has been a Government Director in the past on the Boards of Public Sector Oil Companies such as ONGC Videsh Limited, Oil India Limited and Lubrizol India Limited. He has been a permanent invitee on the Boards of ONGC and GAIL. He was Advisor (Exploration) in the MoP&NG from 1991 to 1999 at a pay scale equivalent to Additional Secretary. He has also served as the Director General of Hydrocarbons (DGH), MoP&NG, Government of India from 1993 to 2003 at a pay scale equivalent to Special Secretary, Government of India (1999-2003). After retirement, he has been advising many Indian & Foreign Companies which have Oil Fields & Exploration Blocks in Eleven Countries abroad and in India.
Other Directorships	:	(i) Oil Industry Development Board, GoI (ii) Alpha Geo India Ltd. (iii) Petrobiz Consultants (P) Ltd. (iv) Certification Engineers International Ltd.
Other Committee Memberships	:	Certification Engineers International Ltd.: Chairman - Audit Committee Chairman - Remuneration Committee
Shareholding in EIL	:	Nil

Item No. 5

Name	:	Shri A.K. Purwar
Father's Name	:	Late Shri Anant Ram
Designation	:	Non-Official Part time (Independent) Director
Official Address	:	India Venture Advisors Pvt. Ltd., Piramal Tower, 10 th Floor A Wing, Ganpat Rao Kadam Marg, Lower Parel- West, Mumbai-400013
Date of Birth	:	14.05.1946
Qualification	:	M.Com from Allahabad University in 1966 Diploma in Business Administration in 1967
Experience	:	He has extensive experience of more than 43 years in Banking Sector. He has worked as Chairman of SBI from 2002 till 2006. He also acted as MD of SBP. He has held several important and critical positions in Retail, Corporate and International Banking covering almost the entire range of Commercial Banking operations in his illustrious career. He is also working as Independent Director in leading companies in Telecom, Steel, Textiles, Power, Auto components, Renewal Energy, Speciality Chemicals, Financial Services and Healthcare Services. He is also acting as an Advisor to Mizuho Securities in Japan and is also a member of Advisory Board for Institute of Indian Economics Studies, Waseda University, Tokyo, Japan.



Other Directorships	:	Vardhaman Textiles Limited Reliance Communications Ltd. Jindal Steel and Power Ltd. Apollo Tyres Ltd. India Venture Advisors Pvt. Ltd. Energy Infratech Pvt. Ltd. India Infoline Ltd. Jindal Power Ltd. C&C Constructions Ltd. IL&FS Renewable Energy Ltd. India Infoline Investment Services Ltd. PHL Capital Pvt. Ltd. PHL Finance Pvt. Ltd. Vardhman Chemtech Limited ONGC Tripura Power Company Pvt. Ltd. Sri Kavery Medical Care (Trichy) Pvt. Ltd. Mizuho Securities Pvt. Ltd., India
Other Committee Memberships	:	Reliance Communications Ltd.: Chairman-Shareholders' Grievance Committee Member-Audit Committee Member-Remuneration Committee IL & FS Renewable Energy Ltd. : Chairman- Remuneration Committee ONGC-Tripura Power Company Pvt. Ltd.: Chairman -Audit Committee Chairman- Remuneration Committee Jindal Power Ltd.: Chairman- Investment Committee Chairman- Audit Committee Sri Kaveri Medical Care (Trichy) Pvt. Ltd.: Member-Audit Committee C&C Constructions Ltd.: Member-Audit Committee (upto 26.6.2012) India Infoline Investment Services Ltd.; Member-Risk Management Committee (upto 26.6.2012) Member-ALM Committee (upto 26.6.2012) PHL Finance Pvt. Ltd.: Member-Audit Committee PHL Capital Pvt. Ltd.: Member-Audit Committee
Shareholding in EIL	:	NIL

Item No. 6

Name	:	Shri P. Mahajan
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.) Hons in Electronics and Electrical Communication from Punjab Engineering College, (Punjab University) Chandigarh

Experience : 1975 to 1982 – Department of Atomic Energy
1982- till date - Engineers India Ltd.

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 : Nil

Other Committee Memberships : Nil

Brief Resume of Additional Directors vacating office at 47th AGM and proposed to be appointed vide Item Nos. 8 to 11 of AGM Notice:

Item No. 8

Name : **Shri Sanjay Gupta**

Father's Name : Late Shri Jyoti Swaroop Gupta

Designation : Director (Commercial)

Official Address : Engineers India Limited
1, Bhikaiji Cama Place,
New Delhi-110066

Date of Birth : 29.10.1957

Qualifications : B.E. from University of Roorkee

Experience : He has 31 Years of experience cutting across implementation of various mega projects including Pipelines, Refineries and Petrochemicals. He was also involved in some of the most prestigious mega projects implemented by EIL hitherto, such as, MGCC, Tabriz Petrochemicals, Pata Petrochemicals Phase-1 & Phase-2, Panipat Refinery Phase-1, Phase-2 & Panipat Naphtha Cracker Complex. Popularized the concept of process project coordination to streamline the project take offs to facilitate project implementation. He was also entrusted the task of leading the implementation of the OBE Mode of Project implementation and pioneered the same with CPCL Euro-IV. He was also singularly responsible for implementation of one of the biggest LSTK Projects of EIL, under implementation, on the OBE route viz. PFCCU at MRPL. He has been entrusted the task of Leadership for formulation of the Strategy Group responsible for EPC Initiatives, as well as, Business Growth Initiatives within the Company during the past couple of years. All these initiatives have now materialized into a key Strategy Group cutting across various initiatives for the company to enhance its business profile, geography and horizontal base.



Other Directorships : (a) Certification Engineers International Ltd.
(b) TEIL Projects Ltd.
(c) EIL Asia Pacific Sdn. Bhd.
(d) Jabal EIL IOT Company Ltd.
(e) Bharat Pumps & Compressors Ltd.

Other Committee Memberships : Nil

Item No. 9

Name : **Shri Bijoy Chatterjee**

Father's Name : Late Shri Bisweswar Chatterjee

Designation : Non-Official Part time (Independent) Director

Address : I-1797, Chittaranjan Park
New Delhi – 110 019

Date of Birth : 20.09.1950

Qualification : M.Sc in Physics
M.Sc in National Development and Project Planning

Experience : He has served as Secretary/Additional Chief Secretary/Principal Secretary of several Government Departments like the Department of Chemicals and Petrochemicals in the Government of India, and the Forest Department, Tourism Department and Information Technology Department in the Government of West Bengal. He has also served as Joint Secretary, Cabinet Secretariat, Government of India and looked after work relating to several Ministries/Departments like Personnel and Training (DOPT), Agriculture, Food and Public Distribution, Consumer Affairs, Environment and Forests, Finance, Commerce, Industry, Law and Chemicals & Fertilizers and also participated in Departmental Promotion Committee meetings. During foreign assignment with the Organisation for the Prohibition of Chemical Weapons (a UN-affiliated Inter-Governmental Body), he was responsible primarily for work relating to international cooperation and assistance in areas relating to chemical activities and promotion of chemical safety. As Managing Director of the West Bengal Power Development Corporation Ltd, a large Power Company in the public sector, was responsible for running of a major power generating station and implementation of large thermal power projects.

Other Directorships : NIL

Other Committee Memberships : NIL

Shareholding in EIL : NIL

Item No. 10

Name : **Dr. R.K. Shevgaonkar**

Father's Name : Shri Kashinath Shevgaonkar

Designation : Non-official Part-time (Independent) Director



Official Address	:	Director, IIT Delhi Hauz Khas, New Delhi-110 016
Date of Birth	:	11.05.1954
Qualification	:	Ph.D. in Electrical Engineering from IIT, Bombay M. Tech in Electrical Engineering from IIT, Kanpur BE in Electronics Engineering from Jiwaji University, Gwalior (Gold Medalist)
Experience	:	He was Scientist at Indian Institute of Astrophysics and Raman Research Institute. He joined IIT, Bombay after doing his Post Doctoral fellowship at University of Maryland, USA. He has occupied various positions at IIT, Bombay like Dean of Students' Affairs, Dean, Resource Mobilization, Head, Department of Electrical Engineering, Head, Centre for Distance Engineering Education Programme, and Deputy Director. He was the Vice Chancellor of University of Pune and presently he is the Director of IIT Delhi. He has been a Visiting Professor at University of Lincoln, USA, and ETH, Zurich, Switzerland, and ISEP Paris, France. He has been an active researcher in the area of Optical communication, Image processing, Antennas, Microwaves, Radio astronomy etc. He has published more than 150 papers in international journals and conferences, and two books namely Electromagnetic Waves and Transmission lines for Electrical Engineers. He has guided 18 PhDs and more than 30 M.Tech. dissertations. His video and web lectures on Electromagnetics and Fiber optic communication are used worldwide through Youtube. He is recipient of IEEE Undergraduate Teaching award 2011, IETE award for his outstanding contribution to Optical communication, and the 'Excellence in Teaching' award of IIT, Bombay. He is Fellow of IEEE, Fellow of Indian National Academy of Engineering, Fellow of National Academy of Science, India, Fellow of Institution of Electronics and Telecommunication Engineers, Fellow of Optical Society of India, and Member of International Astronomical Union and Astronomical Society of India. He has been a member of many international and national research and educational committees.
Other Directorships	:	NIL
Other Committee Memberships	:	NIL
Shareholding in EIL	:	NIL

Item No. 11

Name	:	Dr. Jai Prakash Gupta
Father's Name	:	Shri N. M. Gupta
Designation	:	Non-official Part-time (Independent) Director
Official Address	:	Director, Rajiv Gandhi Institute of Petroleum Technology, Ratapur Chowk, Rae Bareli – 229316 (U.P).
Date of Birth	:	4.5.1945
Qualification	:	B. Tech in Chemical Engineering from IIT Kanpur MSE in Chemical Engineering from University of Michigan, USA Ph.D. in Chemical Engineering from University of Pennsylvania, USA



Experience	:	He joined the faculty of Chemical Engineering, IIT Kanpur, in 1973. He has published/presented over 120 Research papers and authored/edited 4 Books. His teaching and research focus on transport phenomena and process safety. He is on the Editorial Board of international research journals. Received awards from the Institution of Chemical Engineers (U.K.) and the Indian Institute of Chemical Engineers. Participated in various conferences and delivered seminars worldwide, including at the U.N. and the World Bank. He has been a UNIDO Expert in Argentina and a Visiting Professor in Universities in France, UK, Mexico, Taiwan and USA. He has served as Director-General, Gujarat Energy Research & Management Institute, Gandhinagar that founded the Pandit Deendayal Petroleum University, Member-Board of Governors and Finance Committee, IIT Kanpur. He has also been a Consultant to Larsen & Toubro (Mumbai) & Joseph Oat Corp. (USA), Diplomat (Science & Technology) Embassy of India, Washington DC and India's Delegate to the United Nations. He is currently the Director, Rajiv Gandhi Institute of Petroleum Technology, Rae Bareilly.
Other Directorships	:	Nil
Other Committee Memberships	:	Nil
Shareholding in EIL	:	Nil



Directors' Report

To
The Shareholders
Engineers India Limited

Ladies & Gentlemen,

Your Directors have great pleasure in presenting the 47th Annual Report together with audited accounts of the Company for the year ended March 31, 2012 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

2011-12 in Retrospect

EIL continued its good performance during the year 2011-12. The salient features are as follows:

Turnover	:	₹ 369882 lakhs
Profit Before Tax (PBT)	:	₹ 91477 lakhs
Profit After Tax (PAT)	:	₹ 63631 lakhs

Turnover from core consultancy business increased y-o-y by 7% to ₹120731 lakhs and LSTK business increased y-o-y by 47% to ₹249151 lakhs.

Dividend

The Board of Directors of the Company has recommended for the financial year 2011-12, a final dividend of ₹ 4/- per share (of face value of ₹5/- per share) in addition to ₹ 2/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2011-12 works out to ₹ 6/- per share. Payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

Investor Relations

It has been our constant endeavor to achieve highest standards of corporate behavior. In sync with this, Company undertakes all measures to enhance the market confidence and improve shareholders engagement through regular, transparent and open communication.

Management is committed to share information with investment community on company performance as well as periodically convey essential updates on expected projects, new business initiatives, future outlook, industry insights and avenues of growth and investment plans.

Dedicated Investor Relations (IR) cell was created last year to ensure timely communication of such information acting as an effective bridge between the management and the investment community. The cell effectively handles all investor concerns and/or issues in the best possible way, aligning it with the disclosure requirements, transparency and corporate governance rules & regulations.

Company Management and IR cell are both actively engaged in investor communication through one on one meetings, con-calls, investor conferences, road shows and also exploit other print and web communication for information dissemination. In this financial year (FY11-12) itself, a total of 3 road-shows, 4 conferences and around 70 meetings/con-calls were conducted.

Company periodically also obtains the opinion of the investment and analyst community as a valuable feedback for formulating its policies and taking strategic management decisions.

Going forward Company plans to have a mechanism in place to have an online feedback system, discussion forums and webcasts for the convenience of our investors and analysts. We aim to provide guidance for the benefit of investors and sell/buy side analysts through these efforts and various channels.

Management Discussion & Analysis

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

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:

- 9 MMTPA grassroot Guru Gobind Singh Refinery Project of HPCL - Mittal Energy Limited at Bathinda, Punjab has been successfully commissioned in record time of less than 44 months. The Refinery was dedicated to the Nation by the Hon'ble Prime Minister of India, Dr. Manmohan Singh on April 28, 2012. The Refinery consists of SPM (Onshore & Offshore) for receiving crude from tankers and crude oil terminal at Mundra for storage and onward pumping to refinery at Bathinda through 1014 km of 30" / 28" cross country pipeline, CPP of 165 MW capacity and secondary process units viz. VGO HDT, PFCC, DCU, MS Block, DHDT to achieve high distillates yields meeting EURO-IV norms and a petrochemical unit producing Polypropylene. The Refinery is energy efficient and environment friendly. Diverse environment protection measures have been incorporated in the design of all project facilities which includes SRU, state-of-the-art ETP, Vapour Recovery System and low NOx burners in furnaces. This has provision for producing Euro-V product also along with alkylation unit in the future. The Refinery has been built at the cost of USD 4 billion.

- Mangalore Refinery & Petrochemicals Limited (MRPL), a subsidiary of Oil and Natural Gas Corporation Limited having a nameplate capacity of 9.69 MMTPA, has processed close to 12 MMTPA of crude with their Phase-I and Phase-II units. As part of Phase-III Refinery facilities, MRPL has planned to upgrade the refinery to meet Euro-III/IV specifications for its entire Diesel pool, including exports and also increase the crude processing capacity to 15 MMTPA by adding CDU/VDU of 3.0 MMTPA capacity. Associated Utilities/Offsites are being augmented to cater to MRPL's Phase-III requirements. The entire Project is being implemented on hybrid mode of LSTK/OBE/conventional system for various units. Major secondary processing facilities are being implemented on LSTK/OBE route while all the Utilities/Offsites are being implemented on EPCM route. EIL is the PMC for the LSTK contractors and EPCM consultant for Utilities/Offsites works. EIL has also been awarded the OBE-orders for the PFCC, SRU and PPU of Phase-III Project.

MRPL had targeted to commission, at least, the CDU/VDU before March, 2012. They declared mechanical completion of CDU/VDU in November, 2011. Utilities/Offsites, being implemented in EPCM mode under EIL had faced several unique impediments during construction phase like the enormous site grading, hard rock in patches of the site, PDFs, saving Benkinatheshwar temple, unprecedented rains and many more issues. EIL's management encouraged and supported its team for making all-out efforts for Utilities and Offsites to be made ready before March, 2012. Dedicated efforts by EIL/MRPL team of engineers, well-supported by the Managements of both the organizations and Contractors led to completion of the required Utilities/Offsites also, ensuring smooth commissioning of CDU/VDU on March 29, 2012 i.e. well within the targeted dates. Client could dispatch all the products from the new units and could realize the huge Income Tax benefit under section 80 (ib) for which Govt. of India had fixed March 31, 2012 as last date.

Other process units, DHDT, HGU and CHTU are also in the process of commissioning.

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 Fluidized 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 4,45,000 TPA of Polymer Grade Propylene. The difficulty factor 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. The construction activities of the Unit are in advanced stage of completion.

SRU Block is also being implemented on OBE convertible to LSTK mode. Mechanical completion of Amine Regeneration Unit achieved as part of SRU and balance works is in advance stage of mechanical completion.

MRPL also awarded the Polypropylene Unit (PPU) to EIL on OBE convertible to LSTK mode of implementation. Detailed engineering and procurement activities are in 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.

- Wet Air Oxidation (WAO) Project which was awarded to EIL on LSTK basis by MRPL (with EIL's own process design), has been commissioned on August 30, 2011.
- 6MMTPA grassroot Bina Refinery of Bharat Oman Refineries Ltd. (BORL) at Bina, Madhya Pradesh was dedicated to the nation on May 25, 2011.
- Diesel Hydrotreater Unit (DHDT) built with technology developed by EIL (R&D), IOCL (R&D) and IIT Delhi at IOCL's Bongaigaon Refinery was commissioned on August 10, 2011. The technology for the DHDT Unit was commercially implemented for the first time in the country at Bongaigaon Refinery and had exceeded its designed performance.
- 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.
- The engineering work of quality upgradation project CDU-II at CPCL has been completed and the shutdown of the plant is scheduled to be taken in the second quarter of 2012.
- Work of New Coke Chambers & Allied Modernization Facilities at Guwahati Refinery is nearing completion.
- Engineering and Procurement activities for Wax Project of NRL are progressing well. Construction activities have commenced at site.



A number of new project assignments were bagged by EIL during the year 2011-12 and work has commenced on all these projects. These include:

- BDEP as well as EPCM services for CDU - 4 Project of B P C L Mumbai Refinery. The new Crude Distillation Unit will replace the ageing CDU - 1 and CDU- 2. Both these units along with their associated facilities would be decommissioned upon commissioning & stabilizing of CDU-4. The Project will consist of associated facilities/units such as Vacuum Distillation Unit, Treatment facilities for LPG & off-gas and required balancing Utilities and Offsites. The work on this project is in progress.
- Project Management Services for new Integrated Refinery Expansion Project (IREP) at BPCL Kochi Refinery. The work on this project has commenced.

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 PMO monitored grassroots petrochemical project being executed on conventional mode at Lepetkata near Dibrugarh, has made significant progress during the year. The project encompasses licensed units of Ethylene Cracker, LLDPE/HDPE & PP from Lummus Technology USA, INEOS UK, Lummus Novolen Germany respectively, apart from EIL licensed Gas Sweetening Unit, C+ Separation Unit, Gas Dehydration Unit, Utilities & Offsites and Pipelines. Procurement for all equipment & award of all major construction contracts has been completed. Civil & structural works are in advanced stage of completion and mechanical works are in progress. Once completed, this complex will produce LLDPE, HDPE & 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. LSTK contracts for various downstream process units, Utilities & Offsites are awarded. The Project consists of 11,000 KTA Dual Feed Ethylene Cracker, HDPE, LLDPE, PP units and associated Utilities and Offsites.
- GAIL Petrochemical Complex - II 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 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 at Pata is also completed.

Utilities & Offsites facilities have been sized and infrastructure works are proceeding in full swing at both sites. All major long lead items such as Compressors, Heat Recovery Steam Generators, Utility boilers, STGs etc. have been ordered much in advance and delivery for some of the equipment has started. Civil and structural activities are in advance stage at site and composite mechanical contracts are already lined up for both the complexes.

- The Butadiene Extraction Unit (BDEU) of IOCL's Panipat Naphtha Cracker Project (PNCP) was awarded to EIL in October, 2010 and is being executed on EPCM basis. The 138,000 TPA capacity unit has been licensed by CB & I Lummus. Detailed engineering and procurement activities are in the advanced stage of completion. Contracts for all works have been awarded. Civil work at this site is nearing completion and mechanical works are in progress.

Pipelines

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

- 30"/28" x 1014 km Mundra-Bathinda Crude Oil Pipeline of HREL.
- 18" X 257 km Bina-Kota multi product Pipeline of BPCL.
- Health & Integrity check of City Gas Distribution network of Adani Gas in Lucknow city and its integration with Green Gas Limited.
- Detailed Feasibility Report for augmentation of Jamnagar – Loni LPG Pipeline of GAIL. Jamnagar - Loni is one of the longest LPG Pipelines of the world.
- Detailed Feasibility Report for upgradation of plant & equipment of 1157 km Oil India Crude Pipeline in North-East India.

Following pipeline projects handling oil & gas are under execution:

- South Jetty Development Pipeline project for loading/unloading of petroleum products and crude oil for IOCL Paradip Refinery. This jetty will handle a wide variety of oil & gas products including crude and is first of its kind in India.
- 46 nos. of flow lines of various sizes (3" - 20") totaling 240 km for NPCC/ADCO, Abu Dhabi.
- 12" x 100 km, Hazira-Dahej Naphtha Pipeline for ONGC.
- Two additional Compressor stations at Chainsa (Haryana) and Kailaras (Madhya Pradesh) on Vijaipur-Dadri Pipeline of GAIL.
- 36"/30"/24"/18" x 995 km Dabhol-Bangalore Natural Gas Pipeline of GAIL.
- 10"x26km LPG Onshore/Offshore Pipeline from BPCL/HPCL Mahul Refineries to Uran for BPCL.



- 18"/16" x 275 km Natural Gas Pipeline from Vijaipur to Kota and Spurline to Chittorgarh for GAIL.

During the year, EIL has been awarded EPCM work for 36" X 860 km Mehsana (Gujarat)-Bathinda (Punjab) Pipeline along with 24"/18"/16"/8" X 726 Km Spurlines for GSPL.

In addition, EIL intends to diversify into cross country oil & gas transportation business on owner/ operator mode (in equity partnership) for new pipeline projects such as Surat - Paradip Pipeline of GAIL & Rewari - Kanpur Pipeline of HPCL.

Offshore Oil & Gas

- During the year, EIL continued to provide PMC services to GSPC for following projects for their Offshore Block:
 - Wellhead Platform
 - Process - cum - Living Quarters Platform
- EIL is executing SPM and Associated Facilities Project of MRPL at Mangalore on OBE basis. After installation of these facilities, MRPL shall be able to import crude by VLCC Tankers up to 3,00,000 DWT capacity resulting in considerable cost savings.
- EIL is providing Project Management Consultancy services for Marine and Topsides Facilities for Standby Jetty of Dahej LNG Terminal of Petronet LNG Limited. The Standby Jetty is designed to moor and offload LNG carriers with capacity of 125,000 m³ to 266,000m³.
- EIL is providing pre-award services to ONGC for turnaround reconstruction works of BPA & BPB Platform Complexes and successfully completed post award engineering activities for WIN Revamp project of ONGC and pre-award services to ONGC for WO-16 cluster and cluster 7.
- EIL continued to provide Project Management Consultancy services for integrated offshore crude handling facilities for IOCL at Paradip. This includes setting up of two SPMs and 48", 71 km subsea pipelines. The crude handling facility will meet the requirements of Paradip Refinery including other eastern refineries of IOCL.
- EIL is also carrying out re-qualification and re-certification of 50 (nos.) offshore jackets for ONGC.

During the year, EIL bagged the following orders against stiff competition:

- Project Management Consultancy services for construction of South Oil Jetty at Paradip for IOCL.
- Front-End Engineering Design for New Gas Injection, Gas Lift, Oil Facilities for seven numbers well head platforms in Upper Zakum facilities of Zakum Development Company (ZADCO), Abu Dhabi.
- Carrying out Engineering Study for HAZOP action points of Umm Shaif and Zakum facilities in Abu Dhabi of Abu Dhabi Marine Operating Company (ADMA-OPCO).

EIL intends to foray into deep water engineering. The deep water engineering along with LNG Terminals is viewed as the future business area 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 mode and consists of two trains of 100 MMSCFD each with GDU, GSU, DPDU, CSU, Sulphur Recovery unit and associated Utilities & Offsites. Engineering & Orderings for the project are in advance stage of completion. Manufacturing & Deliveries to site are in progress. Construction activities have also gained momentum in full earnest.
- EIL has been awarded Western Onshore Redevelopment Project (WORP) on PMC basis by ONGC for onshore assets for 90 installations at Ahmedabad, Ankleshwar and Mehsana. The modernisation plan shall ensure sustainability of oil and gas production from old ageing fields, to handle increasing level of liquid and its efficient processing, sales specifications of Basic Sediment and Water Impurities (BS&WI) and enhance efficiency for better safety standards and better reliability.
- EIL is also providing PMC services for Additional Gas Processing Facilities (AGPF) Phase-IV at Hazira of ONGC.

Strategic Storages

Rapid economic and industrial growth coupled with increasing energy demand has resulted in increasing importance to the issue of energy security. Recognizing the country's dependence on imported oil and gas resources, Government of India has accorded high priority to securing India's energy security objectives and is constructing a buffer in the form of underground rock caverns for reserve supply of crude oil to deal with possible disruptions in the supply chain.

Phase-I of Government of India's Strategic Storage of Crude Oil programme is witnessing the development of 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, with mechanical completion of the first cavern expected to be achieved by October 2012.

Under Phase-II of the programme, EIL has been assigned the task of preparation of Detailed Project Report for storage of crude oil and petroleum products in underground rock caverns at Padur (Karnataka) and Chandikhol (Orissa), in-ground concrete tanks at Rajkot and salt caverns at Bikaner. As the salt caverns and in-ground technologies are being implemented for the first time in the country, foreign back-up consultants are being engaged for the DPR, preparation of which is underway.



EIL is striving to attain design capability in such areas of underground storage. With expertise gained from foreign back-up consultants engaged 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 being performed by EIL.

Metallurgy

The following major projects were implemented/are in various stages of implementation:

- The Phase-II expansion of NALCO Bauxite Mines at Panchpatmali (from 4.8 MMTPA to 6.3 MMTPA), Alumina Refinery at Damanjodi, Odisha (from 1.575 MMTPA to 2.1 MMTPA) has been completed.
- Fourth Stream Upgradation Project (from 0.525 MMTPA to 0.7 MMTPA) of NALCO Alumina Refinery at Damanjodi is under advance stage of completion.
- Engineering services to Mahan Aluminum Smelter (capacity 360,000TPA) project of HIL (Hindalco Industries Ltd) at Singrauli, M.P. have been completed.
- Engineering services to Aditya Aluminum Smelter (capacity 360,000 TPA) project of HIL at Lapanga, Odisha is nearing completion.

Infrastructure

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

The clients include State Trading Corporation, Indian National Science Academy, Petroleum Conservation Research Association, Apparel Export Promotion Council of India, Indira Gandhi National Open University, Oil India Limited, Oil Industry Development Board, Defence Research & Development Organization, National Highways Authority of India, Airports Authority of India, Sardar Sarovar Narmada Nigam Limited, Delhi Jal Board, Delhi University, Municipal Corporation of Delhi, New Delhi Municipal Corporation, Pune Municipal Corporation, Jaipur Development Authority, National Automotive Testing and R&D Infrastructure Project, National Capital Region Planning Board, Unique Identification Authority of India, Directorate of Income Tax, Regional Centre for Biotech, Central Scientific Institute of Research, Punjab Water Supply and Sewerage Board, Hindustan Petroleum Corporation Limited, Rajiv Gandhi Institute of Petroleum Technology, Ministry of Home Affairs, Jaipur Development Authority, GAIL (India) Limited and Housing & Urban Development Corporation.

During the year, EIL was awarded the jobs of EPCM services for Green R&D Centre of HPCL at Bengaluru, Bid Management

services for Upgradation and Modernization of ONGC Nhava Supply Base at Mumbai, prefeasibility study for underground services in walled city Jaipur and Technical Audit of Project cost estimate incurred by Mumbai International Airport Limited. The job of Technical Audit of Automotive Test Track at Pithampur, Madhya Pradesh was also secured.

The current financial year witnessed commencement of the assignment for construction of institutional buildings for Delhi University at North Campus, construction of Biotech Science Cluster at Faridabad for Regional Centre for Biotech and TPI services for construction of GAIL Jubilee Tower at Noida.

A number of projects such as development of CSIR's Diamond Jubilee IGIB extension campus at New Delhi, renovation of Aykar Bhavan at Ghaziabad for Directorate of Income Tax and prefeasibility study for underground services in walled city Jaipur were completed during the year.

Efforts are also on for gaining consultancy services for infrastructure projects in the areas of Metro Rail system, Sustainable Urban Development, Intelligent and Green buildings, Ports and Airports, etc.

Fertilizers

Recognizing the wide gap between demand and indigenous supply of fertilizer, EIL strategized its business operation in Fertilizer and Chemical sector. Last year, EIL re-entered the Fertilizer Sector with brownfield Ammonia/Urea complex project of Jaiprakash Industries and Revamp project of Indo Gulf Fertilizer.

As a major shift in the Company's operation, EIL along with NFL as Joint Venture partner is likely to take over the revival of Ramagundam Fertilizer Plant. The business environment of the sector is very encouraging with major players viz GSFC, GNFC, RCF, Chambal Fertilizers, Juari Industries and ONGC drawing up plans for expansions and new plants.

After adopting the PMC and EPCM business model for ongoing activities in fertilizer and chemical sector, EIL is planning to secure EPC contracts also by establishing MOU with various process licensors.

Water and Waste Management

In this sector, EIL intends to focus on integrated water management covering the gamut of water intake works, treatment, storage and water distribution as well as sewerage network for waste collection, sewage treatment plant, tertiary treatment plant and recycling/reuse of treated water, with special stress on desalination projects and solid waste management. EIL will continue to target engineering consultancy and PMC opportunities as well as EPC projects. Laying of Interceptor Sewerage System along Najafgarh, Supplementary & Shahdara Drains for abatement of pollution in River Yamuna is under execution for Delhi Jal Board (DJB).

**City Gas Distribution**

This is another sector which has a high growth potential due to inherent advantage of gas as a clean fuel. 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. Though the business dynamic of city gas distribution is passing through a challenging period due to reduced availability of natural gas, EIL is initially examining its foray into city gas distribution projects through various entry modes.

Power

Power Division which was created for spearheading EIL's diversification plans into Power sector achieved major breakthroughs with important players in the power industry. EIL secured business in all sectors in power be it Nuclear, Solar or Thermal power projects.

- Nuclear

EIL bagged Engineering Services Contract for Balance of Plant of Kudankulam Nuclear Power Project - Units 3 & 4 (KKNPP-3&4). NPCIL entrusted EIL with other assignments related to KKNPP leveraging the Memorandum of Cooperation signed between the companies. With a vision to prepare for the special requirements of Nuclear industry, training was imparted to EIL specialists in Nuclear power area.

- Solar and Conventional Thermal 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 selection of EPC contractor for 72 MW CPP for KRIBHCO's Fertilizer Complex at Hazira. Further, under stiff competitive bidding, EIL has won the contract for preparation of DFRs for 350 + MW gas based Combined Cycle Power Plants at Kashipur and Haridwar from UJVNL-GAIL Joint venture. EIL has also penetrated the 660 MW super critical power projects by getting an order for providing Specialist Consultancy Services for 2x660 MW capacity coal fired Supercritical Thermal Power Plant of OPGC at Jharsuguda, Odisha.

M/s Areva have awarded EIL with Engineering Consultancy Services for Power Block and third party design review of structures for SSG in Solar Block for 1x125 MW Concentrated Solar Thermal Power Project (under National Solar Mission) of Reliance, located at Dursar village, Pokaran (Rajasthan). AREVA Solar Inc.(USA), as an EPC contractor and technology supplier, will be developing and manufacturing solar steam generators based on the Compact Linear Fresnel Reflector (CLFR) for this project. This project is the

largest solar thermal power project in India and one of the largest in the world.

EIL is also providing PMC services to GAIL for their 5MWe Solar PV Power Project at Jaisalmer (Rajasthan) under National Solar Mission Phase-I, Batch-2.

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:

- Construction progress for three OBE convertible to LSTK packages, namely PFCC, SRU Block and PP of MRPL Refinery Expansion Phase-III Project are in advance stage.
- Wet Air Oxidation (WAO) Project which was awarded to EIL on LSTK basis by MRPL (with EIL's own process design), has been commissioned on August 30, 2011.
- SPM and associated facilities to MRPL Phase-III project is being executed on OBE mode. After installation of these facilities, MRPL shall be able to import crude by VLCC Tankers up to 3,00,000 DWT capacity resulting in considerable cost savings.
- For On-shore Gas Terminal Project of GSPC at Kakinada, A.P. being executed on OBE mode, Engineering & Orderings are in advance stage of completion. Manufacturing & Deliveries to site are in progress. Construction activities have gained momentum.

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.

Key assignments completed during the year include:

- Preparation of technical specifications for SUDAPET Company Limited, Khartoum, Sudan
- Replacement of GUP Hydrophor Fire Water System Pumps at Ruwais Refinery of TAKREER, Abu Dhabi, UAE.
- Engineering services for assessment & selection of Heat Exchanger for ADMA OPCO, Abu Dhabi, UAE
- Licensor selection for Sohar Refinery Expansion Project for ORPC, Oman

Work progressed well on following major jobs during the year:

- Design & detailed engineering services to NPCC for Qusahwira Field Development 1.8 MM BOPD Project of ADCO, Abu Dhabi, UAE. Project scope comprises 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 followed by field engineering support, commissioning support and inspection & expediting support to NPCC.



- Various services under General Services Agreement (GSA) with EQUATE, Kuwait
- 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 BANAGAS and BAPCO companies of Bahrain.

Major consulting services assignments were secured from our target MENA countries, besides new assignments from CIS:

- PMC Services for 5 Nos. Pipeline Projects of GASCO, Abu Dhabi, UAE
- DFR and cost estimate for KPRL Refinery Upgrade Project of KPRL, Kenya
- PMC Services for EPC Phase of Habshan Acid Gas Flare Recovery Project of GASCO, Abu Dhabi, UAE
- FEED for New Gas Injection, Gas Lift, Oil facilities (Package B) for ZADCO, UAE
- Frame Agreement for the provision of Engineering Design Services to NPCC, Abu Dhabi
- Adequacy Check for EPF-120 Facility for Kuwait Processes for Petroleum Equipment & Facilities Co. WLL, Kuwait
- Design, Engineering and Preparation of EPIC Tender Package for New Flare System at CPF for Dragon Oil (Turkmenistan) Ltd, Dubai
- Feasibility Study for Bentiu Mini Refinery of SUDAPET Company Limited, Khartoum, Sudan
- Technical Due Diligence for Project Lotus in Vietnam for ONGC Videsh Limited (OVL)

Engineering

Engineering Division of EIL continued its efforts towards providing more efficient engineering services for all ongoing projects of the Company. There was an all round improvement in systems and processes with close coordination between different groups and streamlining of data transfer and information exchange. Some of the major assignments undertaken by Engineering Division during the year include:

- Engineering for procurement of pneumatic conveying system for handling LLDPE/HDPE Powder/Pellet with capacity of 80 TPH, highest ever capacity procured in EIL, for GAIL Petrochemical Complex-II Project at Pata, Auraiya.
- Engineering for procurement of DOX (Dispersed Oil Extraction) unit with design flow rate of 107 m³/h, highest ever capacity procured in EIL, for GAIL Petrochemical Complex-II Project at Pata, Auraiya.

- Engineering for procurement for the first time of Membrane N₂ unit with design flow rate of 595 Nm³/h for Qusahwira Field Development Project of ADCO in Abu Dhabi.
- PMC services including complete conceptualization and sizing of largest Product Ware House handled by EIL with 88,000 MT storage capacity for OPaL, Dahej.
- PMC services to non-conventional energy sector projects like 125 MWe Solar Concentrated Thermal Power Project which includes the largest capacity (14000 m³/hr) of horizontal cooling water pumps by EIL, for Reliance Infrastructure and Areva.
- Development of Technical Specifications for NPCIL for Engineering Services Contract for BOP of Kundankulam Nuclear Power Plant (KKNPP) - 3 & 4.
- Engineering for procurement of a 6.4 MW cycle gas centrifugal compressor having dual drive (i.e. electric motor & gas expander) handled by EIL for the first time for LLDPE/HDPE Unit of GAIL, Pata.
- Engineering for replacement of existing 11x20kA, 900V rectifier with 6x55 kA, 900V rectifier without disturbing the existing operation of Pot line 2&3 of Hirakud Aluminum Smelter for Hindalco.
- Basic design, preparation of technical specs. and tender drawings for balance of plant involving 400 kV & 230kV Gas insulated switchgears, 400/230kV- 315MVA transformers etc. for power evacuation system from 2x1000MW generators of KKNPP - 3&4 of NPCIL.
- Detailed engineering for balance of Turbine Island of 125 MWe Solar Thermal Power Plant at Dursar, Jaisalmer district, Rajasthan for Reliance Industries Ltd.
- Implementation of pipeline leak detection system using state-of-the-art Fiber Optic Distributed Temperature Sensing (DTR) technique at South Jetty Project of IOCL Paradip. C3 Stripper of MRPL, PFCCU with I/D of 7000mm, Height (TL-TL) of 70955mm & Erection Weight of 150MT.
- C3 Rectifier of MRPL, PFCCU with I/D of 7000mm, Height (TL-TL) of 67000mm & Erection Weight of 1060MT.
- EIL designed HP Exchanger (TEMA Type-DEU) with design pressure of 168 Kg/cm² for first time for GSPC which has been successfully fabricated and hydrotested.
- C3 Splitter of Cracker unit of GAIL, Pata. Modification of diameter of column from 3200mm I/D as furnished by Licensor, to 4300mm I/D, thereby decreasing the erection weight by approx. 100MT.
- Engineering lay-out and composite analysis involving very high line sizes - including 129" for the first time and high temperatures in the range of 760 degree centigrade.



- Development of capability for carrying out stress analysis of class 2 & 3 nuclear piping as per ASME Sec III NC and ND.
- Carrying out development activity related to Acoustic Induced Vibration study of piping.
- Development of capability for carrying out analysis of ASME Sec VIII Division II vessels considering creep-fatigue interaction.
- Coordination and initiation of the construction of first in-house designed and engineered Green Building project (Administration Building) at GAIL's two Compressor Station sites (Chainsa and Kailaras) by the Architecture Department.
- Inauguration of state-of-the-art Main Control Room Building at MRPL Refinery Expansion Project (Ph-III) amidst great appreciation by the client due to its effective functional and aesthetic design.
- Design of buildings pertaining to new areas like Nuclear Power, Solar Power, Fertilizer plants etc. to fully comply to functional, codal and other specific requirements.
- New activity areas like Interior Designing, Landscape Design (of entire complexes) etc. undertaken.
- Site selection studies for following clients:
 - TATA SASOL's Coal to Liquid plant. The study involved techno commercial, socio political analysis and plot plan optimization.
 - HPCL Refinery in Ratnagiri district of Maharashtra.
 - ONGC's Gas Processing Plant in Thane district of Maharashtra.

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 Planning 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 30th successive year. This Division also supports man-hour control and manpower planning activities of the Company.

The Costing 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.

Construction

Construction Division of EIL continued to provide Construction Management Services to various clients at 42 diverse domestic project locations and 5 overseas locations. The Division offers services for total Construction Management including Contract Administration, Construction Quality Surveillance, Feedback Analysis, HSE and Warehouse Management for projects in Petrochemicals, Refineries, Cross-country Pipelines, Gas Processing Complexes, LNG Terminals, Non-ferrous Metallurgy and Offshore Industry. The resource pool of Construction Division includes a team of qualified and experienced engineers, having strength of 702 regular technical personnel, 12 consultants, 26 management trainees as well as 105 technical personnel deployed through outsourced agencies. As on March 31, 2012, total strength of construction personnel deployed is 845.

Current prestigious commitments for the Division involve MRPL Phase-III project involving 4 (four) nos. OBE contracts, Petrochemical Complex at Dahej for OPaL, Gas Cracker Complex at Lepetkata for BCPL, OGT at Kakinada for GSPC, Wax Project for NRL, DBPL Pipeline etc.

Construction activities commenced for the following new projects during the year:

- Wax Project, NRL
- Butadiene Extraction unit, IOCL, Panipat
- CDU/VDU-II at CPCL, Chennai
- Rehabilitation Project at Algiers Refinery

The highly skilled & motivated EIL construction team with unblemished track record has been instrumental in establishing & monitoring adherence of construction Quality Management System comprising of quality plans, test plans including record keeping (FIR), 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.

EIL attaches highest importance to HSE policy in execution of all its projects. This commitment was epitomized by following accolades earned during the year:

- 48.3 million LTA free manhours at MRPL Ph- III Project of MRPL.
- "Sarvashreshtha Suraksha Puruskar" (Golden Shield) by the National Safety Council of India (NSCI) for managing best safety standards in LLDPE/HDPE Swing unit (EPCC-3) at IOCL's Panipat Naphtha Cracker Project.
- 25 million LTA free manhours at Gas Cracker Project of BCPL.



- 25 million LTA free manhours at Rehabilitation & Adaptation of Skikda Refinery Project in Algeria for SONATRACH.
- 8.5 million LTA free manhours at DPC Project of OPaL.

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:

- Diesel Hydrotreating Technology (DHDT) indigenously developed by EIL, IOCL (R&D) and IIT Delhi has been implemented for the first time in Bongaigaon Refinery of IOCL. The unit was commissioned on August 10, 2011. The Performance Guarantee Test Run (PGTR) of the unit was carried during December, 2011 and all the guaranteed parameters have been successfully met.
- Light Naphtha Isomerization Technology (LNIT) indigenously developed by EIL and IOCL R&D has been implemented for the first time in Bongaigaon Refinery of IOCL. The unit was successfully commissioned on September 30, 2011. The unit is running smoothly since commissioning and PGTR of the unit is scheduled to be held in May, 2012.
- Detailed Feasibility Report including configuration study, site selection, crude receipt facilities and cross country crude pipelines completed for 18 MMTPA Maharashtra Refinery Project of Hindustan Petroleum Corporation Limited (HPCL).
- Detailed Feasibility Report including configuration study completed for Visakh Refinery Modernization Project of HPCL.
- Basic Design, Engineering Package and Detailed Feasibility Report including cost estimate completed for 35000 TPA INDADEPTG unit of Guwahati Refinery of IOCL based on technology developed by IOCL R&D and EIL.
- Prefeasibility completed for processing of Rajasthan crude in Guru Gobind Singh Refinery.
- Prefeasibility Report for expansion of Guru Gobind Singh Refinery from 9 to 11.25 MMTPA crude processing capacity.
- Prefeasibility Report to enhance the processing capacity of Bina Refinery from present 6 MMTPA to maximum achievable capacity considering low cost expansion.
- Detailed Feasibility Study for a Mini Refinery Project at Bentui in United State of undivided Sudan.
- Feasibility Study for recovery of Styrene, mixed Xylene and Toluene from Pygas for IOCL.
- Residual Basic Engineering completed on KBR licensed basic design package for Propane De-asphalting unit Revamp of HPCL Mumbai Refinery.

- Study on relief valves failures for Bahrain Petroleum Company, Bahrain.
- Consultancy services to address problems being faced in Delayed Coker Unit of IOCL Gujarat Refinery.
- Preparation of adequacy check report for EPF-120 Facility at Kuwait.
- Process Design and Residual Process Engineering services for the UP Petrochemical Complex Expansion Project comprising of an Ethylene plant and Polyethylene plant of GAIL (India) Limited at Pata.
- PFR for a Pet coke based Petrochemical complex for producing Polymers and other valued added products by MRPL.
- DFR and cost estimate for KPRL Refinery Upgrade Project for KPRL, Kenya
- Detailed Feasibility Report including configuration study for Mathura Refinery Expansion to 11 MMTPA capacity by IOCL.

Research & Development

With the objective to foster the spirit of innovation and creativity in the organization, Research and Development Division (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 areas this year. The Division is pursuing developmental activities, both in house and in collaboration with academic institutes and other R&D organizations like IOCL-R&D, IIP, BPCL (R&D), IITs etc.

- Centre for High Technology (CHT) sponsored Coal to Liquid (CTL) technology development project undertaken in association with BPCL (R&D) is progressing well. Micro & bench scale reactors have been procured and installed at BPCL and kinetic studies are in progress. At EIL (R&D), cold flow slurry bubble column pilot facility has been installed. The data generation and analysis is in progress. Basic design package for Synthesis Gas cleanup pilot facility is ready for implementation. Design and preparation of process package for pilot gasifier is also in progress.
- The development project undertaken in association with IIT Kharagpur for CO₂ removal from Natural Gas is nearing completion. New amine based solvent (i.e. new formulation of amine blend) has been developed for which experimental studies for vapor liquid equilibrium, kinetic data and physicochemical property generation have been carried out at IIT. The flow simulation has also been completed.
- DHDT technology indigenously developed by EIL and IOCL has been adopted by Bongaigaon Refinery (IOCL-BGR). The



unit was commissioned and Guarantee Test Run accomplished successfully to produce EURO-IV Diesel and ATF fuels.

- EIL continued its successful commercialization of CFC technology developed along with IOCL-R&D. The LPG units at GGSRL Bathinda, IOCL BGR and IOCL Digboi designed on this technology have been successfully commissioned.
- EIL developed proprietary structured packings (PARLPAK) have been supplied to MRPL for CFC prewash column (LPG unit), HPCL for crude distillation unit and Brahmaputra Cracker and Polymers Limited for gas dehydration unit.
- For demonstrating INDADEPT technology for Naphtha & Diesel Desulfurization developed jointly by EIL and IOCL, IOCL is planning to set up a demonstration cum commercial unit of 39,000 MTA capacity at Guwahati Refinery to treat heavy gasoline cut of INDMAX (FCC) Naphtha. The Sulfur 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 Sulfur. OIIB has in principle agreed to fund a major cost of the unit (70%). BDEP for setting up the unit has already been prepared and submitted to Guwahati Refinery.
- R&D has undertaken the job of Design Multiplication and preparing BDEP for the High Melting Explosive (HMX) production unit of Terminal Ballistic Research Laboratory (TBRL). This is a DRDO project of national importance.
- EIL signed an MoU with BVG Waste Management Limited to prepare BDEP for modernization of the existing plastic to fuel plant of 2 TPD capacity for improved performance and safety. After successful implementation of modernizing 2 TPD plant, BDEP for 5 TPD plant will also be carried out.
- In order to carry forward their endeavour to develop more efficient structured packing and high capacity trays, EIL has signed an MoU with M/s Kevin to commercialize that design.
- EIL has also signed an umbrella MoU with BPCL R&D for taking up joint development projects.
- EIL has signed an MoU with IIP and NRL to improve Sulphur recovery efficiency of EIL- IIP developed SOR Process
- Technical proposal based on in-house developed technology for recovery of CO₂ from flue gases has been submitted to CFCL-Chambal.
- MoU Project for development of dynamic simulation capabilities for oil & gas separation systems has been completed and a real life case study completed successfully. The results from our study are comparable with the actual commercial study carried out by an established external consultant.

- A project to carry out energy conservation study for Numaligarh Refinery Limited (NRL) had been undertaken in association with Centre for High Technology. The energy study has been completed and report submitted to NRL.
- A multidisciplinary core group (design and engineering groups) for conducting energy audit/studies is being constituted. Petroleum Conservation Research Association (PCRA) has already revalidated empanelment of EIL as energy auditor on PCRA's panel. R&D has increased its tally of BEE (Bureau of Energy Efficiency) certified Energy Auditors with three more R&D engineers successfully clearing the National Certifications Examination for the same administered by the National Productivity Council.
- Based on innovative work done during the year, the R&D Division has filed one patent entitled "Oxygen Enrichment Technology using waste Nitrogen."

Sustainable Development

Sustainable development has been accorded the highest priority.

This requires the reconciliation of Social, Economic and Environmental Demands – the Three Pillars of Sustainability. At EIL, the sustainability mandate is not just about contributing to a good cause or complying with environmental regulations but rather about operating its business in a manner that is responsible and transparent to all its stakeholders and to the society at large.

In its commitment to the environment, the company saw the deployment of 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 as part of its key accomplishments during the year. The Company's Environment Division continued its progress 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 Environment Division.

This year EIL is the only government organization that is authorized by GOI for carrying out EIA studies and was selected from 265 government and private organization that had applied.

On the societal front, pursuing its goal of inclusive growth, the Company's CSR Policy was updated and aligned with the national accent on inclusive growth and the DPE Guidelines on CSR.

This year also saw the company making a planned shift towards a new approach to business that creates long-term



shareholder value by managing its economic, environmental and social risks and opportunities.

The company management sees business opportunity in its sustainability policy. By delivering its services in a sustainable way, and taking a long term perspective the management hopes to ensure EIL's enduring future success in harmony with the wider world.

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, Onshore Terminals, Topsides of Strategic Storages (underground caverns), Cross Country Pipelines, LNG Terminals etc.
- Safety related studies like Hazards and Operability Study (HAZOP), Hazard Identification (HAZID), Risk Analysis & Quantitative Risk Analysis (QRA), Safety Integrity Level (SIL), Safety Audits, Safety Reviews and Emergency Planning.
- Pre-commissioning & commissioning of process plants, Utilities, Offsites in refineries, petrochemical and gas processing areas, terminals of crude oil, product and LNG and pipelines etc. including total responsibility for LSTK projects and Operating Manuals preparation.

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

- Process package for offsites and utility facilities of Integrated Refinery Expansion Project (IREP), BPCL, Kochi.
- Process package for offsites, storage and transfer facilities for Wax Project of Numaligarh Refinery.
- Process package for SPM and associated onshore and offshore facilities at Mangalore.
- Process package for augmentation of Kota – Piyala section of Mumbai – Vizag Pipeline
- Process design of offsites facilities for GAIL Petrochemical-II project.
- Based on in house developed design capabilities, process package for design of Vapor Recovery System of MRPL Phase-III project completed.
- DFR for crude oil pipeline upgradation of OIL Trunk pipeline system, capacity augmentation of Jamnagar – Loni LPG pipeline of GAIL and Dabhol – Bangalore Pipeline Phase-II of GAIL.
- PMC/EPCM services for Topside facilities for Strategic Storage of Crude Oil at Padur for ISPRL, intermediate & product storage and transfer facilities for OPaL, Dahej and BCPL.

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

- Commissioning of 9 MMTPA grassroots Guru Gobind Singh Refinery at Bhatinda of HMEL.
- DHDT Project of Bongaigaon Refinery of IOCL. IOCL-BGR is the first refinery in the country to adopt the indigenous technology developed by EIL-IOCL R&D Consortium.
- Early commissioning of CDU / VDU, Utilities & Offsites of MRPL Ph-III Project.
- Commissioning of Mundra – Bathinda Crude Pipeline.
- Commissioning of Vijaipur-Dadri–Bawana GAIL Gas Pipeline along with Vijaipur / Jhagua Compressor Stations.

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

- Commissioning of various units of MRPL Ph-III project.

The Division continued its efforts in securing new business in both domestic and overseas markets and undertook following major studies during the year:

- Quantitative Risk Analysis (QRA) for PLL's LNG Terminal at Dahej, Integrated QRA for entire Panipat Complex of IOCL (Refinery/Petrochemical/Terminals).
- HAZOP studies for GAIL- I Complex, IOCL Mathura Refinery Complex and various units of BCPL and OPaL Projects.
- HSE studies including HAZID, HAZOPS, SIL, QRA etc. for Dragon Oil, Turkmenistan.
- HAZOP study for Hydrogen Plant of BAPCO, Bahrain- Research work on failure of Relief valves of BAPCO, Bahrain

Development projects initiated earlier like design of Vapour Recovery System and new business initiatives like O&M services to industry are in progress.

Heat and Mass Transfer

The Heat and Mass Transfer Division (HMTD) of EIL continued to provide thermal/hydraulic/mechanical designs for Fired Heaters, Cast/Glass Air Preheaters, Mass Transfer Systems, Sulphur Recovery Equipments and Ejectors in addition to thermal design of Heat Exchangers & Air Coolers.

The Division also continued to provide process services for offshore jobs of both ONGC and GSPC.

The Division undertook many jobs where various innovative/value added services along with cost cutting measures were provided. Some of the key achievements are as follows:

- A prestigious job was undertaken for improving Air Cooler efficiency for Ruwais Refinery of Abu Dhabi Oil Refining Company (TAKREER), Abu Dhabi. An Engineering study was carried out to assess the current performance of Air-cooled Heat Exchangers after a detailed site survey.



- HMTD has recently carried out design of 3 nos. Inverted Kettle Heat Exchangers for GAIL-Pata & GAIL-Vijaipur. Inverted Kettle Exchangers are special type equipment where tube side fluid is under cryogenic condition and sub-zero temperatures are frequently encountered.
 - Based on supportive interaction with a reputed licensor, HMTD demonstrated its expertise in using HTRI Software. With this breakthrough, EIL now has proven capability in design of Inverted Kettle Exchangers for cryogenic service. This will result in significant cost savings to our clients and eliminating monopolistic approach of vendors.
 - HMTD rendered services to IOCL, Mathura for enhancing capacity of CDU heaters corresponding to 11 MMTPA including replacement of burners for reducing NOx emission. The job included site survey to ascertain the current operating performance & identification of constraints. Basic engineering data along with burner technical / tender specifications have been furnished to enable execution by client to meet the challenging shutdown requirements in a fast & reliable manner.
 - HMTD rendered services to Ruwais Refinery of TAKREER for the study for performance improvement & feasibility to install APH in their existing crude heater. Client was facing chronic problems of high flue gas temperatures/flame impingement in the heater. The study involved site survey & suggesting remedial measures to be adopted for safe operation of the heater. To provide efficient services, an interactive philosophy was adopted through periodical discussions/presentations leading to time saving to conclude the study.
 - Reliance Industries Limited (RIL), Vadodara placed an order to study for capacity enhancement of their Steam Superheater. As a cost saving measure, RIL desired to utilize the existing heater to super-heat high pressure steam for feeding to downstream turbine. Innovative revamping techniques with least cost have been suggested to client as part of the study to achieve desired objectives.
 - The Division also handled major projects in the offshore, onshore and multiphase pipeline sectors. With its In-house process design capabilities and expertise, the Division has been successfully delivering the milestones for New Gas Injection/Gas Lift/Oil facilities for ZADCO, Abu Dhabi; implementation of HAZOP recommendation for ADMA-OPCO, Raw and Produced Water Treatment and Injection facilities for Petrolera Indovenozolana, PDVSA, Venezuela; Wellhead Platform/Process cum Living Quarter platform and sub-sea pipeline projects under Deen Dayal Field Development Project of GSPC; FEED packages for WO-16 and Cluster-7 platforms & Revamp of 39 unmanned wellhead platforms, GTG Replacement at Sagar Lakshmi platforms for ONGC.
 - Division continued its efforts in technology development and knowledge acquisition through MoU with Kevin Enterprises Limited, Mumbai for joint development of various mass transfer column internals, e.g, high capacity trays, structured packing.
- ### **Specialist Materials and Maintenance Services**
- The Company continued to provide specialist materials and maintenance 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 plants in Vijaipur, Gandhar, Usar and Vagodia
 - Health study & RLA for critical equipments of Indo-Gulf Fertilizer Ltd.
 - Health assessment & preparation of Development Plan for Trincomalee Oil Storage Terminal of Lanka IOC, Sri Lanka.
 - Study of CP System in Tata Chemicals, Babrala, UP
 - Condition assessment of 30" Crude Pipeline, ONGC-Ahmedabad
 - Review of Refractory & Insulation in Mombasa Refinery of Kenya Petroleum Refinery Ltd.,
 - Failure Analysis of Cooling water Pumps of Essar Oil Ltd.
 - Refractory Lining design & engineering analysis for Lifting of Combustor in Mundra Unit of Philips Carbon Black.
 - Refractory Lining modification in Mangalore Chemical & Fertilizer 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 viz., GGSR, MRPL, OPaL, BCPL, NPCIL and GSPC.
 - SMMS Division has been advising and specifying on the Corrosion Monitoring Systems, Inhibitor Injection Systems, Corrosion Protection Coatings, Cathodic Protection Systems for Onshore and Offshore 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.
- ### **Environmental Engineering**
- The new green economy has propelled the world to opt for stricter environment norms and have opened up new vistas for Environment related business. Taking initiative in this direction, the Environment Division took steps for the implementation of clean and green technologies in order to reduce carbon footprint of the project. 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 stride 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 Environment Division.

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

- Successfully commissioned Wet Air Oxidation Plants at MRPL, Mangalore and Guru Gobind Singh Refinery at Bathinda based on in-house developed technology.
- Successfully completed EIA reports for GAIL Pata, GAIL Vijapur, Petronet LNG, and CRZ clearance for Kudankulam Nuclear Power Plant (KKNPP).
- Successfully completed Environmental Health Risk assessment for NTPC Super Thermal Power Station at Kaniha.
- Estimation of EIL's Carbon footprint for El Bhawan and R&D Centre.
- Study for IOCL Vadodara for the improvement in the existing Effluent Treatment Plant, Feasibility Studies for Desalination Plant at Barmer, Rajasthan.
- Process Package for Solid Waste Incinerator at IOCL, Paradip, a first for EIL
- Engineering work for balance of plant for KKNPP 3-6 for NPCIL. The highlight of the project is comparative analysis of Thermal Desalination and Reverse Osmosis.
- Consultancy services to Areva / Reliance Solar Thermal Power Plant at Rajasthan for their water packages.

Information Technology Services

Information Technology Services (ITS) Division of EIL continued to provide critical IT enabled services during the year. This year the focus has been to develop/implement systems resulting in fast execution of projects, productivity enhancement, cost reduction, faster decision making and better services to clients. Some of the activities undertaken were:

- Process Data Sheet Integration Systems (PDSIS) has been implemented for generation of Process data sheets and a centralized knowledge database for storage of technical parameters of various equipment. This will decrease time for down stream engineering activities for the future projects thereby reducing time schedules and ensuring consistency in the quality of documents.

- To ensure timely completion of project activities, feature to generate auto alerts have been built in various software systems such as Electronics Document Management System (eDMS), Project Progress Monitoring System and Vendor Document Management System.
- To automate activities relating to engineering functions, development of workflow based software systems has been initiated.
- Web based portals, integrated with eDMS of EIL, have been developed for electronic/on-line exchange of documents with suppliers, contractors, clients etc.
- Online Concessions and Deviations Management System has been implemented to manage entire life cycle of concessions and deviations submitted by suppliers and contractors. This shall reduce the decision making time on such matters.
- As a part of Green Initiative, printed reports in many systems have been reduced considerably and information is transmitted/exchanged electronically in a secured manner.
- Developed on-line e-investment system for Fixed Deposits and other investments.
- On-line Campus Recruitment System and On-line Induction System for Management Trainees/new joiners has been put in place.
- An Enterprise Risk Management System (ERMS) has been implemented to identify and manage existing as well as new risks in a planned and structured manner. The system shall increase the effectiveness of risk reporting structure and involvement of all the employees within their own areas of responsibility across the ERM phases. It shall also facilitate the accurate, complete and timely escalation of risk information to support management decision making.
- To enhance the degree of continuity for EIL's business operations and to plan for the risks relating to any disaster, initiatives have been taken to set up a Disaster Recovery Centre at EIL, Chennai.

Procurement Services

The Procurement Services Division of EIL provides complete supply chain management services for various projects handled by EIL, both as a consultant and a contractor. Timely and efficient procurement of goods and services is a major and critical factor in determining EIL's success in execution of projects.

The Division has been spearheading implementation of newer technologies in order to upgrade the efficiency and effectiveness of procurement. Over the years, all procurement functions have been IT enabled - from the receipt of an indent upto Inspection, Dispatch and Transportation of the Equipment. In addition, the Division has already implemented e-procurement as well as reverse auction for its contracting



and purchasing. The Division has an integrated in-house ERP & EDMS application linking all procurement functions across various geographical locations.

Public procurement has three vital components, i.e., transparency, equity and fairness. EIL is continuously focusing to ensure the same whilst simultaneously improving the procurement process efficiency.

During the year, orders for ₹3400 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 ₹8500 crore of goods and services were placed for various clients' projects.

Procurement Division carried out in-process and pre-dispatch inspection of critical equipment at suppliers' works as well as project sites through its Regional Procurement Offices located all over the country and overseas offices located at London, Shanghai and resident inspector at Milan. Major items inspected included Propylene fractionators (91m long, 483 MT), Seal less pumps manufactured first time in India, three stage (LP, MP, HP) compressor with steam turbine for BCPL, Amine absorber (155 mm thick, 310 MT) for GSPC, and Column (7m Diameter, 1100 MT) for MRPL.

The procurement office in China which was set up two years back continues in contributing to enlargement of the suppliers' data base of capable Chinese & Korean manufacturers.

Enlarging data base of capable suppliers has always been the effort of the Division. Suppliers located worldwide apply through online system available at EIL website. Database of capable contractors is also being maintained on similar lines. One landmark achievement of the year was to qualify suppliers of Flanges, Fittings and Pipes based on Blocks with respect to Sizes/Rating/Metallurgy. This has helped immensely in improving the procurement of piping items.

Quality Management System

In EIL, Quality Management System is aligned and focused with long term objective of the company. Quality is inbuilt into our processes at workplaces, deliverables and services.

The Quality Management System (QMS) in respect of Company's services has been reassessed in accordance with the requirement of ISO 9001:2008 by the certification agency, who conducted the 2nd 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 Management Review

Committee and Systems Committee which consists of senior officials. Regular monitoring is done to analyze the data and feedbacks for recommending improvements in processes, products and QMS to reduce costs, shorten cycle times and improve visibility and credibility without affecting the environment. QMS implementation and its effectiveness has further increased due to computerization of certain processes through in-house developed software.

Quality Management System of EIL - Abu Dhabi (UAE) office was also independently audited and reassessed for certification by certification agency, who conducted the first

surveillance audit, 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 various committees for formulating products and quality system standards by Bureau of Indian Standards.

Quality Management System at EIL provides the competitive edge in securing and executing the projects with focus on full customer satisfaction.

Risk Management

The Company has a Risk Management policy and a supporting frame work which facilitates the identification and assessment of new risks and review of existing risks. The process is based on identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability and impact of the risk, the requisite controls and action plans are designed. The effectiveness of controls and action plans are monitored by Key Risk Indicator (KRI).

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.

Based on periodic reviews and implementations of recommendation resulting from review process, the ERM process is continuously improved and strengthened. Project risk management has been introduced as pilot basis.

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 interests of various stakeholders.

Vigilance

During the year, vigilance activities such as CTE type examination of EIL's jobs on LSTK/OBE basis, random inspection of in-house contracts/purchases, scrutiny of Immovable Property Returns, investigation of complaints etc. were carried out 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 including HR policy on campus recruitment were reviewed during the year. The observations reported by CTE/CVC were examined and necessary actions were taken. System improvements were suggested to the Management and actions were undertaken for improvement.

Structured meetings between CVO, C&MD and Directors were held and the MoMs were forwarded to CVC and MoP&NG. Inter-directorate meetings were also held periodically between CVO & Directors to resolve the pending issues. Vigilance activities were also presented to the Board.

Vigilance workshops, interactive sessions, seminars, debates, Vigilance Awareness Week etc. were organized in HO, Regional, Branch, Procurement and site offices of EIL during the year for spreading vigilance awareness and encouraging "Participative Vigilance" amongst the employees of EIL. An interactive meet 'Vigilance – Sankalp 2011' was organized to deliberate on technical and vigilance aspects of business dealings with ethical approach for the benefit of key functionaries of EIL which was attended by Secretary, CVC and CTE.

Some important features of Vigilance activities are given below:

- **Leveraging Technology**
Reverse auctioning, e-tendering, e-payment, e-receipt, etc. are already implemented in the Company and being monitored regularly against the set targets. Clearance of vendors' bills on 'First in, First out' (FIFO) under Bill Tracking System (BTS) is ensured.
- **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. Sensitive Posts were revisited and a new list of 'Sensitive Post' has been finalized and implemented.

- **Verification of ST certificates**

Verification of ST certificates of EIL employees is being carried out, as per the instructions of DOPT. Since 2005, 3 cases of submission of fake/unauthentic ST certificates have been detected so far and highest punishment of Dismissal of Service has been imposed on all the three employees.

- **Integrity Pact**

EIL has signed an MoU with Transparency International (TI) India on November 7, 2011 for implementation of 'Integrity Pact' program. Further, two Independent External Monitors (IEM) as approved by CVC have been empanelled for a period of three years.

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

EIL is a technology driven organization whose main assets are its people. The Company's sustained growth and impressive performance can be attributed to sound HR systems and processes in place, which in turn are closely aligned with the corporate plans and strategy.

The organization strongly believes that growth of its people will in turn contribute in growth of the Company. Being a



talent driven & knowledge based consultancy organization, it is important for EIL to enhance the capabilities of its human capital by increasing the competency & commitment of its employees so as to maximize their contribution towards achievement of organizational objectives.

In view of the ever-changing business scenario, HR has kept pace with the organisation needs through various HR initiatives.

- **Manpower Profile**

The Company has a qualified and professional employee base with over 3450 employees as of March 31, 2012, including 2990 technically and professionally qualified employees as well as 392 women employees representing 11.3% of total strength. Approximately 3.0% 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. To meet the workload of the Company, necessary recruitment has been undertaken at the junior and middle-management level as well as the 'Management Trainees' Level.

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.

- **Employee Welfare**

Throughout the year various Health Camps and Health Talks were organized for the benefit of employees as welfare initiative under HALE (Health Assessment & Lifestyle Enrichment) Programme, aiming at improving organizational productivity through employee health and well-being. Blood Donation Camp was also organized on March 15, 2012, EIL's Foundation Day, wherein 102 employees volunteered for the cause.

- **Reward & Recognition**

With a view to recognize employee & team efforts, stimulate creativity, motivate the achievers for sustained exemplary performance, retain talent, improve Employee Engagement, reinforce positive behaviours & create a better working environment, two Reward and Recognition Schemes have been introduced in EIL. "Kudos!" – an individual reward scheme has been introduced to place on record appreciation for good work done by individual employee. A "System Feedback" reward scheme has been introduced to reward individuals for giving useful suggestions/ feedback resulting in system improvement.

- **Performance Management System**

EIL has in place a robust and transparent Performance Management System that gives weightage to both

performance and behavioral attributes. The outcome of Performance Management System is used for performance related pay, career progression, training & development and succession planning.

- **Training & Development**

Employees being EIL's prime asset, development of employees through training & development programme is the key to sustainable development.

EIL training initiatives have focused on technical and behavioural areas leading to multi-skilling and upgradation of skills/knowledge. A total of 180 training programmes were conducted for developing skills in Management Development, Technical & Functional Enhancement, Leadership Development and other areas. With a view to strengthen the core competence of organization, programmes were organized in technical areas such as Nuclear Technology, Pinch Technology, PRIMAVERA, SAP codification, PMI certification, PDMS, Certified Welding Inspectors Course etc.

During the year 2011-12, training for senior management was also emphasized. Two residential programmes namely 'Seven Habits of Highly Effective People' and 'Great Leaders, Great Teams, Great Results' were organized for executives at the level of Executive Directors, General Managers and Dy. General Managers. One more batch of "Aarohan" - the Leadership Development Programme of eight months' duration covering 27 participants was successfully completed during the year continuing the focus on development of Leadership Pipeline.

Focus on providing structured management development programmes through management institutes was maintained by organizing such programmes in collaboration with various Management Institutes for senior and junior level executives. In addition to conducting programmes at HO, Executive Development Programmes were also conducted at other locations such as Mangalore site, BCPL Lepetkata site, BO Mumbai and RO Chennai.

Customized competency based programmes like Connect 360, Planning for Results, Plan Better: Deliver Best, Express to Engage, Personal Excellence and Emotional Intelligence, Leadership in Execution, Creating Winning Teams etc. were organized on regular basis covering executives at all levels.

In order to bolster the mentoring process, new joiners at Management Trainees level were assigned mentors who are senior members of EIL family. The mentors guide their protégées in order to nourish their career in EIL and help them navigate their way towards a bright career.

During 2011-2012, total 4972 nominations were made for different programmes and average man-days training per employee stood at 2.81.



- Leveraging IT in HR processes

In EIL the primary objective of incorporating IT in HR system has been to streamline the HR processes and ensure transparency in the system. Being a progressive organization, EIL has implemented a series of online HR modules developed in-house for its various HR processes. Implementation of such processes has resulted in achieving greater efficiency and employee satisfaction.

- Scheduled Caste/Scheduled Tribe

With a view to accelerate the pace of socio-economic development of the nation, EIL has been endeavoring towards safeguarding the interests of disadvantaged 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 Employees' Welfare Association by holding periodical meetings with the Association.

As on March 31, 2012, 17.9% of total staff strength of the Company was from Scheduled Castes and 3.8% 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, out of 243 personnel joining the Company, 57 belonged to SC/ST (SC-29, ST-28). Reports are being sent to MoP&NG/DPE periodically as per 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.

Corporate Social Responsibility

During the year, the CSR Policy was updated and aligned with the national accent on inclusive growth and the DPE Guidelines on CSR. The corporate systems and processes were strengthened with the formation of a CSR Committee of the Board by the Board of Directors and a CSR Council by EIL Management to provide direction and oversee the CSR initiatives of the Company. The CSR Budget for 2011-12, in

keeping with the DPE Guidelines, was ₹1151 lakhs and during the year project allocations of ₹1221 lakhs were made. The CSR expenditure at ₹942 lakhs during the year exceeded the MoU annual 'Excellent' target of ₹900 lakhs. Salient highlights of the area-wise CSR activity details are as under:

- Healthcare

Under this initiative Mobile Medicare Units for the aged in the society were provided at Ahmedabad and Pune in association with Help Age India; an Ambulance and a Mobile Dispensary was provided to VK-BORL Hospital, Bina for supporting the health needs of the villagers neighboring the Bina Refinery Project, 10 eye-cum-health check up camps were sponsored in association with Mahavir International under their flagship project 'Doctor at Door Step' where a total of 5458 patients were examined and 70 cataract surgeries performed with free pick and drop facility and hearing screening machines for diagnosing and remediating hearing loss in newborns were provided to Child Care Centre, Kochi.

A major health-care project in an advanced phase of implementation is the construction of the second and third floors of the Government General Hospital at Kakinada, Andhra Pradesh for enhancing medical facilities for the populace of the area. Other projects under execution include providing two Mobile Eye Care Units for ophthalmic checkup and follow-up care to Mahavir International, medical diagnostic equipments and medical van for early detection and palliative care to cancer patients in sub-urban areas of NCR to Global Cancer Concern India and a mobile cancer detection and diagnostic unit to Indian Cancer Society.

- Education

Projects completed in this activity area were food delivery vans for providing meals to government school children under the Mid-day Meal Scheme of the Government given to ISKON Food Relief Foundation, a school bus and computers to Shanti Sahyog for facilitating the education of underprivileged children and a multi-utility vehicle and computers for the education of orphans and destitute children managed by Snehi.

Projects under implementation included construction of additional classrooms staircase/ramp and upgradation of washrooms at the Government Higher Secondary School in Sangam Vihar, New Delhi; supporting education of terrorism & ethnic violence affected children in Jammu & Kashmir, Assam and Manipur in association with National Foundation for Communal Harmony, upgradation of school infrastructure in the North Eastern region and skill training through ITI, Dibrugarh.



- Drinking Water/Sanitation

Salient projects completed were provision of potable water and upgradation of sanitation facilities for the abandoned and helpless women and girls residing at Sri Digambar Jain Mahila Ashram, New Delhi and RO water plants for the orphans and destitute children at Balbhawan, Greater Noida.

Major projects under implementation were the construction of a water treatment plant for augmenting potable water supply in the Kancheepuram District, Tamil Nadu and development of a reservoir for sustained supply of potable water to Bharuch city.

- Rural Electrification

The major solar electrification project under implementation is the setting up of solar power plants with their maintenance and management by the village community, post-installation in two remote villages of Kargil Region in association with the Kargil Renewable Energy Development Agency. Other projects under execution include providing solar lighting in villages of Nayagarh, Odisha and Raigard, Maharashtra.

- Women Empowerment

Knitting machines were provided to Indian Council for Poverty Alleviation for their skill training programme of women from the poor segments of the society to enhance their employment opportunities. Another project being implemented under this initiative is for providing prosthetic limb to breast cancer survivors enabling them live their life with dignity through Cancer Sahyog.

- Environment Protection

Support was provided to the trans-Himalayan region project of Pathfinders for enhancing awareness amongst the school children and locals on environmental protection and sustainability in Ladakh region.

- Upliftment of underprivileged in society

Under this initiative projects completed were providing a school van for the visually impaired children to National Association for the Blind and wheelchairs for disabled sportspersons through Wheelchair Fencing Federation of India.

The projects under implementation include the construction of a multi-purpose hall for the Old Age Home in Mirzapur, Uttar Pradesh and providing infrastructure support for the vocational training of hearing impaired women in Delhi.

Official Language

Quarterly meetings of Official Language Implementation Committee (OLIC) of EIL were held regularly to review the progress of use of Hindi. The meetings of different OLICs of

Regional/ Field/Procurement Offices were also organised as per schedule. Provisions of the Section 3(3) of the Official Language Act and the Official Language Rules have been complied with. The initiatives taken in the field of IT include activating Unicode facilities in all computers, providing Indic IME, Shrutlekh, Shabdika, Parivartan and other software on the computers and imparting training of above software during Hindi Workshops. One Hindi typist has been recruited for Branch Office (BO) Mumbai and 4 Hindi Translators have been recruited in HO, BO Mumbai, Regional offices at Vadodara and Chennai. Senior officers of the Company participated in the meetings of the Town Official Language Implementation Committee (TOLIC).

EIL received a Shield and Appreciation letter for effective use of Official Language Implementation at HO by Rupambara. In pursuance of the Official Language Policy of the Government of India, new joiners who are not conversant in Hindi are nominated for correspondence course of Ministry of Home Affairs. However, at HO regular classes are being conducted for such employees. More than 96% employees have already got working knowledge of Hindi. Cent percent stenographers & typists are trained in Hindi stenography and typing respectively at HO, hence the 100% target has been achieved in respect of Stenographer & Typist.

As per the parliamentary requirements and in compliance of Official Language during the year EIL Rajbhasha Vibhag conducted inspections of 21 Divisions/ Departments in HO and 13 Regional/ Fields /Procurement offices. Five Hindi workshops were organized at HO, New Delhi, 2 at Gurgaon Office and 7 at Regional/Field/Procurement offices. Hindi Unicode workshop organised under the aegis of TOLIC on January 20, 2012 is also included in HO workshops which was attended by the participants from other undertakings. The Hindi Fortnight was celebrated from September 14 - 28, 2011 in the Company. Various competitions were organized to encourage the progressive use of Hindi and 53 employees were awarded with prizes. During the year the Committee of Parliament on Official Language conducted the inspection of Official Language at BO Mumbai on September 27, 2011 and Bathinda site office on February 10, 2012. The committee expressed its satisfaction on the implementation of official language work.

Awards & Accolades to EIL

During the year EIL was bestowed with several awards and recognitions, exemplifying the Company's relentless pursuit of excellence in all areas of its operations.

- "SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management 2009-10", under Miniratna Category by SCOPE, the apex body of Public Enterprises. The award was presented by Dr. Manmohan Singh, the Hon'ble Prime Minister of India on January 31, 2012 in New Delhi.



- Commendation Certificate of "SCOPE Meritorious Award in Specialized Fields 2010-11", under the category of Best Practices in Human Resource Management. The award was presented by Smt. Pratibha Devisingh Patil, the Hon'ble President of India on April 13, 2012 in New Delhi.
- "Achievement Award for Best Project" for Euro IV Upgradation Project of Chennai Petroleum Corporation Limited (CPCL) under 4th CIDC (Construction Industry Development Council) Vishwakarma Awards. The award was presented by Shri Virbhadr Singh, the Hon'ble Union Minister of Micro, Small and Medium Enterprises on March 10, 2012 in New Delhi.
- "Sarvashreshtha Suraksha Puruskar" (Golden Shield) by the National Safety Council of India (NSCI) for managing best safety standards in LLDPE/HDPE Swing unit (EPCC-3) at IOCL's Panipat Naphtha Cracker Project. The award was presented by Shri Mallikarjun Kharge, the Hon'ble Union Minister of Labour & Employment on October 19, 2011 in New Delhi.
- First Prize from the Institute of Cost and Works Accountants of India (ICWA) for excellence in cost management practices for the year 2010. The award was presented by Dr. M. Veerappa Moily, the Hon'ble Union Minister of Corporate Affairs on July 18, 2011 in New Delhi.
- "PSE Excellence Award 2011" by the Indian Chamber of Commerce (ICC) and Department of Public Enterprises (Govt. of India) in the Mini-Ratna and Others category for R&D, Technology, Development and Innovation. The award was presented by Shri Bhaskar Chatterjee, then Secretary, DPE on September 19, 2011 in New Delhi.
- Best Project Management Consultant (PMC) Award by GAIL (India) Ltd. for commissioning the 500km, 48" dia., Natural Gas Pipeline from Vijaipur, Madhya Pradesh to Dadri, Uttar Pradesh besides other connectivity lines to NDPL Rithala & PPCL Bawana Power Plants.
- "GSBA-Top Rankers Excellence Award" to Shri Ram Singh, Director (Finance) by 'Top Rankers' in the personal category for individuals with a track-record of outstanding contribution in the area of Finance. The award was presented by Shri Subodh Kant Sahay, the Hon'ble Union Minister of Tourism on December 23, 2011 in New Delhi.
- Achievement Award for "Outstanding Public Officer" to Shri P.K. Rastogi, Director (Human Resources) by Construction Industry Development Council (CIDC) under 4th CIDC Vishwakarma Awards 2012 on March 10, 2012 in New Delhi.
- "Bharat Jyoti Award" to Shri P. Mahajan, Director (Technical) by India International Friendship Society. The award was presented by Shri Bhishma Narain Singh, former Governor of Tamil Nadu & Assam and Dr. GVG Krishna Murthy, former Election Commissioner on November 11, 2011 in New Delhi.
- Second Prize for best woman employee in Public Sector Undertakings to Ms. Nisha P Guha, DGM (PEM) by SCOPE. The award was presented by Shri Narendra Modi, the Hon'ble Chief Minister of Gujarat on February 12, 2012 in Ahmedabad, Gujarat.
- Safety Certificate for 48.3 million LTA free man hours at Refinery Expansion and Upgradation Project (Ph- III) of Mangalore Refinery and Petrochemicals Ltd.
- Safety Certificate for 25 million LTA free man hours at Assam Gas Cracker Project of Brahmaputra Cracker and Polymers Ltd.
- Congratulatory Certificate from SONATRACH for 25 million LTA free man hours at Rehabilitation & Adaptation Project of Skikda Refinery in Algeria.
- Certificate of Appreciation from SONATRACH for 12.5 million LTA free man hours at New LNG Train Project at Skikda, Algeria.
- Certificate of Appreciation for 8.5 million LTA free man hours at Dahej Petrochemical Project of ONGC Petro-additions Ltd (OPaL).

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, VMSS, GSPL, Tecnimont, Petrofac Intl, various State Governments and others, Notable among these being:

- ONGC – Certification services for B-Series & N15 & 16 Pipeline Projects, B-193 Field Development Project and 3 Clamp-on Project
- VMSS & SMC- TPI for various Infrastructure Projects
- GSPL- TPI for various Pipeline Projects
- Petrofac Intl.-TPI for South Yoloten Gas Field Development Project at Korea.

Apart from these, CEIL secured many Third Party Inspection assignments from clients like Technip KT Ltd., Farnas Construction, Arcelor Mittal Brasil S/A etc.

The Board of Directors of the Company has recommended for the financial year 2011-12, a final dividend of ₹ 200/- per share (of face value of ₹ 100/- each) in addition to ₹ 150/- per share interim dividend already paid during the year. With this the total dividend for the year 2011-12 works out to ₹ 350/- per share. Payment of final dividend is, however, subject to approval of the shareholders in the Annual General Meeting.

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.

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 Point no. 2.26 of the Notes to Accounts.

Corporate Governance

The Company is committed to good Corporate Governance as per the requirements of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance. 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.

As required under Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance, the Report on Corporate Governance, together with the Auditors' Certificate on compliance of conditions of Corporate Governance, along with the Management's Reply on the comments of Auditors is annexed.

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.

Right to Information

EIL, a Company incorporated under the Companies Act, 1956 is a reputed public sector undertaking wherein Government of India is a major shareholder. Under the provisions of section 4 of the Right to Information Act, 2005 every public authority is required to display necessary information to citizens to secure access to information under the control of public authority in order to promote transparency and accountability in its working and functioning.

EIL, being a responsible public sector undertaking, has displayed essential information on its website under the head RTI. The management has notified CPIO and the First Appellate Authority (FAA) in compliance with the requirements of the RTI Act. During the year 2011-12, a total of 168 queries had been received by the Company and all of them were replied to/answered adequately. Apart from RTI

applications, the Company also received 24 appeals against the decision of CPIO, which too were duly attended to and appropriately disposed off by the FAA. In 15 of such appeals, additional information/clarification was furnished to the RTI appellants. It is heartening to note that not a single matter was challenged before the Central Information Commission.

Directors' 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 M. Verma & Associates, Chartered Accountants were appointed as Auditors of the Company for the financial year 2011-12 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, Vijaya Bank, Corporation Bank, Bank of Baroda, Punjab National Bank, Union Bank of India, HDFC Bank, ICICI Bank, Indian Bank, Bank of India, Oriental Bank of Commerce, Canara Bank, IDBI Bank and Axis Bank.

Particulars of Employees

Information with respect to employees as required by Section 217(2A) of Companies Act, 1965 read with 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. 29.07.2011, Shri B.N. Bankapur ceased to be the Director of the Company due to his retirement from M/s IOCL on attaining the age of superannuation on 31.08.2011.



Shri G.D. Goyal, Director (Commercial) ceased to be the Director of the Company due to his retirement on attaining the age of superannuation on 30.06.2012.

Shri Sanjay Gupta was appointed as Additional Director in the capacity of Director (Commercial) with effect from 1.07.2012.

Shri Bijoy Chatterjee, Dr. R.K. Shevgaonkar and Dr. J.P. Gupta were appointed as Non-official part-time (Independent) Directors vide Ministry of Petroleum & Natural Gas, Government of India letter dated 4.07.2012 and accordingly they were inducted on the Board of the Company as Additional Directors [Non-official part-time (Independent)] w.e.f. 4.07.2012.

The Board placed on record its sincere appreciation for the valuable services rendered and contributions made by Shri B.N. Bankapur, Director and Shri G.D. Goyal, Director (Commercial) of the Company.

In accordance with the provisions of the Articles of Association of the Company, Shri U.N. Bose, Director, Dr. Avinash Chandra, Director, Shri A.K. Purwar, Director and Shri P. Mahajan, 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 Sanjay Gupta, Shri Bijoy Chatterjee, Dr. R.K. Shevgaonkar and Dr. J.P. Gupta 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 Act, 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 and DPE Guidelines on Corporate Governance are given in the Annexure to Notice of 47th Annual General Meeting.

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

A.K. Purwaha
Chairman & Managing Director

Place : New Delhi
Date : July 16, 2012



Annexure to Directors' Report

Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2011-12 and the business outlook for this year.

1. Business Overview

For the year Company gained business worth ₹ 758 crores with segment-wise breakup is as follows:-

Domestic Consultancy	-	₹ 507 crores
Domestic Turnkey	-	₹ 130 crores
Overseas	-	₹ 121 crores

There was a noticeable increase in overseas business, with its contribution in order inflow increasing to 16% against historical trend of 5% to 8%. The overseas business registered a strong growth of 234% on year-on-year basis.

All the major segments of EIL's business i.e. Hydrocarbons (Refining, Pipeline, Oil & Gas Processing), Petrochemicals, Metallurgy and Infrastructure have contributed positively towards order inflows. Sunrise power sectors have also secured new orders this year.

Overall, hydrocarbon sector continues to be the major business segment for the Company with 70% contribution in orders secured for the year followed by Petrochemicals with 21% share.

In the Refining Sector, major consulting orders secured include CDU-4 Project at Mumbai & Stage-1 of the Integrated Refinery Expansion Project at Kochi of BPCL and South Oil Jetty Project of IOCL. EIL has also been entrusted for implementation of the RO Plant of Gujarat Refinery of IOCL.

Major Petrochemical orders gained this year include Health Check-up of Gas Processing Units (GPUs) at Vijaipur, Gandhar, Vaghodia & Usar for GAIL (India) Limited and PDA Revamp of Hindustan Petroleum Corporation Limited.

In the field of Pipelines, major projects secured include Kota-Piyala Section of Mumbai-Manmad-Bijwasan Pipeline of BPCL and Mehsana-Bathinda Pipeline of GSPL India Gasnet Limited (GIGL).

In the field of Metallurgy, EIL has been awarded the job for Additional Cast House facilities at Mahan Aluminium Smelter Project of HINDALCO.

Significant order inflows were received in Oil and Gas Processing segments with award of Western Onshore Redevelopment Project for Mehsana, Ahmedabad & Ankleshwar Assets, Requalification/Recertification of 50 numbers of Offshore Jackets and Turnaround Reconstruction Works of BPA & BPB Platform Complexes of Oil & Natural Gas Corporation Limited.

EIL once again strengthened its presence in the Infrastructure sector by winning new orders for Green R&D Centre at Bangalore of HPCL.

EIL has also forayed into the Solar Projects and has been awarded jobs by Areva for the Power Block of Concentrated Solar Thermal Power Project of Reliance Power (ADAG). EIL has also been entrusted the job of Techno-Economic Feasibility Report for CTL Project in Meghalaya by the State Government.

EIL's efforts in building relationship with Nuclear Power Corporation of India Ltd. (NPCIL) resulted in an award of Engineering Services for the BOP for the Kudankulam Nuclear Power Plant.

EIL also entered in strategic alliances in Korea for partnering in execution of EPC projects. EIL has also formed a Joint Venture Company in Saudi Arabia for undertaking EPC projects. In order to increase its geographic foot prints, EIL is focusing on other countries viz. Venezuela & China. In addition to the above, EIL continues to provide a large number of value added specialized services in fields relating to Project Feasibility Studies, Risk Analysis, Environment Management, Energy Efficiency Management etc.

2. Business Environment & Future Outlook

Global economic environment deteriorated owing to concerns of fiscal situation in Europe, increased risk aversion and credit constraints. Most developing countries were also hit by higher funding costs and sharply weakened capital flows. In India, the percolating effects of global slowdown were much lesser. However, going forward, the slowdown in GDP growth witnessed over the last two quarters shall likely to extend into the coming fiscal years owing to delays in corrective policies, inflation along with rupee depreciation and weakened investment sentiments.

Indian hydrocarbon sector seems to have outperformed the other energy and capital goods sectors in investments, with successful completion of most target projects listed under the 11th Five Year Plan, ending March 2012. The growth momentum of last plan reflects a potential promise for major upcoming opportunities to EIL arising from the project investments targeted for the 12th Five Year Plan, beginning April 2012. Pre project activities for a number of future greenfield and brownfield projects have already been initiated by our clients.

The Company has consistently maintained its niche market position owing to its resources and diverse competencies across the value chain viz. offshore platforms, oil & gas processing, pipelines, terminals, refineries and petrochemicals.



The Company is also poised for expanding its territories and business segments where it will strive to match and even improve the benchmarks created in the Indian hydrocarbon space.

We feel there are ample growth opportunities in other related sectors viz. infrastructure, water management, solar & nuclear power, city gas distribution and fertilizers, wherein EIL can play a niche role. Besides developing consulting and EPC service segments in these areas, the Company shall also target other modes of project management viz. BOO/BOOT, O&M segments and project development.

For the overseas, the Company plans to build strategic partnerships for complementing the skill sets to enable faster scaling up of Consulting and EPC business.

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	2011-12	2010-11
A(i)	INCOME FROM SERVICES RENDERED	369882	282328
A(ii)	OTHER INCOME	23218	16037
	TOTAL INCOME	393100	298365
B.	EXPENDITURE		
i)	Cost of rendering services	299678	218487
ii)	Depreciation	1945	1430
	TOTAL	301623	219917
C	PROFIT BEFORE TAX (A-B)	91477	78448
D	Provision for Current tax	32026	29943
E	Provision for Deferred Tax	(3862)	(3412)
F	Prior Period Tax Adjustments, Short/(Excess)	(318)	(335)
G	PROFIT AFTER TAX (C-D-E-F)	63631	52252
H	Dividend	20216	16847
I	Tax on Dividend	3223	2664
J	Retained Profits	40192	32741
K	RESERVES & SURPLUS	167558	127365
L	NET WORTH	184405	144212



3.1 Segment wise Performance

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

(FIGURES IN ₹ LAKHS)

	Year ended 31.03.2012	Year ended 31.03.2011
Segment Revenue		
Consultancy & Engineering Projects	120731	112794
Turnkey Projects	249151	169534
Total	369882	282328
Segment Profit From Operations		
Consultancy & Engineering Projects	51091	48659
Turnkey Projects	24521	19564
Total (A)	75612	68223
Prior period adjustment	192	578
Interest	116	147
Other unallocable expenditure	7045	5087
Total (B)	7353	5812
Other Income (C)	23218	16037
Profit Before Tax (A-B+C)	91477	78448
Capital Employed (*)	184405	144212

(*) 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 31% to ₹369882 Lakhs during the financial year 2011-12 from ₹282328 Lakhs in the financial year 2010-11.

The consultancy and engineering income increased 7% to ₹120731 Lakhs during the financial year 2011-12. Turnkey project income increased 47% to ₹249151 Lakhs in the financial year 2011-12.

Profit before tax increased 17% to ₹91477 Lakhs during financial year 2011-12 from ₹78448 Lakhs in financial year 2010-11. Profit after tax increased 22% to ₹63631 Lakhs during the financial year 2011-12 from ₹52252 Lakhs in the financial year 2010-11. The total dividend payout for the financial year 2011-12 was ₹6/- per share.

4. Risk & Concerns

The Company has a Risk Management policy and a supporting framework which facilitates the identification and assessment of new risks and review of existing risks. The process is based on identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability and impact of the risk, the requisite controls and action plans are designed.

The effectiveness of controls and action plans are monitored by Key Risk Indicator (KRI).

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.

Based on periodic reviews and implementations of recommendation resulting from review process, the ERM process is continuously improved and strengthened. Project risk management has been introduced as pilot basis.



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 interests of various stakeholders.

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 2012-13 signed recently targets higher turnover and gross margin along with thrust on inclusive 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 for 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

Employees being EIL's prime asset, development of employees through training & development programme is the key to sustainable development.

EIL training initiatives have focused on technical and behavioral areas leading to multi-skilling and upgradation of skills/knowledge. A total of 180 training programmes were conducted for developing skills in Management Development, Technical & Functional Enhancement, Leadership Development and other areas. With a view to strengthen the core competence of organization, programmes were organized in technical areas such as Nuclear Technology, Pinch Technology, PRIMavera, SAP codification, PMI certification, PDMS, Certified Welding Inspectors Course etc.

During the year 2011-12, training for senior management was also emphasized. Two residential programmes namely 'Seven Habits of Highly Effective People' and 'Great Leaders, Great Teams, Great Results' were organized for executives at the level of Executive Directors, General Managers and Dy. General Managers. One more batch of "Aarohan - the Leadership Development Programme" of eight months' duration covering 27 participants was successfully completed during the year continuing the focus on development of Leadership Pipeline.

Focus on providing structured management development programmes through management institutes was maintained by organizing such programmes in collaboration with various Management Institutes for senior and junior level executives. In addition to conducting programmes at HO, Executive Development Programmes were also conducted at other locations such as Mangalore site, BCPL Lepetkata site, BO Mumbai and RO Chennai.

Customized competency based programmes like Connect 360, Planning for Results, Plan Better: Deliver Best, Express to Engage, Personal Excellence and Emotional Intelligence, Leadership in Execution, Creating Winning Teams etc. were organized on regular basis covering executives at all levels.

In order to bolster the mentoring process, new joiners at Management Trainees level were assigned mentors who are senior members of EIL family. The mentors guide their protégées in order to nourish their career in EIL and help them navigate their way towards a bright career.

During 2011-12, total 4972 nominations were made for different programmes and average man-days training per employee stood at 2.81.

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. Further, EIL continues to build upon its strength in hydrocarbon sector by securing new orders from OMCs such as IOCL, BPCL, Petronet and GIGL.



During the year, there were positive developments in terms of acquiring new orders in fields of Green Buildings, Effluent Management, Highways and Third Party Inspection services. Diversification initiatives into emerging and sunrise sectors, namely, Fertilizer, Nuclear, CTL, Water and Solar have shown encouraging outcome. Considering the potential growth opportunities in these sectors, an early entry, good client relationship and market presence would enable long term business growth, which can be developed further for business expansion to new territories such as growth oriented MENA region and Middle East, wherein EIL has already established footprints in the core hydrocarbon sector.

While there has been delays in project expansion plans proposed for City Gas and Nuclear for various policy and environment concerns, the Company was still able to secure pre project related consulting assignments from our strategic alliances with business partners/ clients. We feel our capabilities of supporting clients for end to end services from project inception to commissioning and post award trouble shooting provides competitive advantages for long term association for customer recall.

The Company, therefore, plans to acquire additional skill sets, resources and technology, if required, to meet the emerging challenges in the diversified business domains.

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 System is being utilized for live projects.

7.4 Diversification

EIL's strategy is focused on using its full services capabilities and its global network to create business value for its customers and execute new growth initiatives. EIL is focusing to scout for expansion of its business portfolio through several initiatives viz. Power, Fertilizer and Infrastructure sectors which have long term potential for growth in the next decade as the demand in these sectors have risen manifold.

EIL has secured major breakthrough in securing E&P business (partnering a Block in NELP-IX) as well as Solar Power business. EIL is also considering setting up a Solar Power Plant under Phase-II of National Solar Mission. EIL has entered into an MoU with NFL for revival of Ramagundam Fertilizer Plant in Andhra Pradesh which will pick momentum after formal announcement of Urea Policy by Government of India.

EIL continues to look forward for opportunities in Infrastructure area and has been empanelled by various clients such as Government of Rajasthan, Bharat Electronics, Bihar Urban Infrastructure Development

Corporation, etc. EIL is also taking all measures in scouting investment options including equity participation as well as targeting 'Build Own Operate' business model for utilities in Hydrocarbon, Desalination Plant, Waste Management, etc.

In addition, to sustain strong growth in new areas, the Company continues to look closely at acquisitions that are strategic in nature.

7.5 Cost Control & Monitoring

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

7.6 Corporate Social Responsibility

CSR Policy of the Company was updated and aligned with the national accent on inclusive growth and the DPE Guidelines on CSR. The corporate systems and processes were strengthened with the formation of a CSR Committee of the Board by the Board of Directors and a CSR Council by EIL Management to provide direction and oversee the CSR initiatives of the Company.

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

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

9. 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.

10. 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 may have a potential conflict with the interest of the Company at large.

11. Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates are based on 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. The Articles of Association of the Company stipulates that the number of Directors shall not be less than five and not more than twenty five.

Presently, EIL is having 13 Directors on its Board viz. C&MD, 5 whole time Executive Directors (Functional) and 7 Non-Executive Directors. The whole time Executive Directors (Functional) are reporting to the Chairman and Managing Director.

Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs stipulate 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 Independent / Non-Official directors on the Board of the Company.

b) Number of Board Meetings

The Board of Directors met 6 times during the year 2011-12. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	May 26, 2011	New Delhi	14	13
2.	July 27, 2011	New Delhi	14	11
3.	October 25, 2011	New Delhi	13	13
4.	December 22, 2011	New Delhi	13	9
5.	February 13, 2012	New Delhi	13	12
6.	March 31, 2012	Jaipur (Rajasthan)	13	10

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 2011-2012 and number of other Directorships / Committee Memberships/ Chairmanships of each director is given below:

Name of the Director	Attendance Particulars		Number of other Directorships / Committee Memberships / Chairmanships		
	Board Meetings	Last Annual General Meeting held on 07/09/11	Other Directorships	Committee Memberships**	Committee Chairmanships**
A) Chairman and Managing Director (Executive)					
A. K. Purwaha	6	Yes	4	-	-
B) Whole-time Directors (Executive)					
I) Present Directors					
Ram Singh	6	Yes	1	-	-
P. K. Rastogi	6	Yes	-	-	-
G. D. Goyal	6	Yes	4	1	-
P. Mahajan	6	Yes	-	-	-
D. Moudgil	5	Yes	1	-	-
C) Non-Executive Directors					
I) Present Directors					
L. N. Gupta	5	No	2	-	-
Dependra Pathak	5	No	-	-	-
U. N. Bose	3	No	1	-	-
Dr. Avinash Chandra	5	No	3	-	1
A.K. Purwar	6	Yes	17	6	2
Adit Jain	2	No	5	1	-
Dr. (Prof.) KDP Nigam	5	Yes	-	-	-
II) Directors Retired					
B. N. Bankapur ^{*1}	2	No	-	-	-

Remarks:

^{*1} Shri B. N. Bankapur ceased to be Director of the Company w.e.f. 1st September, 2011 due to his retirement from IOCL on attaining the age of superannuation on 31.08.2011.

^{**} 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 time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials, sponsored by the concerned Functional Directors and approved by C&MD. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required. 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.

Declaration as required under Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs.

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, 2012.

Date: May 28, 2012

Place: New Delhi

(A.K. Purwaha)

Chairman & Managing Director

f) Compliance Reports

To the best of the knowledge and belief, the Company is complying with 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, Dr. Avinash Chandra, Director, Shri Adit Jain, Director and Dr. (Prof.) KDP Nigam, Director. Shri A.K. Purwar, Director is acting as the Chairman of the committee. The Audit Committee was reconstituted during the year since Shri B.N. Bankapur ceased to be the Director of the Company w.e.f. 1.09.2011 and hence ceased to be the Member of the committee with effect from the same date. Dr. (Prof.) KDP Nigam, Director was inducted as member of the committee w.e.f. 1.09.2011.

The Composition of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs. The details of meetings held during the financial year 2011-12 and the attendance of the Members is given below:

S. No.	Date of the Meeting	Name of the Members S/Shri	Category	Attendance
1.	26.05.2011	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 Present Present Present Not Present
2.	27.07.2011	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 Present Present Not Present
3.	25.10.2011	A.K. Purwar U.N. Bose Dr. Avinash Chandra Adit Jain	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Present Present Present
4.	13.02.2012	A.K. Purwar U.N. Bose Dr. Avinash Chandra Adit Jain Dr. (Prof.) KDP Nigam	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Not Present Present Present 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 and DPE Guidelines on Corporate Governance.

The Audit Committee of the Board of Directors of EIL has reviewed the financial statements and performance, 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 42nd Annual General Meeting held on 17th 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 details of meetings held during the financial year 2011-12 and the attendance of the members is given below:

S. No.	Date of the Meeting	Name of the Members S/Shri	Category	Attendance
1.	27.07.2011	A.K. Purwar Dr. Avinash Chandra Dr. (Prof.) K.D.P. Nigam P.K. Rastogi	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Director (HR)	Present Not Present Present Present
2.	13.02.2012	A.K. Purwar Dr. Avinash Chandra Dr. (Prof.) K.D.P. Nigam P.K. Rastogi	Non-Executive (Independent)-Chairman Non-Executive (Independent) Non-Executive (Independent) Director (HR)	Present Present Present Present

The details of remuneration paid to the whole-time Functional Directors during the year ended March 31, 2012 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 2011-12	Total
1.	A.K. Purwaha	1989397	368715	999382	Nil	3357494
2.	Ram Singh	1894305	417596	712314	Nil	3024215
3.	P. K. Rastogi	2057429	1025780	661027	Nil	3744236
4.	G.D. Goyal	1832899	1123597	579717	Nil	3536213
5.	P. Mahajan	1914028	966355	459745	Nil	3340128
6.	D. Moudgil	1873548	1091043	338523	Nil	3303114
	Total	11561606	4993086	3750708	Nil	20305400

Details of payments towards sitting fees to Independent Directors during the year 2011-12 are given below:-

(AMOUNT IN ₹)

Name of Part-time (non-official) Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Dr. Avinash Chandra	60000	40000	100000
Shri A.K. Purwar	60000	80000	140000
Shri Adit Jain	20000	20000	40000
Dr. (Prof.) KDP Nigam	50000	70000	120000
Total	190000	210000	400000

*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 a Risk Management policy and a supporting frame work which facilitates the identification and assessment of new risks and review of existing risks. The process is based on identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability and impact of the risk, the requisite controls and action plans are designed. The effectiveness of controls and action plans are monitored by key risk indicator (KRI).

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, all the Executive Directors and Company Secretary 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.

Based on periodic reviews and implementations of recommendation resulting from review process, the ERM process is continuously improved and strengthened. Project risk management has been introduced as pilot basis.

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 interests of various stakeholders.

8. Proceeds from Public Issues, Rights Issues and Preferential Issues

The company has not raised any money through Public Issues, Right Issues or any Preferential Issues.

9. Shareholders

A) The 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 memberships of Committees of the Board and Shareholding of non-executive directors as stipulated under Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance is annexed to the Notice calling the Annual General Meeting.

B) Means of Communication

Quarterly, Half Yearly Results and Yearly Results	Published in Economic Times (all editions), Financial Times (Delhi) in English, Economic Times (Delhi), Navbharat Times (Delhi) in Hindi and Economic Times (Ahmedabad) in Gujarati.
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. Exclusive email id for registering/ updating e-mail ids in terms of MCA circular issued regarding Green Initiative in Corporate Governance.	company.secretary@eil.co.in eil.annualreport@eil.co.in



C) Shareholders'/Investors' Grievance Committee

The Company is having a Shareholders'/Investors' Grievance Committee. Presently, Dr. (Prof.) KDP Nigam, Director, Shri Ram Singh, Director (Finance) and Shri P.K. Rastogi, Director (HR) are the members of the Committee. Dr. (Prof.) KDP Nigam is acting as Chairman of the committee. The committee was reconstituted during the year by inducting Dr. (Prof.) KDP Nigam, Director w.e.f. 1.09.2011 in place of Shri B.N. Bankapur, Director who ceased to be member of the committee due to his retirement from IOCL on attaining the age of superannuation on 31.08.2011. The Committee met 4 times during the year on 26.05.2011, 27.07.2011, 25.10.2011 and 13.02.2012.

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. Presently, the Share Transfer Committee comprises of Shri Ram Singh, Director (Finance) as Chairman, Shri P. Mahajan, Director (Technical) and Shri D. Moudgil, Director (Projects) as the members of the Committee. This committee was reconstituted during the year due to cessation of Shri A.K. Purwaha, C&MD as Chairman of the committee, appointment of Shri Ram Singh, Director (Finance)-Member as Chairman of the Committee and Shri D. Moudgil, Director (Projects) as member of the Committee w.e.f. 22.12.2011. M/s Karvy Computershare Pvt. Limited has been appointed as Registrar and Share Transfer Agent w.e.f. 1st July, 2011 to register share transfers, coordinate with the Depositories and to look after the redressal of shareholders' and investors' complaints. The complaints received from investors relating to transfer of shares, non-receipt of balance - sheets, dividends etc. and also the complaints received through SEBI, Ministry of Corporate Affairs and the Stock Exchanges are being attended by the Transfer Agent on priority basis. 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 25 times during the year 2011-12 to transact all business concerning to transfer of shares and related issues.

E) Investment Committee

The Board of Directors, in its meeting held on 28th July, 2009 constituted an Investment Committee to examine the proposals relating to Investment of surplus funds of the Company and recommend the same to the Board for its approval. 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

The Board of Directors, in its meeting held on 15th 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 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. During the year, Shri B.N. Bankapur, Director ceased to be member of the committee due to his retirement from IOCL on attaining the age of superannuation on 31.08.2011. The committee met two times during the year on 27.07.2011 and 13.02.2012.

G) CSR Committee

The Board of Directors, in its meeting held on 17th 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 committee met two times during the year on 12.05.2011 and 22.12.2011.

H) SD Committee

The Board of Directors, in its meeting held on 13th February, 2012, constituted the Sustainable Development Committee of the Board of Directors to approve the Sustainable Development Plan, to oversee the Sustainable Development Performance and to develop, review and implement monitoring mechanism for meeting Sustainable Development Performance/Progress. Presently, Dr. (Prof.) KDP Nigam, Director, Shri Ram Singh, Director (Finance), Shri P.K. Rastogi, Director (HR) and Shri P. Mahajan, Director (Technical) are the members of the committee.



Director (Technical) is also the convener of this committee. Dr. (Prof.) KDP Nigam is acting as Chairman of the Committee. The 1st meeting of the committee was held on 24.05.2012.

I) Compliance Officer

Shri Rajan Kapur, Company Secretary is the Compliance officer.

J) Status of Investor Complaints

Complaints pending as on 1.04.2011	NIL
Complaints received during the financial year 2011-12	76
Complaints disposed off during the financial year 2011-12	76
Complaints pending as on 31.03.2012	NIL

As on 31st March, 2012, no transfer request was pending.

10. General Body Meetings

i) Annual General Meeting (AGM)

The Annual General Meetings of the Company are held at New Delhi where the registered office of the Company is situated. The details of such meetings held during the last three years are as under:

AGM	Year	Venue	Date	Time
44 th	2008-2009	SCOPE Auditorium, CGO Complex, Lodhi Road, New Delhi - 110 003	18.09.2009	3.00 PM
45 th	2009-2010	FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi – 110001	14.09.2010	3.00 PM
46 th	2010-2011	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	07.09.2011	10.00 AM

ii) Details of Special Resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
44 th	Nil
45 th	Nil
46 th	Approval under Section 163 of the Companies Act, 1956 regarding place of keeping Register/Index of Members etc.

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) 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 and DPE Guidelines on Corporate Governance for CPSEs.

12. Disclosures

- i) Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2011-2012 are given in Point no 2.36 of the Notes to the Annual Accounts for the year ended 31st March, 2012. These transactions do not have any potential conflict with the interests of the Company at large.



- ii) There were no penalties or strictures imposed on the Company by any statutory authorities for non compliance on any matter related to capital markets, during the last three years.
- iii) The Company has formed the whistle Blower Policy and no personnel have been denied access to the Audit Committee of the Board of Directors.
- iv) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs, save and except the composition of Board of Directors with regard to Independent / Non-Official Directors. The Company has already taken up the matter with the Ministry of Petroleum & Natural Gas, Government of India for the appointment of sufficient numbers of Independent / Non-Official Directors on the Board of the Company.
- v) During the last three years, the Presidential Directives regarding the following were received and duly complied with:-
 - a. The Gazette of India (Extraordinary) Part-II, Section-I, No. 20, dated 18.05.2010 regarding Payment of Gratuity (Amendment) Act 2010.
 - b. Letter No. R-26027/1/2008-OR.II dated 22.04.2009 from Ministry of Petroleum & Natural Gas, Government of India regarding implementation of Pay Revision of Board Level and below Board Level Executives and Non-unionized Supervisors in Central Public Sector Enterprises (CPSEs) w.e.f. 1.1.2007, as directed by the Hon'ble President of India.
- vi) Director(s) are nominated on training programmes and they have also attended various seminars/conferences from time to time.
- vii) No Expenditures were debited in the Books of Accounts during the year 2011-12 which are not for the purposes of the Business.
- viii) No expenses had been incurred which were personal in nature and incurred for the Board of Directors and the top Management.
- ix) The administrative and office expenses are 3.22 % of the total expenses in the Financial year 2011-12 as against 2.42 % during the Financial year 2010-11.
- x) It is always Company's endeavour to present unqualified financial statements.

13. General Information

i) 47th Annual General Meeting

Date	August 30, 2012
Time	10.00 AM
Venue	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-110010

ii) Financial Year

1st Day of April to 31st Day of March every year

iii) Dates of Book-closure

Thursday, August 23, 2012 to Thursday, August 30, 2012 (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 31st March, 2012 subject to approval of Shareholders in the ensuing AGM. This was in addition to the Interim Dividend of ₹2/- per share (on the face value of ₹5/- each) paid on February 22, 2012.

The Record Date and Dividend Payment Date for Final Dividend for the financial year ended March 31, 2012 are Wednesday, August 22, 2012 and Tuesday, September 4, 2012 respectively. The dividend warrants would be posted on or after September 4, 2012 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 2011-12 to the above Stock Exchanges. The Company has also made the payment of Annual Custody fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2011-12.

vi) Stock Code

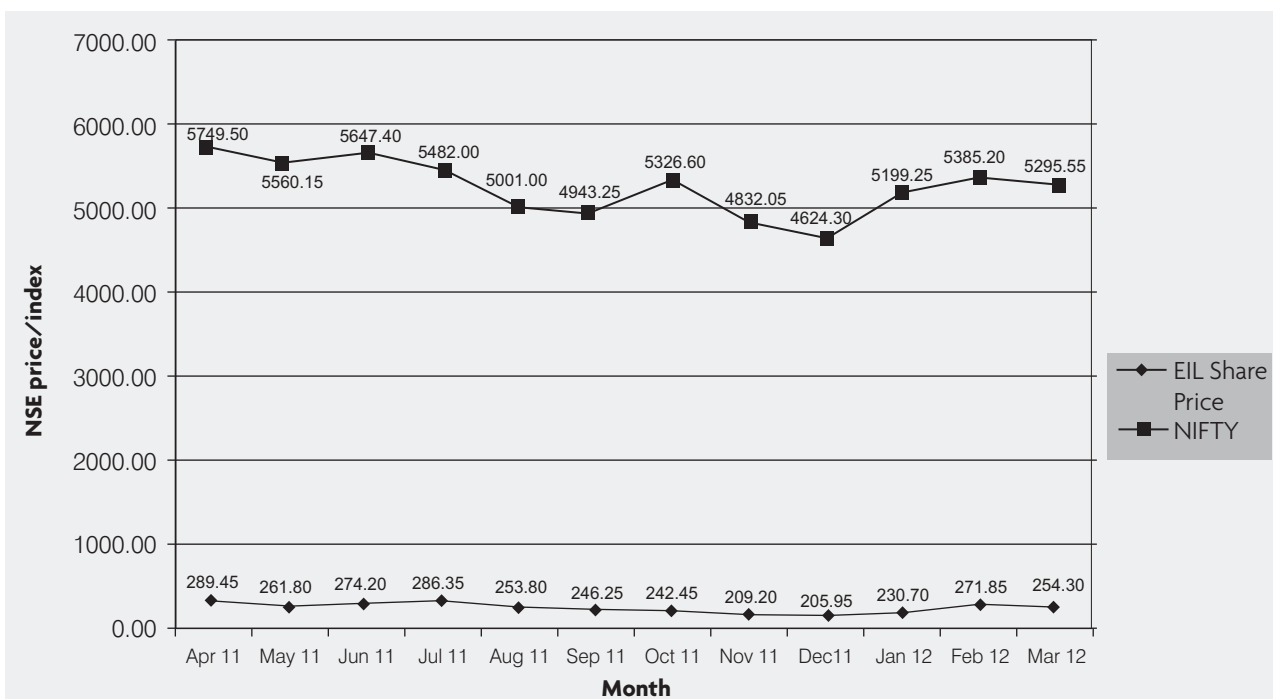
ISIN : INE510A01028
Scrip Code : 532178
Scrip Symbol : ENGINEERSIN

vii) Monthly Share Price Data**(Amount in ₹)**

Month & Year	Mumbai Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2011	322.50	288.10	322.40	288.25
May, 2011	300.00	259.20	302.00	258.00
June, 2011	290.90	261.00	290.70	260.10
July, 2011	294.80	274.00	295.40	273.10
August, 2011	294.00	252.10	294.35	251.00
September, 2011	270.00	245.00	269.10	245.00
October, 2011	250.00	231.05	252.90	231.10
November, 2011	253.70	203.05	253.45	203.15
December, 2011	220.05	195.00	221.00	194.40
January, 2012	248.00	201.00	247.25	202.05
February, 2012	288.50	230.00	289.00	230.00
March, 2012	284.20	251.00	284.05	251.30



viii) Performance of EIL's Share price in comparison to NIFTY during the financial year 2011-2012.



ix) Liquidity

EIL shares are actively traded on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

x) Dematerialization/Rematerialization of Shares

Shareholding in Demat Mode as on 31.03.2012

Depository	No. of Shares	Percentage
NSDL	61453754	18.239
CDSL	274652782	81.515
Total	336106536	99.754

President of India has held 80.401% of the total shares, all in dematerialized form. Out of the balance 19.599% shares held by others 19.353 % have been held in dematerialized form as on March 31, 2012. The trading in the equity shares of the Company is compulsory in dematerialized segment as per Notification issued by the Securities and Exchange Board of India.

Dematerialized/Rematerialized for the period from 1.04.2011 to 31.03.2012

	NSDL		CDSL	
	No. of Shares	Percentage	No. of Shares	Percentage
Dematerialized	21047	0.0062	3600	0.0011
Rematerialized	2748	0.0008	789	0.0002

**xi) Distribution of Shareholding as on March 31, 2012**

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2012 is presented hereunder:

a) Shareholding Pattern

Category of Shareholders	No. of Shares held	% of Total
President of India	270900540	80.401
Mutual Funds and UTI	8354754	2.480
Banks, Financial Institutions and Insurance Companies	18432839	5.471
Private Corporate Bodies	4993189	1.482
Foreign Institutional Investors	17625216	5.231
NRIs/OCBs/Trust	949061	0.281
Indian Public	15681001	4.654
Total	336936600	100.00

b) Distribution Schedule

S. No.	Category	No. of Shareholders	% to Total Shareholders	Amount (₹)	% of Total Amount
1	Upto 5000	121400	98.00	53537390	3.18
2	5001 to 10000	1277	1.03	9076820	0.54
3	10001 to 20000	785	0.63	11988555	0.71
4	20001 to 30000	141	0.11	3608410	0.20
5	30001 to 40000	32	0.03	1110750	0.07
6	40001 to 50000	47	0.04	2149440	0.13
7	50001 to 100000	48	0.04	3484185	0.21
8	100001 and above	143	0.12	1599727450	94.96
	Total	123873	100.00	1684683000	100.00

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 2003-04 has accordingly been transferred to Investor Education & Protection Fund (IEPF) on 11.11.2011.

Unpaid/Unclaimed Dividend for the year 2004-2005 is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 14.10.2012 (tentative). A final Notice dated 08.05.2012 was sent to all shareholders whose dividend were unpaid/unclaimed as on 31.03.2012. All shareholders, whose dividend is still unpaid/unclaimed are requested to lodge their claim with Company Secretary of the Company by submitting an application as per Company's procedure before 30th September, 2012. 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)
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
2010-11 (Final)	07.09.2011	06.10.2018
2011-12 (Interim)	13.02.2012	12.03.2019

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 Karvy Computershare Private Limited, Registrar and Share Transfer Agent has been appointed to effect the transfer of shares and other related jobs. The transfer of shares in physical form is approved by the Share Transfer Committee.

xiv) Demat Suspense Account

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

Opening Balance as on 1.04.2011		Shareholders approached for Transfer of shares from Suspense Account during the Financial Year 2011-12		Shareholders to whom shares were transferred from Suspense Account during the Financial Year 2011-12		Closing Balance as on 31.03.2012	
Cases	No. of Shares	Cases	No. of Shares	Cases	No. of Shares	Cases	No. of Shares
20	1824	13	1289	13	1289	7	535

The voting rights on the shares mentioned in the closing balance as stated above shall remain frozen till the rightful owner of such shares claims the shares.

xv) Registrar & Share Transfer Agent (RTA)

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

All matters relating to the shares of the Company such as transfer, transmission, dematerialization, rematerialization, 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.com

or

Plot No. 17-24, Vittalrao Nagar
Madhapur, Hyderabad - 500081
Tel No. 040-44655000
Fax No. 040-23420814
Email: einward.ris@karvy.com
Website: www.karvy.com/
www.karvycomputershare.com



xvi) Registered & Head Office:

Engineers India Bhavan,
1, Bhikaiji Cama Place, New Delhi - 110066
Tel. : 011-26762121, Fax : 011-26178210, 26194715
E-mail : eil.mktg@eil.co.in
Website : www.engineersindia.com

xvii) Regional Offices:

A.G. Towers (5th Floor), 125/1 Park Street,
Kolkata - 700017
Tel. : 033-22277118, 22276304, Fax : 033-22278902
E-mail : eil.rok@eil.co.in

4th & 5th Floor, Meghdhanush Complex,
Race Course, Near Transpek Circle Course,
Vadodara - 390015
Tel. : 0265-2340326, 2340368, Fax : 0265-2340328
E-mail : eil.rov@eil.co.in

Talamuthu Natarajan Building, CMDA Tower,
5th floor (West Wing) Gandhi Irwin Salai,
Egmore, Chennai - 600008 (Tamil Nadu)
Tel. : 044-28576001, 28543060, Fax : 044-28543080
E-mail : eil.roc@eil.co.in

xviii) Branch Office:

Great Eastern Chambers, 5th Floor, Plot No. 28,
Sector - 11 C.B.D, Belapur, Navi Mumbai - 400614
Tel. : 022-27560072, 27560032,
Fax : 022-27572011, 27563066
E-mail : eil.bo@eil.co.in

xix) Overseas Offices:

487, Great West Road, Hounslow, Middlesex,
TW5 0BS, UK
Tel. : +44 208 570 5530, Fax : +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. : 00-9712-6740101, Fax : 00-9712-6740707
E-mail : cooeilad@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.
Tel.: 00-603-77255279, Fax : 00-603-77261027

Room No. 1632, 16th Floor, Asian Biz Centre,
Orient Century Palza, 345 Xian Xia Road,
Shanghai - 200336, China
Tel. : 0086 21 22157403
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

xx) Auditors

M/s. M. Verma & Associates
Chartered Accountants
1209, Hemkunt Chambers,
89, Nehru Place, New Delhi-110019
Tel. No.011-41078098, Fax : 011-26211211

xxi) 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(xv) till further communication from the
Company.

Place: New Delhi
Date: May 28, 2012



Auditors' Report on Corporate Governance

The Members
Engineers India Limited

We have examined the compliance of conditions of Corporate Governance by ENGINEERS INDIA LIMITED for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of 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 and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on representations made by the Directors and the Management, and subject to:

- i) Clause 49 I (A) (ii) of the Listing Agreement and Para 3.1.4 of the DPE Guidelines on Corporate Governance require that in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors, however, during the year, the Company did not have the required number of Independent Directors on its Board.
- ii) Para 1.4 of the DPE Guidelines on Corporate Governance requires that atleast one third of the Directors on the Board of a CPSE should be Non-official Directors, however, during the year, the Company did not have the required number of Non-official Directors on its Board.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance as mentioned above.

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 M. VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER
M.NO. 088396
Firm Registration No.501433C

Place: New Delhi
Date: May 28, 2012



Management's Reply to Auditors' Report on Corporate Governance (2011-12)

AUDITORS' COMMENTS	MANAGEMENT'S REPLY
<p>i) Clause 49 I (A) (ii) of the Listing Agreement and Para 3.1.4 of the DPE Guidelines on Corporate Governance require that in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors, however, during the year, the Company did not have the required number of Independent Directors on its Board.</p> <p>ii) Para 1.4 of the DPE Guidelines on Corporate Governance requires that atleast one third of the Directors on the Board of a CPSE should be Non-official Directors, however, during the year, the Company did not have the required number of Non-official Directors on its Board.</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 Independent/Non-official Directors under the provisions of Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance, the Company has already taken up the matter with the Ministry of Petroleum and Natural Gas (MoP&NG), Government of India for appointment of sufficient number of Independent/Non-official Directors on the Board of the Company.</p>

Note: Ministry of Petroleum and Natural Gas, Government of India, vide their Letter No. C-31018/2/2010-CA dated 4.7.2012 conveyed the appointment of three Non-official Part-time (Independent) Directors and accordingly they have been inducted on the Board of the Company w.e.f. 4.07.2012. Consequent to their appointment, the Company is now complying with Auditors' Comments at (i) and (ii) above.



Particulars of Employees (Part Year) in terms of Section 217 (2A) of Companies Act, 1956 read with the Companies Rules, 1976

Employee's Name	Designation	Age as on 31.03.2012	Qualification	Total Exp. as on 31.03.2012	Joining date	Remuneration (₹)	Last Organisation
JAIN V K	DY GENERAL MANAGER	60	DEGREE IN ENGG	29	17/02/1982	657,918	BONGAIGAON REFINERY LTD
AGGARWAL RAJDEEP	DY GENERAL MANAGER	52	PG DEGREE IN ENGG	29	13/09/1982	790,804	-
RANAKOTI PREM LAL	TECH ASSTT	60	HR SECONDARY	36	22/10/1975	1,357,511	-
DAS BIPLAB KUMAR	ASST. GENERAL MANAGER	60	DEGREE IN ENGG	15	24/04/1996	574,097	MAMC LTD

Note: i) None of the employees listed above is related to any Director of the Company.
ii) All the employees listed above were regular employees.



Auditors' Report

The Members of

ENGINEERS INDIA LIMITED

1. We have audited the attached Balance Sheet of Engineers India Limited as at 31st March, 2012, 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 and Notes to Accounts (Notes No. 1 & 2) 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 31st March, 2012;
- 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 M Verma & Associates,
Chartered Accountants

(Mohender Gandhi)
Partner
Membership No. 088396
Firm Registration No. 501433C

Place : New Delhi
Date : May 28, 2012



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 31st March, 2012

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at 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 to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the disposal of assets during the year was not substantial and would not have an impact on the operations of the company.
- (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) We are of the opinion that, the Company is maintaining proper records of inventories. Further as per information and explanations provided to us, 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) As per information, explanation and record provided to 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 outstanding on account of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess on account of any dispute, other than the following:-

Name of the statute	Nature of Dues	Amount (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Service Tax Act 1994	Demand of Service Tax (excluding interest, including penalty of Rs. 31.44 Lakhs)	62.87	2002-2006	Commissioner of Central Excise (Appeals)
Service Tax Act 1994	Demand of Service Tax	1.58	1997-1998	Commissioner of Central Excise (Appeals)
Income Tax Act 1961	Demand of TDS	2.55	2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Demand of Income Tax U/s 143(3)	11.61	2008-2009	Commissioner of Income Tax (Appeals)
Uttar Pradesh Sales Tax Act	Demand of Sales Tax	15.04	1999-2000	Sales Tax Tribunal, Agra

- (x) The Company does not have accumulated losses as at the year ended March 31, 2012. Further, the Company has not incurred any cash losses during the year ended March 31, 2012 and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and on the basis of 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) To the best of our knowledge and belief and according to the information and explanations given by the management, and the records of the company examined by us, no fraud on or by the company was noticed or reported during the year.

For M Verma & Associates,
Chartered Accountants

(Mohender Gandhi)
Partner
Membership No. 088396
Firm Registration No. 501433C

Place : New Delhi

Date : May 28, 2012

**BALANCE SHEET**

AS AT 31ST MARCH 2012

PARTICULARS	NOTE NO.	as at 31-Mar-12 ₹ IN LAKHS		as at 31 Mar-11 ₹ IN LAKHS	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	2.1	16846.84		16846.84	
Reserves and Surplus	2.2	<u>167557.67</u>	184404.51	<u>127365.13</u>	144211.97
Non-Current Liabilities					
Other Long term Liabilities	2.3	513.09		467.15	
Long Term Provisions		<u>2002.12</u>	2515.21	<u>1634.70</u>	2101.85
Current Liabilities					
Trade Payables	2.4	58723.32		30716.70	
Other Current Liabilities		75427.12		123044.04	
Short term Provisions		<u>53336.02</u>	187486.46	<u>46849.41</u>	200610.15
TOTAL			<u>374406.18</u>		<u>346923.97</u>
ASSETS					
Non Current Assets					
Fixed Assets:					
Tangible assets	2.5	5147.78		5738.69	
Intangible assets		161.75		268.47	
Capital work-in-Progress		<u>5159.54</u>	10469.07	<u>1307.94</u>	7315.10
Non Current Investments	2.6		6495.75		53.51
Deferred Tax Asset (Net)	2.33		21425.91		17563.58
Long Term Loans and Advances	2.7		5625.92		7434.18
Other Non Current Assets	2.8		25.86		3623.56
Current Assets:					
Current Investments	2.9	57001.70		51188.03	
Inventories		81.73		87.49	
Trade Receivables		30737.25		30811.93	
Cash and Bank Balances		164314.20		172846.34	
Short Term Loans and Advances		18509.37		22473.59	
Other Current Assets		<u>59719.42</u>	330363.67	<u>33526.66</u>	310934.04
TOTAL			<u>374406.18</u>		<u>346923.97</u>
Significant Accounting Policies and Notes to Accounts		1 & 2			
(RAJAN KAPUR) Company Secretary PAN : AAIPK0926B	(SUDERSHAN GUPTA) Executive Director (F & A) PAN : AAGPG5991E	(RAM SINGH) Director (Finance) DIN : 02942267	(A.K. PURWAHA) Chairman & Managing Director DIN : 00165092		

As per our report of even date attached
for M. VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER

Membership No. 088396
Firm Registration No. 501433C

Place: New Delhi
Date : May 28, 2012



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH 2012

	NOTE NO.	2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
A. Revenue :			
i) Revenue from Operations	2.10		
- Consultancy & Engineering Services		120260.87	113200.82
Increase (+) / (Decrease) (-) in Work-in-Progress		<u>470.24</u>	<u>(406.60)</u>
		120731.11	112794.22
- Turnkey Projects		269584.31	152062.68
Increase (+) / (Decrease) (-) in Work-in-Progress		<u>(20,432.99)</u>	<u>17,471.54</u>
		249151.32	169534.22
		369882.43	282328.44
ii) Other Income	2.11	23217.74	16036.63
Total Revenue (i + ii)		<u>393100.17</u>	<u>298365.07</u>
B. Expenses :			
Technical Assistance/Sub-contracts	2.12	67196.93	64666.09
Construction Materials & Equipments	2.13	151652.92	81188.98
Employee Benefits Expense	2.14	54168.93	51815.23
Depreciation & Amortization Expense	2.15	1944.90	1429.68
Other Expenses :	2.16		
Facilities		4731.65	3421.98
Corporate Costs		3740.66	3243.99
Other Costs		17996.08	13573.21
Total Expenses		<u>301432.07</u>	<u>219339.16</u>
Profit For The Year (A-B)		91668.10	79025.91
Less: Prior Period Adjustments (net)	2.34	191.57	577.45
Profit Before Tax		91476.53	78448.46
Less: Tax Expense			
Current Tax		32025.99	29942.63
Deferred Tax		<u>(3862.71)</u>	<u>(3,411.63)</u>
		63313.25	51917.46
Less : Prior Period Tax Adjustments (net) :			
Current Tax		(318.66)	(334.48)
Deferred Tax		0.38	-
Profit After Tax		<u>63631.53</u>	<u>52251.94</u>
Earning Per Share (Basic & Diluted) (in ₹)		18.89	15.51
(Face value ₹ 5/- Per Share)			

Significant Accounting Policies and Notes to Accounts 1 & 2

(RAJAN KAPUR)
Company Secretary
PAN : AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F & A)
PAN : AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN : 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN : 00165092

As per our report of even date attached
for M. VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER

Membership No. 088396
Firm Registration No. 501433C

Place: New Delhi
Date : May 28, 2012

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2012

		2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
A) Cash Flow from Operating Activities			
Net Profit Before Tax and Prior Period Adjustments	a	91668.10	79025.91
Add:			
(i) Adjustment For:			
Depreciation and Amortization		1944.90	1471.05
Fixed Assets Written Off		1.93	24.72
Provision for Diminution in Value of Investment in Joint Ventures		106.76	296.05
(Profit)/Loss on Sale of Fixed Assets		(2.64)	3.97
(ii) Other Income:			
Interest Income		(16,461.31)	(12,425.62)
Share of Profit on Trade Investment		(37.37)	-
Capital Gain on Redemption of Investment in Mutual Funds		(4,070.03)	(68.14)
Dividend Income		(712.46)	(472.69)
	b	(19,230.22)	(11,170.66)
Operating Profit Before Working Capital Changes	c=a+b	72437.88	67855.25
(iii) Adjustment For:			
(Increase)/Decrease in Trade Receivables		74.68	(126.55)
(Increase)/Decrease in Inventories		5.76	9.76
(Increase)/Decrease in Loans & Advances and Other Assets		(35,427.85)	4,353.47
(Increase)/Decrease in Work in Progress		19,962.75	(17,064.94)
Increase/(Decrease) in Liabilities/Provisions		(14,487.77)	21,412.28
	d	(29,872.43)	8,584.02
Cash Generated from Operations	e=c+d	42,565.45	76,439.27
Less: Tax Paid	f	31,669.80	26,553.02
Cash Flow Before Prior Period Adjustments	g=e-f	10,895.65	49,886.25
Prior Period Adjustments	h	(191.57)	(577.45)
Net Cash Flow from Operating Activities	i=g+h	10,704.08	49,308.80
(B) Cash Flow from Investing Activities			
Payments Towards Capital Expenditure		(3,964.78)	(2,533.85)
Sale of Fixed Assets		26.79	12.29
Interest Received		16,450.50	12,708.77
Share of Profit on Trade Investment		-	18.37
Dividend Received		712.46	472.69



CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
Redemption of Investment in Fixed Maturity Plans of Mutual Funds	47,070.03	2,768.14
Purchase of Investment in Fixed Maturity Plans of Mutual Funds	(53,700.00)	(51,700.00)
Investment in Liquid Plans of Mutual Funds (Net)	(900.40)	7,616.61
Fixed Deposit Placed with Banks having Original Maturity of More than Three Months	(225,770.88)	(262,261.37)
Fixed Deposit with Banks Matured having Original Maturity of More than Three Months	227,678.21	258,805.08
Investment in Joint Ventures	(799.00)	(100.00)
Divestment in Joint Venture	74.10	-
Net Cash Flow From Investing Activities j	6,877.03	(34,193.27)
C) Cash Flow from Financing Activities		
Dividend Payment (Including Dividend Tax)	(15,631.40)	-
Interim Dividend Payment (Including Dividend Tax)	(7,807.59)	(13,422.88)
Net Cash Flow from Financing Activities k	(23,438.99)	(13,422.88)
Increase/(Decrease) in Cash & Cash Equivalents i+j+k	(5,857.88)	1,692.65
Cash & Cash Equivalents at the Beginning of the Year	6,913.86	5,221.21
Cash & Cash Equivalents at the Close of the Year	1,055.98	6,913.86
Increase/(Decrease) in Cash and Cash Equivalents	(5,857.88)	1,692.65

Notes:

1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".

2. Cash & Cash Equivalents Represents :

i) Cash and Stamps in Hands	25.34	29.99
ii) Cheques in Hand	537.53	2693.29
iii) Balance with Banks in Current Account	493.11	2190.58
iv) Balance with Banks in Deposit Account having Original Maturity of Three Months or Less	0.00	2000.00
Total	1055.98	6913.86

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

(RAJAN KAPUR)
Company Secretary
PAN : AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F & A)
PAN : AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN : 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN : 00165092

As per our report of even date attached
for M. VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER

Membership No. 088396
Firm Registration No. 501433C

Place : New Delhi
Date : May 28, 2012



Significant Accounting Policies and Notes to Accounts

1) SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

1.2 REVENUE RECOGNITION

(A) Revenue from services rendered is accounted for:

- (a) In the case of cost plus jobs, on the basis of amount billable under the contracts;
- (b) In the case of lumpsum services and turnkey contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work; and
- (c) 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.

1.3 TURNOVER/WORK-IN-PROGRESS

(A) No income has been taken into account on jobs 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 lumpsum services / 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.

1.4 CASH & CASH EQUIVALENT

- i) Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestrictive use;
- ii) Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The company considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

1.5 FIXED ASSETS

- a) 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.
- b) 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 intangible asset.
- c) 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 1.6 (a) below. All expenditure on subsequent modifications and repairs of partitions/fixtures and fittings are charged to revenue in the year it is incurred.

1.6 DEPRECIATION & AMORTIZATION

- a) 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.
- b) 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.



- c) 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.
- d) 100% depreciation is provided on library books in the year of purchase since individual books are low value items.
- e) Assets individually costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

1.7 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.

1.8 INVENTORIES

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

1.9 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are liabilities involving substantial degree of estimation are recognized when there is a present obligation as a result of past event having probability of outflow of resources and a reliable estimate can be made of such an obligation. Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

1.10 PROVISION FOR CONTRACTUAL OBLIGATIONS

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

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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 i.e. investments which are intended to be held for not more than twelve months from the date of investment are carried at the lower of cost or market value.



2) NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH , 2012

2.1 Share Capital:

The company at present is having only one class of share capital i.e. equity share capital.
The requisite disclosure in respect of share capital are as under :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
Authorised		
600,000,000 Equity shares of Par Value of ₹ 5 each (600,000,000 Equity Shares of Par Value of ₹ 5 each)	30000.00	30000.00
Issued		
337,017,600 Equity shares of Par Value ₹ 5 each (337,017,600 Equity shares of Par Value of ₹ 5 each)	16850.88	16850.88
Subscribed and Paid up		
336,936,600 Equity shares of Par Value of ₹ 5 each (336,936,600 Equity shares of Par Value of ₹ 5 each) fully paid up	16846.83	16846.83
Add: Forfeited Shares		
Amount originally paid up on 2,600 Equity shares of Par Value of ₹ 5 each (2,600 equity shares of Par Value of ₹ 5 each)	0.01	0.01
	16846.84	16846.84

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

	Financial Year 2011-12	Financial Year 2010-11
No. of shares outstanding at the beginning of the financial year	336936600	56156100
Add: Sub-division of equity shares having par value of ₹ 10/- each into two equity shares having par value of ₹ 5/- each	-	56156100
Add: Bonus shares issued	-	224624400
No. of shares outstanding at the close of the financial year	336936600	336936600

Rights, Preferences and Restrictions Attaching to Equity Shares

The Company is having one Class of Equity Shares having a Par Value of ₹ 5 each. Each Shareholder is eligible for one vote per Share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amount in proportion to their Shareholding.

Details of each Shareholder holding more than 5 percent shares

Name of the shareholder	Number of shares held as at 31-Mar-12	Number of shares held as at 31-Mar-11
President of India	270900540 80.401%	270900540 80.401%

Other disclosures

	as at 31-Mar-12	as at 31-Mar-11
Aggregate number of equity shares having par value of ₹5/- each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date	224624400	224624400

**2.2 Reserves & Surplus :**

The classification of Reserves & Surplus disclosing therein Appropriation /Allocation/Transfers is detailed as under :

	as at 31-Mar-12 ₹ IN LAKHS			as at 31-Mar-11 ₹ IN LAKHS		
A. General Reserve						
Balance as per last Balance sheet	127165.13			104734.86		
Less: Utilized for Issue of Bonus shares	0.00			10311.12		
Add: Transferred from Statement of Profit and Loss	<u>63631.53</u>	190796.66		<u>52251.94</u>	146675.68	
Less: Appropriations :						
Interim Dividend	6738.73			3369.37		
Proposed Final Dividend	13477.46			13477.46		
Tax on Interim/Proposed Dividend	<u>3222.80</u>	<u>23438.99</u>	167357.67	<u>2663.72</u>	<u>19510.55</u>	127165.13
B. Securities Premium Account						
Balance as per last Balance sheet	0.00			920.10		
Less: Utilized for Issue of Bonus shares	<u>0.00</u>	0.00		<u>920.10</u>	0.00	
C. Capital Reserve						
Capital Grant Received from Oil Industry Development Board for R&D Centre			200.00			200.00
		<u>167557.67</u>			<u>127365.13</u>	

2.3 Non-Current Liabilities :

The disclosure of Non-Current Liabilities including their sub-classification into major heads is given as under :

	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
A) Other Long Term Liabilities :				
Security Deposits & Retentions	330.59		334.65	
Advances Received from Clients	<u>182.50</u>		<u>132.50</u>	
	<u>513.09</u>		<u>467.15</u>	
B) Long Term Provisions :				
Employees' Post Retirement/Long Term Benefits	<u>2002.12</u>		<u>1634.70</u>	
	<u>2002.12</u>		<u>1634.70</u>	



2.4 Current Liabilities :

The disclosure of current liabilities including their sub-classification into major heads is given as under :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
A) Trade Payables	58723.32	30716.70
	58723.32	30716.70
B) Other Current Liabilities :		
Security Deposits & Retentions	23810.15	14813.31
Advances Received from Clients	1814.88	1861.95
Income Received in Advance	37556.14	86878.92
Capital Creditors	687.88	16.85
Service Tax Payable	947.44	2525.51
Unpaid Dividend *	60.56	70.81
Other Payables :		
- Withholding for Employees including Employers Contribution	948.45	1081.21
- Withholding for Income Taxes	1714.93	1115.02
- Accrued Employees Benefits	6534.40	9011.25
- Amount held on Behalf of Clients	1210.10	5563.46
- Others	142.19	105.75
	10550.07	16876.69
	75427.12	123044.04
* Excluding amount due for payment to Investor Education And Protection Fund		
C) Short Term Provisions :		
Employees' Post Retirement/ Long Term Benefits	2559.83	4210.70
Contractual Obligations	29161.07	23666.25
Provision for Corporate Social Responsibility	1536.25	-
Provision for Taxation	32146.99	30093.63
Less: Advance Income Tax	<u>27699.52</u>	<u>26752.57</u>
Proposed Dividend	13477.46	13477.46
Tax on Dividend	2153.94	2153.94
	53336.02	46849.41



2.5 Fixed Assets

(₹ IN LAKHS)

GROSS BLOCK					DEPRECIATION				NET BLOCK	
PARTICULARS	AS ON 31-Mar-11	ADD FOR YR.	SOLD/RECL /TRNS/ADJ.	AS ON 31-Mar-12	DEP UPTO 31-Mar-11	DEP FOR YEAR	DEP WRTN. BACK	TOT DEP. 31-Mar-12	WDV AS ON 31-Mar-12	WDV AS ON 31-Mar-11
Tangible Assets :										
Land Freehold	298.08	0.00	-	298.08	0.00	0.00	0.00	0.00	298.08	298.08
Land Leasehold	792.05	819.50	0.00	1611.55	6.31	11.79	0.00	18.10	1593.45	785.74
Building	4238.03	25.91	(6.30)	4270.24	2587.07	163.38	5.06	2745.39	1524.85	1650.96
Plant & Machinery	1204.04	0.00	21.67	1182.37	1138.30	1.91	5.38	1134.83	47.54	65.74
Furniture, Fixtures And Office/ Constn. Equipment	2305.12	54.94	259.77	2100.29	1681.54	215.68	198.36	1698.86	401.43	623.58
Computer Hardware	6788.54	255.59	25.25	7018.88	4474.15	1286.90	65.54	5695.51	1323.37	2314.39
Motor Vehicles	9.10	0.00	0.00	9.10	8.90	0.00	0.13	8.77	0.33	0.20
Library Books	464.66	5.79	0.12	470.33	464.66	5.79	0.12	470.33	0.00	0.00
	16099.62	1161.73	300.51	16960.84	10360.93	1685.45	274.59	11771.79	5189.05	5738.69
Less: Assets held for disposal				1508.47				1467.20	41.27	0.00
Total Tangible Assets	16099.62	1161.73	300.51	15452.37	10360.93	1685.45	274.59	10304.59	5147.78	5738.69
Intangible Assets :										
Computer Software	3183.21	152.73	0.00	3335.94	2914.74	259.45	0.00	3174.19	161.75	268.47
Total Intangible Assets	3183.21	152.73	0.00	3335.94	2914.74	259.45	0.00	3174.19	161.75	268.47
Total	19282.83	1314.46	300.51	18788.31	13275.67	1944.90	274.59	13478.78	5309.53	6007.16
Previous Year	18241.20	1514.38	472.75	19282.83	12236.40	1471.05	431.78	13275.67	6007.16	6004.80
Capital Work In Progress									5159.54	1307.94

Depreciation for the year includes prior period depreciation ₹Nil (₹41.37 Lakhs)

Asset held for disposal represents items pertaining to Computer Hardware.



2.6 Non Current Investments :

The Classification of Non Current Investments (Long Term) into different categories with requisite details is given as under :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
Other Than Trade		
Unquoted (at cost less diminution in value other than temporary)		
Investment in Subsidiary Companies		
1) EIL Asia Pacific Sdn Bhd Malaysia		
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) Certification Engineers International Limited		
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
Investment in Joint Venture Companies		
1) TEIL Projects Limited	500.00	300.00
49,99,997 Equity shares of ₹ 10 each fully paid up (24997 Equity shares of ₹ 10 each fully paid up and 49,75,000 partly paid equity shares of ₹ 10 each, out of which ₹ 5.979899 per share called up & paid up)		
Less : Provision for diminution in value of investment	<u>376.29</u>	<u>269.53</u>
	123.71	30.47
2) Jabal Eiliot Co. Ltd.		
500,000 shares of SR 10 each fully paid up	599.00	0.00
Quoted		
In Units of Fixed Maturity Plan of Mutual Funds		
No. of units		
27500000 (Nil)	SBI Debt Fund Series - 18 Months - 8 Growth Plan of ₹ 10 Each	2750.00
		0.00
30000000 (Nil)	SBI Debt Fund Series - 15 Months - 7 Growth Plan of ₹ 10 Each	3000.00
		0.00
TOTAL	<u>6495.75</u>	<u>53.51</u>
Aggregate Value of Quoted Investments - Book Value	5750.00	0.00
Aggregate Value of Quoted Investments - Market Value	5900.48	0.00
Aggregate Value of Unquoted Investments - Gross Book Value	1122.04	323.04
Aggregate Provision for diminution in value of investments	376.29	269.53

**2.7 Long Term Loans & Advances :**

The details of Long term Loans & Advances classified under different heads is disclosed hereunder :

	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
a) Capital Advances - Unsecured (Considered Good)		355.75		886.16
b) Security Deposit :				
Unsecured- Considered Good		53.97		86.21
c) Loans & Advances to Related Parties :				
Secured-Considered Good:				
Directors		3.65		4.30
Unsecured-Considered Good:				
Directors		1.26		1.48
d) Other Loans and Advances				
(Advances Recoverable in Cash or in Kind or for value to be received):				
Secured-Considered Good:				
Employees		2538.34		2708.84
Unsecured-Considered Good:				
Employees	1610.94		1625.21	
Others	3.50	1614.44	0.77	1625.98
Advance Income Tax	55486.49		46324.41	
Less: Provision for Taxation	54427.98	1058.51	44226.39	2098.02
Advance Fringe Benefit Tax	0.00		309.86	
Less: Provision for Fringe Benefit Tax	0.00	0.00	286.67	23.19
		5625.92		7434.18

2.8 Other Non Current Assets :

Details of other Non-Current Assets Classified under different heads is disclosed hereunder :

	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
Bank Balances :				
Non-Current Bank Deposits		25.86		3622.54
TOTAL (A)		25.86		3622.54
The above includes Bank Deposits ₹ 25.86 lakhs (₹ 22.54 lakhs) held as Margin Money/Security against Bank Guarantees.				
Others :				
Interest Accrued on Non-Current Bank Deposits		0.00		1.02
TOTAL (B)		0.00		1.02
TOTAL (A+B)		25.86		3623.56



2.9 Current Assets :

The details of Current Assets Classified under different heads is given as below :

	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
A) Current Investments :				
1) Current Maturity of Long Term Investments - (At Cost Less Diminution in Value Other than Temporary)				
I. Trade (at Cost)				
Unquoted				
Investment in Association of Persons (AOP):				
Capital Contribution in Petroleum India International	500.00		500.00	
Share in Accumulated Surplus of Petroleum India International	<u>651.30</u>	1151.30	<u>613.93</u>	1113.93
TOTAL (a)	<u>1151.30</u>		<u>1113.93</u>	

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

Oil and Natural Gas Corporation of India Limited was member till June, 2001.

Total Capital of Petroleum India International is ₹ 5500.00 Lakhs and EIL's share in Capital of AOP is ₹ 500.00 Lakhs.

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 2010-11 and amount received during the current year is as under

(₹ in Lakhs)			
Balance as on 01-04-2011	Share of Profit accounted during Year 2011-12	Amount received during the Year 2011-12	Balance as on 31-03-2012
613.93	37.37	0.00	651.30

Petroleum India International during financial year 2010-11 has ceased its business activities and is in process of dissolution.



		as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
II. Other than Trade			
i) Quoted			
Investment In units of Fixed Maturity Plan of Mutual Funds			
No. Of units			
Nil (60000000)	UTI Fixed Term Income Fund Series VII-III (367 Days) - growth plan of ₹ 10 each	0.00	600.00
Nil (60000000)	SBI Debt Fund Series - 370 Days - 4 - growth plan of ₹ 10 each	0.00	600.00
Nil (100000000)	SBI Debt Fund Series - 370 Days - 5 - growth plan of ₹ 10 each	0.00	1000.00
Nil (1000000000)	SBI Debt Fund Series - 370 Days - 9 - growth plan of ₹ 10 each	0.00	10000.00
Nil (500000000)	UTI FMP -Yearly FMP Series :YFMP (01/11) institutional growth plan of ₹ 10 each	0.00	5000.00
Nil (1000000000)	SBI Debt Fund Series - 370 Days - 10 - growth plan of ₹ 10 each	0.00	10000.00
Nil (160000000)	IDBI FMP-367 Days Series-1 (March 2011) Plan-C-growth plan of ₹ 10 each	0.00	1600.00
Nil (250000000)	IDBI FMP-367 Days Series-1 (March 2011) Plan-D-growth plan of ₹ 10 each	0.00	2500.00
Nil (750000000)	UTI Fixed Term Income Fund Series IX-I- (367 Days)-growth plan of ₹ 10 each	0.00	7500.00
82000000 (820000000)	SBI Debt Fund Series - 370 Days - 11 - growth plan of ₹ 10 each	8200.00	8200.00
20000000 (Nil)	SBI Debt Fund Series - 367 Days - 6 - dividend plan of ₹ 10 each	2000.00	0.00
15000000 (Nil)	UTI Fixed Term Income Fund Series XI - VI - (367 Days) - growth plan of ₹ 10 each	1500.00	0.00
100000000 (Nil)	SBI Debt Fund Series - 367 Days - 17 - growth plan of ₹ 10 each	10000.00	0.00
82500000 (Nil)	UTI Fixed Term Income Fund Series XI - VII - (366 Days) - growth plan of ₹ 10 each	8250.00	0.00
50000000 (Nil)	Canara Robeco Fixed Maturity Plan - Series 7 - Plan A - growth plan of ₹ 10 each	5000.00	0.00
100000000 (Nil)	SBI Debt Fund Series - 367 Days - 19 - growth plan of ₹ 10 each	10000.00	0.00
100000000 (Nil)	SBI Debt Fund Series - 367 Days - 18 - growth plan Of ₹ 10 each	10000.00	0.00
TOTAL (b)		54950.00	47000.00



	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
ii) Unquoted		
a) Investment in Units of Fixed Maturity Plan of Mutual Funds		
No. of Units		
Nil	0.00	3000.00
(23298618.392)		
UTI Fixed Income Interval Fund -Annual Interval Plan Series-I-Institutional Growth Plan of ₹ 10 Each		
TOTAL (c)	0.00	3000.00
b) Investment in Joint Venture Companies		
Tecnimont EIL Emirates-Consultores E Servicios, LDA *		
Quota : 1,50,000 Euro of Share Capital	0.00	100.62
Less : Provision for Diminution in Value of Investment	0.00	26.52
		74.10
TOTAL (d)	0.00	74.10
* Formally liquidated and registration cancelled on 4 th April, 2011 and proceeds amounting to ₹74.10 lakhs received during current year 2011-12.		
2) Other Current Investments (lower of cost or net realizable value)		
Other than trade		
Quoted		
In Units of Liquid Plans of mutual funds		
No. of Units		
89748.51	900.40	0.00
(Nil)		
SBI Premier Liquid Fund Super Institutional Daily Dividend Plan of ₹ 1000 Each		
TOTAL (e)	900.40	0.00
TOTAL (a+b+c+d+e)	57001.70	51188.03
Aggregate Value of Quoted Investments - Book Value	55850.40	47000.00
Aggregate Value of Quoted Investments - Market Value	56877.73	47609.20
Aggregate Value of Unquoted Investments - Gross Book Value	1151.30	4214.55
Aggregate Provision for Diminution in Value of Investments	0.00	26.52



	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
B) Inventories (lower of cost or net realizable value) :				
Stores, Spares and Chemicals in Hand	81.73		87.49	
	<u>81.73</u>		<u>87.49</u>	
C) Trade Receivables (Unsecured)				
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment:				
Considered Good	8718.15		6449.71	
Considered Doubtful	5217.85		4875.88	
	<u>13936.00</u>		<u>11325.59</u>	
Other Trade Receivable: Considered Good	22019.10		24362.22	
	<u>35955.10</u>		<u>35687.81</u>	
Less: Provision for Doubtful Debts	<u>5217.85</u>	<u>30737.25</u>	<u>4875.88</u>	<u>30811.93</u>
D) Cash And Bank Balances :				
Cash & Cash Equivalents:				
Balances with Banks in Current Account #	493.11		2190.58	
Balances with Banks in Deposit Account having original maturity of three months or less	0.00		2000.00	
Cheques in Hand	537.53		2693.29	
Cash & Stamps on Hand #	<u>25.34</u>	1055.98	<u>29.99</u>	6913.86
Other Bank Balances:				
Unpaid Dividend Account	60.56		70.81	
Held on Behalf of Clients	1210.10		5563.46	
Balances with Banks in deposits account having maturity of more than three months but are due for maturity within twelve months of balance sheet date *	<u>161987.56</u>	<u>163258.22</u>	<u>160298.21</u>	<u>165932.48</u>
		<u>164314.20</u>		<u>172846.34</u>

* Includes Bank deposits having more than twelve months original maturity of ₹ 31694.66 lakhs (₹ 56488.00 Lakhs)

* Includes Bank deposits ₹ 49.56 Lakhs (₹ 42.11 Lakhs) held as margin Money/Security against Bank Guarantees.

Includes ₹ 133.77 Lakhs (₹ 124.38 Lakhs) in currencies which are not repatriable.



	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
E) Short Term Loans & Advances :				
a) Loans & Advances to Related Parties :				
Secured-Considered Good:				
Directors		0.73		0.98
Unsecured-Considered Good:				
Directors		0.24		1.59
b) Security Deposit				
Unsecured-Considered Good	132.45		50.26	
Unsecured-Considered Doubtful	<u>0.00</u>		<u>0.35</u>	
	132.45		50.61	
Less: Provision for Doubtful Deposits	<u>0.00</u>	132.45	<u>0.35</u>	50.26
c) Other Loans and Advances :				
(Advances Recoverable in Cash or in Kind or for Value to be Received):				
Secured-Considered Good:				
Employees	332.29		383.02	
Unsecured-Considered Good:				
Employees	692.08		1178.89	
Prepaid Expenses	181.49		126.55	
Advances to Vendors/Contractors	12417.41		18737.06	
Advance Income Tax	2493.50		385.28	
Advance Fringe Benefit Tax	23.36		0.00	
Retention Against Contracts	1166.50		908.99	
Others	1069.32		414.67	
Unsecured-Considered Doubtful :				
Employees	1.36		1.36	
Advances to Vendors/Contractors	2.58		4.80	
Claims Receivable	286.30		286.30	
Others	<u>0.00</u>		<u>0.38</u>	
	18666.19		22427.30	
Less: Provision for Doubtful Loans & Advances	<u>290.24</u>	18375.95	<u>6.54</u>	22420.76
Total (a+b+c)		<u>18509.37</u>		<u>22473.59</u>
F) Other Current Assets :				
Work In Progress *	1323.78		21286.53	
Fixed Asset Held for Disposal	41.27		0.00	
Interest Accrued on Current Bank Deposits	5018.60		4855.98	
Unbilled Revenue	<u>53335.77</u>		<u>7384.15</u>	
	<u>59719.42</u>		<u>33526.66</u>	

* As taken, valued and certified by the management

* Direct cost incurred on lumpsum services & turnkey contracts having physical progress less than 25 %.

**2.10 Revenue From Operations :**

The details of revenue from operations for different components of revenue is detailed as below :

	2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
A) Consultancy & Engineering Services	120260.87	113200.82
	120260.87	113200.82
B) Turnkey Projects	269584.31	152062.68
	269584.31	152062.68
TOTAL (A+B)	389845.18	265263.50

Increase/(Decrease) In Work-in-Progress**A) Consultancy & Engineering Services**

Closing Work-in-Progress	1323.78	853.54
Less: Opening Work-in-Progress	<u>853.54</u> 470.24	<u>1260.14</u> (406.60)

B) Turnkey Projects

Closing Work-in-Progress	0.00	20432.99
Less: Opening Work-in-Progress	<u>20432.99</u> (20,432.99) (19,962.75)	<u>2961.45</u> 17471.54 17064.94

2.11 Other Income

The details of other income into various categories is disclosed hereunder :

Interest Earned (Gross) :

Bank Deposits	15539.51	11578.91
Loans to Employees	167.55	184.75
Income Tax Refund	538.43	397.08
Others	215.82	264.88
	<u>16461.31</u>	<u>12425.62</u>

Income from Long Term Investments:

Share of Profit from AOP (Trade Investment)	37.37	0.00
Dividend Income from Subsidiary Company	350.00	300.00
Dividend Income from Current Investments	362.46	172.69
Capital Gain on Redemption of Investments in Mutual Funds	4070.03	68.14
Funds recd. for Expenditure		
Against R&D	296.13	165.45
Less: Utilisation	<u>(296.13)</u> -	<u>(165.45)</u> -
Profit on Sale of Assets	10.81	1.50
Foreign Exchange Difference (Net)	0.00	190.32
Provisions No Longer Required Written Back *	1467.42	1872.54
Miscellaneous Income	458.34	1005.82
	<u>6756.43</u> 23217.74	<u>3611.01</u> 16036.63

* Provisions no longer required written back under head 'other income' represents:

- Contractual obligations written back for ₹ 1467.42 lakhs (₹ 997.73 lakhs) in respect of contracts for which obligation under respective contracts is completed.
- Other provisions no longer required written back ₹ Nil (₹ 874.81 lakhs)



Expenses :

The details of expenses under various heads as per their nature is as given below :

	2011-2012 ₹ IN LAKHS		2010-2011 ₹ IN LAKHS	
2.12 Technical Assistance/Sub Contracts		67196.93		64666.09
2.13 Construction Materials & Equipments		151652.92		81188.98
2.14 Employee Benefits Expense : Salaries and Allowances @				
Staff	43857.43		41630.50	
Directors	<u>151.03</u>	44008.46	<u>176.20</u>	41806.70
Contribution towards Employees' Pension and Provident Fund & Administration Charges thereon:				
Staff	3116.52		2748.45	
Directors	<u>10.41</u>	3126.93	<u>8.52</u>	2756.97
Contribution towards Employees' Defined Contributory Superannuation Scheme:				
Staff	2809.40		1925.97	
Directors	<u>9.54</u>	2818.94	<u>6.04</u>	1932.01
Staff Welfare				
Staff	4053.90		4878.24	
Directors	<u>6.70</u>	4060.60	<u>4.91</u>	4883.15
Contribution to Gratuity Fund*	159.11		439.06	
Less: Contribution received from Others	<u>5.11</u>	154.00	<u>2.66</u>	436.40
		54168.93		51815.23

@ Salaries and allowances includes :

- Provision for bonus of ₹ 0.08 lakhs (previous year ₹ 0.09 lakhs).
- ₹ 2003.17 lakhs (₹ 2888.76 lakhs) on account of leave encashment funded scheme with LIC of India.
- ₹ Nil (₹ 40.81 lakhs) towards payment of VRS compensation.

* Contribution to Gratuity fund includes :

- Term insurance premium paid to LIC of India .
- Additional gratuity liability of ₹ 36.00 lakhs (₹ Nil) pursuant to revision of gratuity ceiling From ₹ 3.50 lakhs to ₹ 10.00 lakhs in respect of employees separated during the period 1.1.2007 to 23.5.2010.



	2011-2012 ₹ IN LAKHS		2010-2011 ₹ IN LAKHS	
2.15 Depreciation & Amortization Expense				
Depreciation & Amortization Expense		1944.90		1429.68
		1944.90		1429.68
2.16 Other Expenses :				
a) Facilities :				
Rent :				
Office		417.81		362.21
Residential Accommodation				
Staff	492.91		433.53	
Directors	29.69	522.60	29.13	462.66
Less: Recovered - Staff	89.81		71.00	
- Directors	4.30	94.11	3.67	74.67
		428.49		387.99
Light, Water & Power		697.39		689.72
Insurance		146.25		227.82
Misc. Repairs & Maintenance *		2984.02		1695.32
Hire Charges of Office Equipments		57.69		58.92
		4731.65		3421.98
b) Corporate Cost :				
Bank Charges		240.79		250.88
Sitting Fees to Independent Directors		4.00		4.90
Interest		116.02		146.70
Advertisement for Tender				
& Recruitment		1772.63		1253.34
Publicity		54.92		590.48
Subscription		146.77		59.29
Entertainment		200.77		185.19
Foreign Exchange Difference (net)		736.54		0.00
Remuneration to Auditors:				
For Audit	5.00		5.00	
For Tax Audit	1.00		1.00	
Others	3.50		3.56	
Reimbursement of Service Tax	1.12	10.62	0.98	10.54
Filing Fee		2.28		124.73
Legal & Professional Charges		298.18		441.34
Licences & Taxes		147.04		146.41
Loss on Sale of Assets		8.17		5.47
Fixed Assets Written off		1.93		24.72
		3740.66		3243.99

* Includes ₹ 1103.37 lakhs (previous year ₹ 270.79 lakhs) for repairs & maintenance of own building and ₹ 287.00 lakhs (previous year ₹ 212.60 lakhs) for plant & machinery.



	2011-2012 ₹ IN LAKHS		2010-2011 ₹ IN LAKHS	
c) Other Costs				
Consumables/Stores		0.09		4.98
Travel & Conveyance				
Directors @	70.07		64.89	
Others	<u>5620.38</u>	5690.45	<u>5215.03</u>	5279.92
Printing, Stationery & General Office Supplies		451.94		459.57
Newspapers and Periodicals		56.27		39.81
Postage & Telecommunications		545.82		487.21
Courier, Transportation & Handling		99.37		161.46
Commission to Foreign Agents		131.66		153.00
Provision for Doubtful Debts & Advances (net)		625.32		37.00
Bad Debts written off		562.45		174.07
Provision for Contractual obligations		6962.24		6065.10
Provision for Diminution in value of Investment in Joint Ventures		106.76		296.05
Training Expenses				
Travel	4.39		34.56	
Others	<u>237.42</u>	241.81	<u>154.13</u>	188.69
Miscellaneous Expenses #		2713.41		274.50
		<u>18187.59</u>		<u>13621.36</u>
Less: Expenditure relating to Capital Works		191.51		48.15
		<u>17996.08</u>		<u>13573.21</u>

@ Includes recovery of ₹ 0.56 Lakhs on account of use of car (Previous Year ₹ 0.59 lakhs)

Includes CSR expenditure to the tune of ₹ 2478.70 Lakhs (₹ 74.79 Lakhs)

2.17 CONTINGENT LIABILITIES AND COMMITMENTS

i) Contingent Liabilities:

- a) Claims against the Company not acknowledged as debt.
 - i) Commercial claims pending in the Courts or lying with Arbitrators amounting to ₹ 2092.40 Lakhs (₹ 205.18 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) Income Tax/Fringe Benefit Tax assessments have been completed upto the assessment year 2009-10. Income Tax liability, if any, in respect of pending assessments for the assessment years 2010-11 and 2011-12 cannot be ascertained although tax as per return/revised return has been paid in full.

Wealth Tax Assessments have been completed upto the Assessment Year 2009-10. Wealth Tax liability, if any, in respect of pending assessments for the Assessment Years 2010-11 and 2011-12 cannot be ascertained although tax on returned wealth 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 ₹ 664.36 lakhs for Assessment year 2010-11.

Income Tax Department is in appeal for an amount of ₹ 632.54 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 and 2008-09.

The Company has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 11.61 Lakhs against the order of Assessing Officer u/s 143(3) for the Assessment Year 2009-10.

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 2.55 Lakhs (₹ 2.55 Lakhs) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

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 Commissioner of Central Excise (Appeals) for the period 01.4.2002 to 17.4.2006 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

Sales Tax Department is in appeal against the order of Joint Commissioner (Appeals) in Company's favour for an amount of ₹ 132.53 Lakhs for assessment year 1999-2000 and ₹ 116.12 Lakhs for assessment year 2000-01 respectively before Sales Tax Tribunal, Agra.

The Company is in appeal before Sales Tax Tribunal, Agra against the demand of Sales Tax Department for ₹ 20.05 Lakhs on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs.

The Company is in appeal before the Appellate Dy. Commissioner, Visakhapatnam against the demand of Assistant Commissioner, Kakinada amounting to ₹ 28.62 Lakhs on account of VAT for the period March, 11 to June, 11 against which company has deposited an amount of ₹ 3.58 Lakhs. After the close of financial year, the Appellate Dy. Commissioner, Visakhapatnam has allowed the appeal in the Company's favour.

In respect of above contingent liabilities, it is not probable to estimate the timing of cash flow, if any, pending the resolution of Arbitration/Appellate/Court/ assessment proceedings.

ii) Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 6318.34 Lakhs (₹ 3883.26 Lakhs).
- b) Uncalled liability on partly paid equity shares of TEIL Projects Ltd., a joint venture company – ₹ Nil (₹ 200.00 Lakhs)

2.18

- a) Guarantees issued by the banks and outstanding as on 31st March, 2012 ₹ 30883.13 Lakhs (₹ 33166.77 Lakhs), against which a provision of ₹ 14059.91 Lakhs (₹ 12157.65 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- b) Letter of credit outstanding as on 31st March, 2012 ₹ 25403.92 Lakhs (₹ 23031.68 Lakhs).
- c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31st March, 2012 ₹ 19132.50 Lakhs (₹ 7216.00 Lakhs)

2.19

The profit & loss account includes Research & Development expenditure of ₹ 1546.30 Lakhs (₹ 1540.92 Lakhs).

2.20

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

2.21 i) Following depreciation rates are charged in terms of the Accounting Policy defined in Note No.1.6.

Management constituted a committee during the current financial year to review the useful life of the fixed assets. The management approved the revised depreciation rates as given below based on revised useful life for assets existing as on balance sheet date i.e. 31st March, 2012.

Sl. No.	Particulars	Old Rates (%age)	New Rates (%age)	Sl. No.	Particulars	Old Rates (%age)	New Rates (%age)
1.	Land Freehold	Nil	Nil	4.	Plant & Machinery		
2.	Land Leasehold	Over a lease period except for perpetual lease Nil % age	Over a lease period except for perpetual lease Nil % age		Plant & Machinery	8.0	8.0
3.	Building				Storage Tank	6.0	6.0
	Office Building	2.4	2.4	5.	Furniture & Fixtures, Office & Construction Equipment		
	R&D Centre, Gurgaon	4.0	4.0		Furniture & Fixtures	8.0	9.6
	Window/Split AC	9.5	15.84		Chairs	8.0	16.0
	AC Central Plant	6.5	6.5		Office Equipment	12.0	16.0
	Lifts	6.5	6.5		Construction Equipment	12.0	12.0
	Electric Power Sub Station	8.0	8.0				
	Invertors	8.0	19.2				
	Tubewell & Pumps	9.5	9.5	6.	Computer Software/Hardware		
	Fire Alarm System	5.15	5.15		PC/Laptop/Printer	16.21	24.32
	Fire Fighting System	9.5	9.5		Server, LAN & Networking components	16.21	19.45
	Chilling Plant	8.0	9.6		Projector, Video Conference Equipments	12.0	19.20
					Software	33.33*	33.33*
				7.	Motor Vehicles	13.75	13.75
				8.	Library	100	100

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



Due to revision in depreciation rates for certain items of fixed assets at balance sheet date, the depreciation and amortization expenses for the current financial year has increased by ₹ 803.67 Lakhs with consequential decrease in profit before tax by the same amount.

- ii) The Capital work in progress comprises 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 31.3.2012	As on 31.03.2011
1)	Capital expenditure incurred / Capital Assets acquired, but not yet ready for use at balance sheet date	5159.54	1307.94
	Total	5159.54	1307.94

- 2.22** There is no impairment of cash generating assets during the year in terms of Accounting Standard (AS-28) "Impairment of Assets".

- 2.23** The movement in provision for doubtful debts and advances during the year is as follows:

(₹ IN LAKHS)

	2011-12	2010-11
Opening Balance	4882.77	4845.77
Add : Amount provided during the year	1172.68	1330.03
Less: Amount written back during the year	547.36	1293.03
Net provision during the year	625.32	37.00
Closing Balance	5508.09	4882.77

- 2.24** As per guidelines on Corporate Social Responsibility for Central Public Sector Enterprises issued by Department of Public Enterprises vide its office memorandum dated 9th April, 2010, the CSR budget by Central Public Sector Enterprises should be fixed for each financial year based on Net Profit for previous financial year, and shall not lapse.

The Company is fixing the CSR budget each year from Financial Year 2009-10 onwards based on its profit in previous financial year. Till financial year 2010-11, the company has accounted for CSR expenditure in books of accounts on the basis of its actual incurrence. To comply the CSR guidelines which require mandatorily to fix CSR budget each year based on profits for previous financial year, provision amounting to ₹ 1536.25 Lakhs created till the year 2011-12 which consist provision for earlier years of ₹ 656.19 Lakhs and ₹ 880.06 Lakhs for the year 2011-12.

- 2.25** The company is primarily operating under two segments namely consultancy & engineering contracts and turnkey contracts. The broad heads under which income of the company is accounted for as per provisions of AS-7 (Construction Contracts) are as under:

(AMOUNT ₹ IN LAKHS)

Particulars	2011-12	2010-11
Consultancy & Engineering Projects	120731.11	112794.22
Turnkey Projects	249151.32	169534.22
Total	369882.43	282328.44

- 2.26** Information regarding imports and foreign exchange earnings, expenditures etc. (excluding exchange difference on conversion of foreign currency).



(₹ IN LAKHS)

		2011-12	2010-11
a)	Expenditure (Disbursement Basis) in Foreign Currency on account of :		
	(i) Know how and professional fees including sub contracts (others)	892.19	651.29
	(ii) Sub-Contractor/Construction Material turnkey projects	43924.40	22177.83
	(iii) Others (foreign travel, living allowance membership fees, agency commission, foreign office expenses)	1251.01	996.34
b)	(I) Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 250.63 Lakhs (₹ 231.42 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 188.30 Lakhs (₹ 200.42 Lakhs) incurred in local foreign currencies.	11607.08	9268.16
	(ii) Interest earned in foreign exchange	1.20	1.02

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

(AMOUNT IN LAKHS)

Liabilities & Provisions			
As on 31st March, 2012		As on 31st March, 2011	
₹	Foreign Currency	₹	Foreign Currency
697.96	AED 48.74	100.85	AED 8.04
21326.11	USD 413.06	6420.97	USD 142.15
23.18	KWD 0.12	22.96	KWD 0.14
1867.68	EURO 27.00	1029.92	EURO 16.11
495.23	GBP 6.25	453.40	GBP 6.25
194.44	SWK 24.93	146.52	SWK 20.46
1421.11	JPY 2243.98	--	--
0.07	OR 0.00	0.06	OR 0.00
1.07	QR 0.08	0.96	QR 0.08
2.91	BD 0.02	1.57	BD 0.01

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

(AMOUNT IN LAKHS)

Assets, Loans & Advances			
As on 31st March, 2012		As on 31st March, 2011	
₹	Foreign Currency	₹	Foreign Currency
535.52	AED 39.55	795.20	AED 67.39
1256.27	USD 24.77	570.96	USD 12.90
52.57	KWD 0.29	120.37	KWD 0.77
743.29	EURO 11.02	1053.08	EURO 16.93
--	--	2.06	BD 0.02
3.67	GBP 0.05	4.84	GBP 0.07
0.22	LD 0.01	0.21	LD 0.01
133.77	AD 199.66	124.38	AD 197.43
5.07	YUAN 0.64	0.24	YUAN 0.03



2.28 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.

2.29 In terms of provision of Accounting Standard (AS –7) “Construction Contracts”, the information in respect of Lumpsum services/ Turnkey Projects for contract in progress as on 31.03.2012:

- a. The aggregate amount of Cost incurred and recognized Profit up to 31.03.2012 ₹ 803713.62 lakhs (₹ 599116.47 Lakhs).
- b. The amount of advances received ₹ 1739.90 lakhs (₹ 1587.06 Lakhs).
- c. The amount of retention – ₹ 1102.77 Lakhs (₹ 893.48 Lakhs)

2.30 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, 4,999,997 shares of ₹ 10/- each fully paid-up (24,997 equity shares of ₹ 10/- each fully paid-up and 49,75,000 equity shares of ₹ 10/- each, ₹ 5.979899 per share called and paid up) amounting to ₹ 500.00 lakhs (₹ 300.00 Lakhs) are held by the Company, being 50% of paid-up capital of joint venture company.

Till 31st March, 2011, the joint venture company had accumulated losses to the tune of ₹ 539.05 Lakhs and the company had provided a diminution in value of investment to the tune of ₹ 269.53 Lakhs for its share of loss in the financial statements for year ending March 31, 2011. During the current financial year 2011-12, the Joint Venture Company had a net loss of ₹ 213.52 Lakhs and the company has provided a further diminution in value of its investment to the extent of ₹ 106.76 Lakhs for its share of loss in the financial statements for the year ending 31st March, 2012.

b) Tecnimont EIL Emirates Consultores E Servicos 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 had invested Euro 151620 (Euro 151620) (equivalent to Indian ₹ 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) was invested by other joint venture partner Tecnimont, SPA, Italy.

The joint venture was formally liquidated & registration cancelled on 4th April, 2011 and proceeds amounting to ₹ 74.10 Lakhs net of expenses were received during the current financial year.

c) Jabal EIL IOT Co. Ltd.

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure & Engineering Services Limited, Mumbai was formed during the current financial year for execution of contracts in Saudi Arabia in the field of oil & gas, non ferrous metallurgy, infrastructure projects etc.

The joint venture company namely “Jabal EIL IOT Co. Ltd.” was registered with Dammam Commercial registry, Kingdom of Saudi Arabia. The Joint Venture Company formed for pursuing its business interests has an initial capital of SR. 15000000, out of which one third i.e. 5000000 SR. (Equivalent Indian ₹ 599.00 Lakhs) was contributed by the company as its share.

The Company's share in Assets and Liabilities and Income and Expenditure related to its interest in TEIL Projects Limited and Jabal Eliot Co. Ltd based on their audited financial statements for the year ended 31st March, 2012 and 31st December, 2011 respectively was as under: .



(₹ IN LAKHS)

Particulars	2011-12	2010-11*
Assets	834.15	53.16
Liabilities	30.17	22.69
Income	54.40	3.94
Expenditure	170.04	127.78

* excluding amount for joint venture Tecnimont EIL Emirates Consultores E Servicos LDA, as the same was formally liquidated and registration cancelled on 4th April, 2011.

2.31 Jointly Controlled Assets

The Company has entered into Production Sharing Contract with Government of India along with other partners on 28th March, 2012 for Exploration & Production of Oil and Gas. The Company is a non-operator and is having 20% participating interest in the venture. The company would share Expense/Income/Assets/Liabilities of the venture on the basis of its percentage in the production sharing contract. The detail of company's interest in block is as under:

Block No.	Participating Interest
CB-ONN-2010/11	20%

The company's share in pre acquisition cost amounting to ₹ 6.08 lakhs have been charged to expenditure during the current year 2011-12.

As of 31st March, 2012, the company's share in income/expenses/assets/liabilities in the above venture for post acquisition activities is ₹ Nil.

The Company's estimated share in work programmes committed under production sharing contract in respect of above block as on 31st March, 2012 is ₹ 2546.39 Lakhs.

2.32 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 2011-12	Expense recognized in 2010-11
Contributory Provident Fund & Employees Pension Scheme, 1995	3126.93	2756.97
Employees Defined Contributory Superannuation Scheme	2818.94	1932.01

In respect of Provident Fund the company has a separate irrevocable PF Trust managing the Provident Fund accumulation of employees. The Guidance on implementing AS15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) of ICAI states that benefits involving employer established provident funds, which require interest shortfalls to be re-compensated by the employer are to be considered as defined benefit plans. In this regard, Actuarial valuation as on 31st March, 2012 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to Interest Rate Guarantee by the company towards Provident Fund. In terms of said valuation the Company has no liability towards interest rate guarantee as on 31st March, 2012.

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)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
a) Actuarial Assumptions										
Discount rate	8.00%	8.00%	8.00%	8.00%	8.50%	8.50%	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%	7.00%	--	--	--	--
Increase in price (Gold) of award (Silver)	--	--	--	--	--	--	13.00% 16.00%	13.00% 16.00%	--	--
Increase in other benefits on Retirement	--	--	--	--	--	--	--	--	5.00%	5.00%
b) Reconciliation of opening and closing balances of Defined Benefit obligation										
Present value of obligations as at beginning of year	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
Interest cost	854.45	838.46	1546.24	1325.00	639.92	501.43	128.50	39.03	12.82	11.18
Current Service Cost	315.88	334.50	1619.00	1574.85	125.75	143.14	222.33	170.74	9.39	7.72
Past Service Cost	--	--	--	--	--	--	--	426.02	--	--
Benefits paid	(997.24)	(1184.42)	(1658.49)	(1577.10)	(620.96)	(476.48)	(128.62)	(55.39)	(16.26)	(19.73)
Actuarial (gain)/loss on Obligations	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
Present value of obligations as at end of year	10779.64	10680.63	21397.84	19328.00	8156.45	7528.50	1992.76	1606.26	171.65	160.29
c) Reconciliation of opening and closing balances of fair value of plan assets										
Fair value of plan assets as on beginning of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.33	--	--	--	--
Expected return on plan assets	997.07	966.96	1725.16	1453.82	674.40	579.35	--	--	--	--
Contributions	398.67	827.34	2888.20	2627.51	1107.30	--	--	--	--	--
Benefits paid	(997.24)	(1184.42)	(1658.49)	(1577.10)	(620.96)	(476.48)	--	--	--	--
Actuarial Gain/(Loss) on Plan assets	--	--	--	--	--	--	--	--	--	--
Fair value of plan assets at the end of year	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
d) Fair value of plan assets as on 31.03.2012										
Fair value of plan assets at beginning of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.33	--	--	--	--
Actual return on plan assets	997.07	966.96	1725.16	1453.82	674.40	579.35	--	--	--	--
Contributions	398.67	827.34	2888.20	2627.51	1107.30	--	--	--	--	--
Benefits paid	(997.24)	(1184.42)	(1658.49)	(1577.10)	(620.96)	(476.48)	--	--	--	--
Fair value of plan assets at the end of year	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
Funded status	216.70	(82.79)	(2003.73)	(2888.76)	(574.51)	(1107.30)	(1992.76)	(1606.26)	(171.65)	(160.29)
Excess of Actual over estimated return on plan	--	--	--	--	--	--	--	--	--	--



(₹ IN LAKHS)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
e) Actuarial Gain/Loss recognized for the year 2011-12										
Actuarial gain/(Loss) for the year - Obligation	74.08	(211.29)	(563.09)	(1442.72)	(483.24)	(1092.53)	(164.29)	(538.04)	(5.41)	(21.31)
Actuarial (gain)/Loss for the year - plan assets	--	--	--	--	--	--	--	--	--	--
Total (gain)/Loss for the year	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
Actuarial (gain)/Loss recognized in the year	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
f) The amounts recognized in the balance sheet										
Present value of obligations as at the end of year	10779.64	10680.63	21397.84	19328.00	8156.45	7528.50	1992.76	1606.26	171.65	160.29
Fair value of plan assets as at the end of the year	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
Funded status	216.70	(82.79)	(2003.73)	(2888.76)	(574.51)	(1107.30)	(1992.76)	(1606.26)	(171.65)	(160.29)
Net (Asset)/liability recognized in balance sheet	(216.70)	82.79	2003.73	2888.76	574.51	1107.30	1992.76	1606.26	171.65	160.29
g) Expenses Recognized in statement of Profit & Loss										
Current Service Cost	315.88	334.50	1619.00	1574.85	125.75	143.14	222.33	170.74	9.39	7.72
Past Service cost	--	--	--	--	--	--	--	426.02	--	--
Interest cost	854.45	838.46	1546.24	1325.00	639.92	501.43	128.50	39.03	12.82	11.18
Expected return on plan assets	(997.07)	(966.96)	(1725.16)	(1453.82)	(674.40)	(579.35)	--	--	--	--
Net Actuarial (gain)/Loss recognized in the year	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
Expenses recognized in statement of Profit & Loss	99.18	417.29	2003.17	2888.76	574.51	1157.74	515.12	1173.83	27.62	40.21
h) Amount for the current period										
Present Value of Obligation	10779.64	10680.63	21397.84	19328.00	8156.45	7528.50	1992.76	1606.26	171.65	160.29
Plan Assets	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
Surplus (Deficit)	216.70	(82.79)	(2003.73)	(2888.76)	(574.51)	(1107.30)	(1992.76)	(1606.26)	(171.65)	(160.29)
i) Major Categories of Plan Assets (as percentage of total plan assets)										
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 01.04.2011 to 31.03.2012)	125.75	105.50	151.90
Interest Cost (for the period 01.04.2011 to 31.03.2012)	639.92	580.93	711.29
Value of Projected Benefit Obligation on 31.03.2012	8156.45	7467.35	8980.99



2.33 Deferred Tax Asset (Net):

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 31.3.2011	For the year 2011-12	As on 31.3.2012
A. Deferred Tax Asset:				
1.	Provision For leave Encashment	6270.97	671.74	6942.71
2.	Provision for Contractual Obligations	7256.94	1813.44	9070.38
3.	Provision for Doubtful Debts	1584.87	202.23	1787.10
4.	Provision for Post Retirement Medical	2443.72	202.64	2646.36
5.	Provision for Leave encashment, Superannuation and Provident fund for pay revision allowable on cash basis u/s 43B	77.26	(58.70)	18.56
6.	Provision for Other Benefits on retirement	52.03	3.66	55.69
7.	Provision for Long Service Awards	521.24	125.31	646.55
8.	Voluntary Retirement Scheme	10.59	(2.65)	7.94
9.	Carry forward of unabsorbed long term Capital Loss on Investment in Fixed Maturity Plans of Mutual Funds	12.30	60.66	72.96
10.	Provision for Loss in Joint Venture	64.04	17.35	81.39
11.	Provision for Corporate Social Responsibility	0.00	498.44	498.44
	Total Deferred Tax Asset	18293.96	3534.12	21828.08
B. Deferred Tax Liability:				
1.	Depreciation	730.38	(328.21)	402.17
	Total Deferred Tax Liability	730.38	(328.21)	402.17
C. Net Deferred Tax Asset / (Liability)		17563.58	3862.33	21425.91

2.34 Prior period items net debit of ₹ 191.57 Lakhs (net debit ₹ 577.45 Lakhs) shown under prior period adjustments are as detailed below:-

Prior Period Income

(₹ IN LAKHS)

	Particulars	2011-12	2010-11
I	Consultancy & Engineering Services	(188.95)	(536.08)
II	Miscellaneous Income	0.17	--
	(A)	(188.78)	(536.08)

Prior Period Expenditure

(₹ IN LAKHS)

	Particulars	2011-12	2010-11
I	Corporate Cost	1.10	--
II	Facilities	1.69	--
III	Depreciation & Amortization Expense	--	41.37
	(B)	2.79	41.37
	TOTAL(A-B)	(191.57)	(577.45)

2.35 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 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 31.03.2012	Year ended 31.03.2011
Segment Revenue		
Consultancy & Engineering projects	120731.11	112794.22
Turnkey Projects	249151.32	169534.22
Total	369882.43	282328.44
Segment Profit		
Consultancy & Engineering Projects	51090.88	48658.76
Turnkey Projects	24521.08	19564.49
Total (a)	75611.96	68223.25
Prior period adjustment	191.57	577.45
Interest	116.02	146.70
Other un-allocable expenditure	7045.58	5087.27
Total (b)	7353.17	5811.42
Other Income (c)	23217.74	16036.63
Profit Before Tax (a-b+c)	91476.53	78448.46
Capital Employed(*)	184404.51	144211.97

(*) 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.

2.36 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 (Formally liquidated and registration cancelled on 4 th April, 2011 and proceeds received during current year 2011-12)
6.	JABAL EILLOT CO. LTD	JOINT VENTURE COMPANY
7.	DIRECTORS	KEY MANAGEMENT PERSONNEL
	Mr. A. K. PURWAHA	CHAIRMAN & MANAGING DIRECTOR
	Mr. L. N. GUPTA	DIRECTOR (GOVT. NOMINEE)
	Mr. DEPENDRA PATHAK	DIRECTOR (GOVT. NOMINEE)
	Mr. RAM SINGH	DIRECTOR (FINANCE)
	Mr. P. K. RASTOGI	DIRECTOR (HR)
	Mr. G.D. GOYAL	DIRECTOR (COMMERCIAL)
	Mr. P. MAHAJAN	DIRECTOR (TECHNICAL)
	Mr. D. MOUDGIL	DIRECTOR (PROJECTS)
	Mr. A.K. PURWAR	DIRECTOR
	Mr. U.N. BOSE	DIRECTOR
	Mr. B.N. BANKAPUR	DIRECTOR UPTO 31.08.2011
	Dr. AVINASH CHANDRA	DIRECTOR
	Mr. ADIT JAIN	DIRECTOR
	Dr. (Prof.) KDP NIGAM	DIRECTOR

**(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)		29.87 (24.64)			29.87 (24.64)
Dividend / Share of profit	350.00 (300.00)		37.37 (0.00)		387.37 (300.00)
Rendering of services (lump-sum contracts) & other transactions	334.75 (343.80)				334.75 (343.80)
Outstanding receivables	96.89 (51.62)	2.73 (6.59)			99.62 (58.21)
Services & facilities Received	250.03 (161.88)	128.92 (6.50)			378.95 (168.38)
Outstanding Payable	17.49 (47.41)	1.94 (0.00)			19.43 (47.41)
Remuneration/ Sitting fees*				181.68 (200.57)	181.68 (200.57)
Rent paid for residential accommodation				25.39 (25.46)	25.39 (25.46)
Interest Income on loans given				0.12 (0.12)	0.12 (0.12)
Outstanding Loans, Interest & other receivables				5.88 (8.35)	5.88 (8.35)
Equity Contributions (Net)		724.90 (100.00)			724.90 (100.00)

* 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.

2.37 Earning Per Share (E. P. S.)

In terms of Accounting Standard-20 "Earning per Share", the requisite disclosures are as under:

	Calculation of E.P. S.	2011-12	2010-11
A	Net Profit for the year attributable to Equity Shareholders (₹ in Lakhs)	63631.53	52251.94
B	Weighted average number of Equity shares	336936600	336936600
C	Basic & Diluted Earning per share (A)/(B)	₹ 18.89	₹ 15.51
D	Nominal value per share	₹ 5	₹ 5

2.38 The Board of Directors at their meeting held on 28th May, 2012 has proposed a final dividend of ₹ 4 per share for financial year 2011-12 (₹ 4/- per share) subject to approval of shareholders in annual general meeting. The above is in addition to an interim dividend of ₹ 2/- per share for financial year 2011-12 (₹ 1/- per share) declared and already paid.

2.39 The interest expense includes ₹ 116.00 Lakhs (₹ 146.00 Lakhs) on account of interest on shortfall in advance tax paid computed as per provisions of Income Tax Act.



2.40 In terms of Accounting Standard (AS 29) "Provisions, Contingent Liabilities and Contingent Assets", the requisite disclosures are as under:

i) The movement in provisions are disclosed as under:

(₹ IN LAKHS)

S.No.	Particulars	Class of Provisions			
		Contractual Obligations		Corporate Social Responsibility	
		2011-12	2010-11	2011-12	2010-11
1	Opening Balance	23666.25	18598.88	----	----
2	Additional Provision during the year	6962.24	6065.10	1536.25	----
3	Provision used during the year	-----	----	-----	----
4	Provision reversed during the year	1467.42	997.73	-----	----
5	Closing Balance (1+2-3-4)	29161.07	23666.25	1536.25	----

ii) Nature of provisions:

a) Contractual obligations represent provision for estimated liabilities on account of guarantees and warranties etc. in respect of consultancy & engineering services and turnkey contracts executed by the Company. The said obligation covers performance as well as defect liability period defined in the respective contracts.

For turnkey contracts, the estimated liability on account of contractual obligations is provided at 1% of revenue recognized based on risk assessment made by the management. For consultancy & engineering services contracts the estimated liability on account of contractual obligations is provided as per assessment of probable liability made by the management based on liability clauses in respective contracts.

b) Corporate Social Responsibility represent provision for estimated liability on account of amount set aside as a percent of profit earned in the past year for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility. The timing of outflows depends on the progress of various CSR projects awarded by the Company.

iii) The disclosures in respect of contingent liabilities are given as per Note No. 2.17.

2.41 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.

2.42 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.

2.43 Pursuant to notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures are reclassified to make it comparable with the current year's classification. Further, Previous year's figures have been re-casted and/or regrouped wherever necessary to make them comparable with the current year's figures. Figures shown within brackets in Notes represent previous year's figures.

(RAJAN KAPUR)
Company Secretary
PAN: AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F&A)
PAN: AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN: 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN: 00165092

As per our report of even date attached
for M VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER

Membership No. 088396
Firm Registration No. 501433C

Place: New Delhi
Date: May 28, 2012



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 RM1 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 RM1 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	31 st December, 2011
5. Date from which it became subsidiary company	21 st 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 31 st December, 2011 (Amounts in Lakhs)	RM (0.12)
2. For the previous financial year(s) of the subsidiary company since it became the holding company's Subsidiary (Amount in Lakhs)	RM 0.21
(b) <u>Dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year ending 31st December, 2011 (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
PAN : AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F&A)
PAN : AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN : 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN : 00165092



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	31 st March, 2012
5. Date from which it became subsidiary company	26 th 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 01.04.2011 to 31.03.2012 (Amounts in Lakhs)	₹ 799.63
2. For the previous financial year(s) of the subsidiary company since it became the holding company's Subsidiary (Amount in Lakhs)	₹ 4458.62
(b) <u>Dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year 01.04.2011 to 31.03.2012 (Amounts in Lakhs)	₹ 350.00
2. For the previous financial year(s) of the subsidiary company since it became the holding company's Subsidiary (Amount in Lakhs)	₹ 1901.00

(RAJAN KAPUR)
Company Secretary
PAN : AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F&A)
PAN : AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN : 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN : 00165092



**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 31ST MARCH 2012.**

The preparation of financial statements of Engineers India Limited for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is 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 28th May 2012.

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 31st March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to the inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

For and behalf of the
Comptroller and Auditor General of India

(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi.

Place: New Delhi
Date: July 6, 2012



Directors' Report

To

The Shareholders,

Certification Engineers International Limited

Gentlemen,

Your Directors have pleasure in presenting the 17th Annual Report together with Audited accounts of the Company for the year ended 31st March 2012 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

PERFORMANCE DURING THE YEAR 2011-12

The overall financial performance for the year 2011-12 is highlighted below:

(₹ IN THOUSANDS)

RESULTS OF OPERATIONS	For the year ended 31.3.2012	For the year ended 31.3.2011
INCOME FROM SERVICES RENDERED (Including adjustment of work-in-progress)	299204	294914
EXPENDITURE	186486	168025
Operating profit	112718	126889
Other Income	35900	26866
PROFIT BEFORE TAX & PRIOR PERIOD ADJ.	148618	153755
Prior period adjustment	-	(-)569
PROFIT BEFORE TAX	148618	153186
Provision for Taxation		
Current Tax	50085	51743
Deferred Tax	(-)2212	(-)868
Adj. of previous year's Tax Provision	104	105
PROFIT AFTER TAX	100641	102206
Interim/Proposed Dividend	35000	32500
Tax on dividend	5677	5321
Transfer to General Reserve	59964	64385
SOURCES AND USES OF FUNDS		
Authorised Capital	20000	20000
Issued, Subscribed & Paid-up Capital	10000	10000
Reserves and Surplus	505826	445862
Non-Current Liabilities	15714	12462
Current Liabilities	61445	65829
	592985	534153
REPRESENTED BY		
Fixed Assets (Net)	30962	29649
Deferred Tax	6996	4828
Long Term Loans & Advances	2635	3336
Other Non-Current Assets	20334	82242
Current Assets	532058	414098
	592985	534153

**DIVIDEND**

The Board of Directors of the Company has recommended for the financial year 2011-12, a final dividend of ₹200/- per share (of face value of ₹100/- per share) in addition to ₹150/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2011-12 works out to ₹350/- per share. Payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

BUSINESS REVIEW – THE YEAR IN RETROSPECT

During the financial year, the income from services rendered by the Company has increased to ₹29.92 Crores from ₹29.49 Crores in the previous year, which is 1.5% higher than the previous year.

Profit before tax has decreased to ₹14.86 Crores from ₹15.32 Crores in previous year, which is 3.0% Lower. Similarly, Profit after tax has decreased by 1.5% from ₹10.22 Crores in previous year to ₹10.06 Crores in the current year.

To effectively counter the pressure of reduced average realizations and higher operating expenses, your company has taken various measures to reduce average man-day cost through fresh recruitment and outsourcing. Further, your Company is aggressively targeting business proposals in Overseas markets and inspection of imported components for new refineries which will result in improvement in man-day realization and existing market share.

OPERATIONS

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

- ONGC – TPI for D1 Project.
- VMSS – Material Inspection for VMSS Works.
- GSPL – Various Pipeline Projects.
- Corp. of Chennai – TPI of SWD project.
- Petrofac Intl. – TPI for Gas Field Development project of Turkmengas.
- L & T – MRPL-DHT & HGU Projects.

The following major assignments were secured during the year:

- ONGC – Certification services for B-Series & N15 & 16 Pipeline Projects, B-193 Field Development Project and 3 Clamp-on Project
- VMSS & SMC – TPI for various Infrastructure Projects
- GSPL- TPI for various Pipeline Projects and Technical Audit
- Petrofac Intl. – TPI for South Yoloten Gas Field Development project at Korea.

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

OUTLOOK

Your Company had order book position of around ₹ 29.40 Crores as on 31.03.2012, comprising of the in-progress portion of the orders from ONGC, VMSS, GSPL and Tecnimont etc. Your Company expects to secure further assignments during the year from ONGC, State Infrastructure authorities, GSPL, and major LSTK Contractors etc., which will ensure healthy turnover growth and 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.

RISK MANAGEMENT

The Company has well defined Risk Management policy. The objective of risk management in the Company is to act as enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost and time resulting in improved turnover and profitability. The management is committed to further strengthen its risk management capabilities in order to improve its business performance and enhance shareholder value. 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.

MANPOWER

As on 31st March 2012, your Company had total manpower of 78. Regular employees were 72 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 optimum cost, your Company is also outsourcing manpower from agencies and is empanelling engineers and consultants.

OFFICIAL LANGUAGE

Like previous years, awareness and increased usage of official language was enthusiastically carried out during the year. Provisions of section 3(3) of Official Languages Act and Official Language Rules have been complied with. 'Hindi Diwas' was observed on 14.09.2011 and 'Hindi Fortnight' was organized from 14.09.2011 to 28.09.2011 in association with holding company, EIL. With a view to create greater awareness, consciousness and to encourage employees to enhance use of Hindi in official work, several workshops, inspection and seminar were also organized.



PARTICULARS OF EMPLOYEES

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 para no. 2.31 of Notes to accounts. 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.

CORPORATE SOCIAL RESPONSIBILITY

During the year 2011-12, the company remained focused towards its social obligations and the following projects were taken up:

- MOU was signed with Vadodara Mahanagar Seva Sadan, Vadodara, for providing Vehicles for distribution of midday meal to the poor children from the urban slums studying in schools and anganwadi run by the corporation. ₹ 26.38 Lakhs was disbursed in the year 2011-12 towards this project.
- MOU was signed with Swami Brahmanand Pratishthan (SBP), Navi Mumbai for providing a school bus for transporting mentally challenged children to school. ₹ 13.50 Lakhs was disbursed in the year 2011-12 towards this project.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has formulated a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel in terms of DPE Guidelines on Corporate Governance. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Directors and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by CEO is given in the Report on Corporate Governance.

CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance as per the requirements/Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, Government of India. The Board of Directors supports the

broad principles of Corporate Governance. In addition to the basic issues, CEIL lays strong emphasis on transparency, accountability and integrity.

A Report on Corporate Governance as required under DPE Guidelines on Corporate Governance is annexed.

Certificate of the Auditors of CEIL regarding compliance of the conditions of the Corporate Governance as stipulated in DPE Guidelines on Corporate Governance along with the Management's Reply on the comments of the Auditors is enclosed.

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 annexed.

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 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.

RIGHT TO INFORMATION ACT, 2005

In order to promote transparency and accountability, appropriate action is taken to reply to queries from any source whenever received, on time. In compliance to the provisions of the Right to Information Act, 2005, Central Public Information Officer (CPIO) and ACPIOs have been appointed and utmost care is being taken for timely compliance and dissemination of information. During the Financial year 2011-12, the company had received five applications under RTI Act, 2005 and all had been responded within the statutory time limit. As on 31.3.2012, no application is pending under RTI Act, 2005.

**RESEARCH & DEVELOPMENT AND SUSTAINABLE DEVELOPMENT ACTIVITIES**

The company has made budgetary provision for R&D activities which shall lead to high quality jobs, successful enterprises, better services and more efficient & cost effective processes. The company has also made budgetary provisions for the activities related to Sustainable Development which involves an enduring and balance approach to economic activity, social progress and environmental responsibility.

DIRECTORS

After the date of last Directors' Report i.e. 18.05.2011, Shri C.B. Singh, Director (Government Nominee) resigned from the Board w.e.f. 1.05.2012 since he had assumed the charge of Adviser in the Ministry of Shipping on his promotion to the Joint Secretary in the Government of India.

Shri G.D. Goyal ceased to be the Director of the Company w.e.f. 1.07.2012 due to his superannuation on 30.06.2012 from the services of Engineers India Limited.

The Board has placed on record its appreciation for the services rendered and contributions made by Shri C.B. Singh and Shri G.D. Goyal during their tenure as Directors of the Company.

Shri Sanjay Gupta has been appointed as Additional Director on the Board of the Company w.e.f. 1.07.2012.

In accordance with the provisions of the Companies Act, 1956, Shri Ajay Deshpande and Shri D. Moudgil, 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 Sanjay Gupta, who was appointed as Additional Director after the date of last Directors' report, shall vacate his office at the ensuing Annual General Meeting. Necessary notice has been received from Shri Sanjay Gupta under Section 257 of the Companies Act, 1956, proposing his candidature for appointment. The Board recommends his 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 as stipulated under DPE Guidelines on Corporate Governance are given in the Corporate Governance Report and Annexure to Notice of 17th Annual General Meeting.

BANKERS

The Bankers of the Company are Bank of India, Corporation Bank, Axis Bank and State Bank of India.

ACCREDITATIONS**ISO 17020:**

Certification Engineers International Ltd.(CEIL) has been granted accreditation as an Inspection Body in accordance with ISO/IEC 17020 by NABCB. This accreditation is granted for company's operation in India for the scope sectors detailed in the schedule I and Schedule II, of accreditation certificate for inprocess/finished product/installation/in service inspection activities.

Emergency Response & Disaster Management Plan (ERDMP):

Quality Council of India has approved CEIL as an inspection body for review and verification of Emergency Disaster Management Plan under PNGRB regulation for Midstream and downstream activities of Oil and Gas sectors.

AUDITORS

M/s Kapoor Goyal & Co, Chartered Accountants were appointed as Auditors of your Company for the Financial Year 2011-12 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 operations of the Company.

For & on behalf of the
Board of Directors

(A K Purwaha)
Chairman

Place: New Delhi
Date: July 13, 2012



Management Discussion & Analysis

Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the company for the year 2011-12 and the future outlook.

Business Overview

During the financial year company was able to maintain a healthy order book and secured business worth around ₹ 34.50 Crores.

In the Certification activities the company was able to secure few major orders during the year, which is better than the order intake during the previous financial year 2010-11. The company is hopeful of further improving order book position of Certification contracts in the current year 2012-13.

In the Third Party Inspection activities, the company secured major orders from Vadodara Municipal Corporation, Gujarat State Petronet Ltd., Petrofac International, Tecnimont, Fernas Construction and other esteemed clients, besides securing sizeable business from various State Government Organizations etc.

Business Environment and Future Outlook

Your Company had order book position of around ₹29.40 Crores as on 31.03.2012, comprising of the in-progress portion of the orders from ONGC, VMSS, GSPL, Tecnimont etc. Your Company expects to secure further assignments during the year from ONGC, State Infrastructure authorities, GSPL, and major LSTK Contractors etc., which will ensure healthy turnover growth and 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.

Financial Performance

During the financial year, the income from services rendered by the Company has increased to ₹29.92 Crores from ₹29.49 Crores in the previous year, which is 1.5% higher than the previous year.

Profit before tax has decreased to ₹14.86 Crores from ₹15.32 Crores in previous year, which is 3.0% lower. Similarly, Profit after tax has decreased by 1.5% from ₹10.22 Crores in previous year to ₹10.06 Crores in the current year.

Risk & Concerns

The Company has well defined Risk Management policy. The objective of risk management in the company is to act as enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring

execution of projects within budgeted cost and time resulting in improved turnover and profitability. The management is committed to further strengthen its risk management capabilities in order to improve its business performance and enhance shareholder value. 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.

Internal Control Systems

The company has in place adequate systems of internal control. 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. We continued our efforts to align all its process and control with best practices.

Some significant features of the internal control systems are preparation and monitoring of annual budgets, internal audit and its review, clear delegation of authority and responsibility, corporate policy on accounting and capital acquisition and periodic management meeting to review operation and plans in business areas.

Memorandum of Understanding (MoU) with Engineers India Limited

The company's MoU with EIL for the year 2012-13 signed recently and envisages higher turnover and gross margins with thrust on holistic growth encompassing customer satisfaction, HRD, R&D, Sustainable development and CSR initiatives.

Significant Initiatives

In order to meet the challenges of dynamic 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.

Human Resources

Strength of regular employees, including employees on deputation from EIL, increased from 69 to 78 during the course of year. 31 employees were trained during the year in a total of 19 training programmes.

The Company intends to peruse aggressive training programmes for the employees in future to retain the knowledge edge in its area of business.



Marketing

The company is successfully expanding its clients base with addition of new clients in existing and diversified business areas. Company's commitment to quality and timely execution of certification and third party inspection activities, coupled with proper marketing initiatives has helped the company to achieve significant improvement in order book.

Operational Improvement

Major Operational Improvement like improving manpower productivity, optimization of cost etc. are ensured through strict monitoring of operations in the Company and through increased usage of Software Packages and automated systems.

Cost Control & Monitoring

Effective cost reduction measures for control of travel cost, manpower cost etc. are taken up at all stages of operations.

Corporate Social Responsibility

The Company's CSR initiatives aim at assisting socially and economically weaker segments of society, as well as defining the Company as a socially-responsible business to employees, clients and other stakeholders. As part of CSR activities, MoUs were signed with NGOs to provide vehicles for distribution of midday meal to poor children and provide school bus for transporting mentally challenged children to school.

Environment Protection and Conservation, Technological Conservation, Renewable Energy Development, Foreign Exchange Conservation

Environmental protection is an integral part of the Company's business processes. The Company is adopting a long-term approach to business, built upon a solid commitment of sustainable growth through the active participation in responsible environmental practices.

Management Information System (MIS)

MIS in the company is constantly being fine tuned to cater to ever growing information needs for effective and quick decision making as well as for statutory requirements. This provides vital data inputs to management highlighting operating variables, achievement vis-à-vis budgets and other decision support data.

Disclosure by Senior Management Personnel

As Confirmed by Senior Management Personnel, none of them has material financial and commercial transactions with the Company, where they have personal interest, that may have a potential conflict with the interest of the Company.

Cautionary Statement

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 in India and abroad.



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 31st March 2012 (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 thereunder.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met 5 (Five) times on 28/04/2011, 18/05/2011, 17/08/2011, 11/11/2011 and 07/02/2012 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 31st March, 2011 was held on 26/07/2011 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) There was no allotment/transfer/transmission of securities during the financial year;
- (ii) The Company has paid one final dividend (for financial year 2010-11) and one interim dividend (for financial Year 2011-12) 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 was not required to transfer 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. There was change in designation of Mr. Ajay Deshpande & Mr. Chandra Bhan Singh from Additional Director to Director in the Annual General Meeting of the Company held on 26/07/2011. 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 not altered its Articles of Association during the Financial Year.
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
(Proprietor)
C. P. No. 7647

Place: New Delhi.
Date : May 14, 2012



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 31st March, 2012:

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 66 vide SRN No. P69183366	Proviso to Sec 383A (1)	Compliance Certificate for the financial year 2010-11	12/08/2011	Yes	N/A
2.	Form 32 vide SRN No. B18355297	303(2)	Change in Designation of Mr. Ajay Deshpande & Mr. Chandra Bhan Singh from Additional Director to Director w.e.f. 26.07.2011	17/08/2011	Yes	N/A
3.	Form 20B vide SRN No. P70867577	159	Annual Return as on date of Annual General Meeting held on 26.07.2011	23/09/2011	Yes	N/A
4.	Form 23AC and Form 23ACA vide SRN No. P81859027	220	Balance Sheet & Profit & Loss Account for the financial year 2010-11	30/11/2011	Yes	N/A



Annexure to Directors' Report

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company firmly believes in consistently practicing 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, regulations and Government Guidelines.

2. Board of Directors

a) Composition of the Board of Directors

Certification Engineers International Limited is a public sector undertaking. The Articles of Association of the Company stipulates that the number of Directors shall not be less than three and more than nine.

Presently, CEIL is having 6 Directors on its Board comprising of 5(five) Directors including Chairman nominated by Holding Company, Engineers India Limited and 1 (one) non-official (Independent) Director. The non-official (Independent) Director has been nominated by Engineers India Limited.

b) Number of Board Meetings

The Board of Directors met 5 times during the year 2011-12. The details of the Board Meetings are as under:

Sl. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	April 28, 2011	New Delhi	7	7
2.	May 18, 2011	New Delhi	7	6
3.	August 17, 2011	New Delhi	7	7
4.	November 11, 2011	New Delhi	7	5
5.	February 7, 2012	New Delhi	7	6

c) Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships/Committee Memberships/ Chairmanships.

Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the year 2011-2012 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 26/07/2011	Other Directorships	Committee Memberships**	Committee Chairmanships**
A) Part time Directors- From Holding Company, EIL					
A. K. Purwaha Chairman	5	Yes	4	-	-
D. Moudgil	5	Yes	1	-	-
G. D. Goyal	4	Yes	4	1	-
Sudershan Gupta	4	Yes	-	-	-
Ajay Deshpande	5	Yes	-	-	-
B) Government Nominee Directors					
C.B. Singh* ¹	4	No	-	-	-
C) Non-official Independent Director					
Dr. Avinash Chandra	4	Yes	3	1	-

**Remarks:**

- *¹ Shri C.B. Singh, Director (Government Nominee) ceased to be the Director of the Company w.e.f. 1.05.2012 as he has resigned due to his assumption of charge of Adviser in the Ministry of Shipping.
- ** 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 time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials and sponsored by CEO of the Company. 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 Business Conduct and Ethics for all Board Members and Senior Management of the Company in term of the DPE Guidelines on Corporate Governance for CPSEs. The same has also been posted on the Website of the Company (www.certificationengineers.com).

Declaration as required under DPE Guidelines on Corporate Governance for CPSEs

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics for the Financial year ended on March 31, 2012.

May 16, 2012
New Delhi

(MVK Kumar)
Chief Executive Officer

f) Compliance Reports

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date except the composition of Board of Directors and Audit Committee. 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.

g) Appointment/Re-appointment of Directors

A brief resume of Directors, retiring by rotation and eligible for re-appointment are given below:

I	Name	:	Shri D. Moudgil
	Father's Name	:	Shri Roshan Lal Moudgil
	Designation	:	Director
	Official Address	:	1, Bhikaiji Cama Place, New Delhi- 110 066
	Date of Birth	:	28.08.1954
	Qualification	:	Civil Engineering from Punjab University
	Experience	:	He has been associated with Holding Company of CEIL, i.e EIL for over 36 years. 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.
	Other Directorships	:	Engineers India Limited
	Other Committee Memberships	:	Engineers India Limited
		i)	Share Transfer Committee
		ii)	HR Committee
		iii)	Committee of Functional Directors



II	Name	:	Shri Ajay Deshpande
	Father's Name	:	Dr. Narayan R Deshpande
	Designation	:	Director
	Official Address	:	Engineers India Limited, 1, Bhikaiji Cama Place, New Delhi – 110 066
	Date of Birth	:	2/01/1958
	Qualification	:	B.Tech (Chemical Engineering) from Nagpur University. M.Tech (Systems & Management) from IIT Delhi
	Experience	:	He has 32 years of experience in Technology area covering Process, R&D, POSD, HMTD, R&D, Environmental Engineering Specialist Materials/ Maintenance Services and also in Projects (Petrochemicals). Extensively involved in developing indigenous technologies which have been successfully implemented in commercial scale units in refinery, oil and gas and petrochemical (aromatic) applications. Presently he is ED (Technical) in the holding Company EIL.
	Other Directorships	:	Nil
	Other Committee Memberships	:	Nil

3. Audit Committee

Presently, the Audit Committee comprises of three Members viz. Dr. Avinash Chandra, Director as Chairman of the committee, Shri Sudershan Gupta, Director and Shri Ajay Deshpande, Director as members of the Committee. The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Governance for CPSEs. The 1st meeting Audit Committee was held on 16.05.2012.

4. Subsidiary Companies

The Company is not having any subsidiary company.

5. Remuneration Committee/Remuneration of Directors

The company has formed a Remuneration Committee as per DPE OM dated 26th November, 2008 regarding pay revision of CPSE executives. Presently, Dr. Avinash Chandra, Director, Shri D. Moudgil, Director and Shri Sudershan Gupta, Director are the members of the committee. Dr. Avinash Chandra, Director is acting as Chairman of the committee. The committee met once during the year 2011-12 in which all the members of the committee were present.

The scope of the Remuneration Committee includes finalizing the salary structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and Non-Unionised Supervisors with prescribed limits. Remuneration Committee may also be called upon to decide issues like ESOP schemes, Performance Incentive Schemes, Superannuation Benefits and any other Fringe Benefits which may be considered appropriate. The Remuneration committee shall also assist the Board in ensuring that appropriate and effective remuneration packages and policies are implemented in CEIL for all employees including Directors and Chairman. The Committee's role also extends to the review of non-executive Directors' fees.

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company. The part-time official directors other than non-official Independent Directors nominated on the Board do not draw any remuneration from the Company for their role as director. The sitting fees fixed for part-time (non official) independent directors of the Company is ₹10,000/- per meeting of the Board or its Committee thereof attended by them.



The details of payments towards sitting fees to Non-official Independent Director during the year 2011-12 are given below:-

(AMOUNT IN ₹)

Name of Part-time(non-official) Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Dr. Avinash Chandra	40000	10000	50000

*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. CEO/CFO Certification

The CEO and Head of the Finance Function i.e AGM (F&A) have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of DPE Guidelines on Corporate Governance.

8. Risk Management

The Company has well defined Risk Management policy. The objective of risk management in the Company is to act as enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost and time resulting in improved turnover and profitability. The management is committed to further strengthen its risk management capabilities in order to protect and enhance shareholder value by improving its business performance. Continuous efforts in creating new opportunities, improving competencies/knowledge in various areas leading to improved performance and leveraging existing knowledge resources, in line with the risk appetite of the company, has enabled the company to protect the shareholders interests.

9. General Body Meetings

i) Annual General Meeting (AGM)

The Annual General Meetings of the Company are held at New Delhi where the registered office of the Company is situated. The details of such meetings held during the last three years are as under:

AGM	Year	Venue	Date	Time
14 th	2008-2009	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	21.08.2009	3.00 PM
15 th	2009-2010	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	16.08.2010	4.30 PM
16 th	2010-2011	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	26.07.2011	4.30 PM

ii) Details of Special Resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
14 th	Nil
15 th	Approval for payment of Sitting Fees and Amendment in Articles of Association of the Company
16 th	Nil

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

**iii) 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.

10. Disclosures

- i) Details of transactions between the Company and its holding company, associates, key managerial personnel during the year 2011-2012 are given in Point no. 2.24 of the Notes to Accounts for the year ended 31st March, 2012. These transactions do not have any potential conflict with the interests of the Company at large.
- ii) There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any statutory authority on any matters related to any Guidelines issued by Government during the last three years.
- iii) The Company has complied with all mandatory requirements of DPE Guidelines on Corporate Governance for CPSEs, save and except the composition of Board of Directors and Audit Committee.
- iv) During the last three years, the Presidential Directive relating to 'Pay Revision of Executives' were issued by Ministry of Petroleum and Natural Gas vide their letter dated 30.04.2009 and the same has been complied with.
- v) No Expenditures were debited in the Books of Accounts during the year 2011-12 which are not for the purposes of the Business.
- vi) No expenses had been incurred which are personal in nature and incurred for the Board of Directors and the top Management.
- vii) The administrative and office expenses are 26.83% of the total expenses in the Financial year 2011-12 as against 30.69% during the Financial year 2010-11.

11. Means of Communication

The quarterly/yearly Financial results are displayed on the website viz. www.certificationengineers.com of the company. The website of the company also displays the official news releases. Annual Report is also available on the website in a user friendly manner and is circulated to the members and others entitled to.

12. Audit Qualifications

The company has ensured to remain in the regime of unqualified statements.

13. Training of Board Members

The Company has a well defined Training Policy for Board Members. Detailed presentations are made by senior executives/professionals/consultants on business related issues and the Directors have attended seminars/conferences/programmes from time to time.

14. Whistle Blower Policy

The scope of Whistle Blower Policy of holding company EIL covers the subsidiary company also.

15. General Information**i) 17th Annual General Meeting**

Date	July 26, 2012
Time	3.30 PM
Venue	E.I. Bhavan, 1, Bhikaiji Cama Place, New Delhi-110066.

ii) Financial Year

1st Day of April to 31st Day of March every year

iii) Dividend

The Board of Directors of the Company have recommended payment of Final Dividend of ₹ 200/- per share (on the face value of ₹ 100/- each) for the Financial Year ended 31st March, 2012 subject to approval of Shareholders in the forthcoming AGM. This was in addition to the Interim Dividend of ₹ 150/- per share (on the face value of ₹ 100/- each) paid during the year.



iv) Registered office of the Company

Certification Engineers International Limited

E.I. Bhavan,

1, Bhikaiji Cama Place,

New Delhi-110066.

Tel. No.011-26762121, 26164868

Fax : 011-26164868, 26192693

website: www.certificationengineers.com

v) Auditors

M/s Kapoor Goyal & Co

Chartered Accountants

G-1, Pooja Apartment,

4, Ansari Road, Daryaganj,

New Delhi – 110002

Tel. : 011- 2327 1046, Fax: 011-41534100

email: kapoorgoyal@gmail.com

Place: New Delhi

Date: May 16, 2012



Auditors' Report on Corporate Governance

To,

The Members

Certification Engineers International Limited

We have examined the compliance of Guidelines on Corporate Governance by CERTIFICATION ENGINEERS INTERNATIONAL LIMITED for the year ended 31st March, 2012, as stipulated in O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

The compliance of Guidelines on Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the Compliance of Guidelines on Corporate Governance. 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 by the Management, we certify that, except the Composition of the Board of Directors and Audit Committee, the Company has complied with the Guidelines on Corporate Governance as stipulated in above mentioned O.M.

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 KAPOOR GOYAL & CO.
CHARTERED ACCOUNTANTS

(J.C. KAPOOR)
PARTNER
M.NO. 012001

Firm Registration No. 001370N

Place: New Delhi
Date: May 16, 2012



Management's Reply to Auditors' Report on Corporate Governance (2011-12)

AUDITORS' COMMENTS	MANAGEMENT'S REPLY
The Composition of the Board of Directors and Audit Committee as per DPE Guidelines on Corporate Governance has not been complied with.	The Company is pursuing with the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India for appointment of sufficient number of Directors on the Board of the Company.



Auditors' Report

The Members,
CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

We have audited the attached balance Sheet of M/S CERTIFICATION ENGINEERS INTERNATIONAL LIMITED as at 31.3.2012 and also the Profit & Loss Account and cash flow statement for the year ended on that date. These financial statements are responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on 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.

1. As required by Companies (Auditor's Report) (Amendment) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) order 2004 issued by Government of India under sub section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement of the matters specified in para 4 and 5 of the said order to the extent applicable.
2. Further to our comments in Annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all information and explanations, which to the best of our knowledge & belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the said books;
 - c. The Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Profit & Loss Account and Balance Sheet and the cash flow statement complies with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e. In terms of notification No GSR 829 (E) dated 21-10-2003, issued by the Ministry of Finance, Department of Company Affairs, Government of India, Section 274(1)(g) of the Companies Act, 1956 is not applicable to Government Companies.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with accounting policies and notes to accounts as per schedule 1 & 2 read together give the information required by the Companies Act 1956 in the manner so required and give a true and fair view: -
 - i. In so far as it relates to the Balance Sheet of the state of affairs of the company as on 31st March 2012.
 - ii. In so far as it relates to the Profit & Loss A/C of the Profit of the Company for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR KAPOOR GOYAL & CO (FRN 001370N)
CHARTERED ACCOUNTANTS

JAGDISH CHANDER KAPOOR
PARTNER (M No 012001)

Place : New Delhi
Dated : May 16, 2012



Annexure to the Auditor's Report

As required by statement on the Companies (Auditor's Report) (Amendment) Order 2003.

(Referred to in paragraph 1 of our report of even date on account of

CERTIFICATION ENGINEERS INTERNATIONAL LIMITED as at 31st March 2012)

i) In respect of Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed Assets.
- b) We have been informed that the assets have been physically verified by the Management as per verification programme which in our opinion is reasonable and no material discrepancies were noticed on such verification carried out during the year.
- c) In our opinion and according to the information and explanations given to us, the Company has not made substantial disposal of fixed assets during the year.

ii) In respect of inventories:

The Company being a service company does not have any inventory of raw material or finished goods, the work in progress is on account of "continuing service projects" for which bills have not been raised, however, there are inventory of office stationery.

- a) The stocks of inventory stationery have been physically verified by the management during year at reasonable intervals. The discrepancies noticed on such verification between the physical stock and the books records were not material.
- b) The procedures of physical verification of stock followed by the management are, in our opinion, reasonable and adequate in relation with the size of the company and the nature of business.
- c) In our opinion, the valuation of the stock of stationery & Work in progress is fair and proper in accordance with the normally accepted accounting principles.

iii) According to the information and explanation given to us in respect of loans:

- a) The Company has not given advances to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and /or to the Companies under the same Management as this company within the meaning of Section 370 (1B) of the Companies Act, 1956. Hence, the provisions of clause (iii) (b) (c) & (d) of the paragraph 4 of the order (as amended) are not applicable to the company.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently sub Para (f) and (g) are not applicable.

iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of business with regards to purchase of Fixed Assets, sale of goods & services & Purchase of inventories.

v) The Transactions of sales and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies act 1956 aggregating during the year Rs. 500,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such services on the prices at which transactions for similar services have been made with other parties.

vi) The Company has not accepted any deposits from the public.

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 the EIL, the parent company; the audit was done twice in the previous financial 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 U/S 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 explanation given to us in respect of statutory and other dues:

- a) We have been informed that the Employee State Insurance Scheme, investor Education and protection fund, sales tax, wealth tax, customs duty and excise duty are not applicable to the Company. The Company is regularly depositing undisputed applicable statutory dues including Provident Fund, Income Tax, Service tax, cess and other material



statutory with appropriate authorities during the year. There are no undisputed statutory dues as mentioned above which are outstanding for payment for a period exceeding 6 months on the date of the Balance Sheet of the Company.

- b) According to the information and explanations given to us, there are no disputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs, Cess and Excise Duty have remained outstanding as at 31st March 2012 for period more than six months from the date they became payable except for Service Tax details here below:

Name of the statute	Nature of Dues	Amount (Rs. in thousand)	Period to which the amount relates	Forum where dispute is pending
Service Tax, as per Finance Act 1994	Show Cause Notice cum Demand of service Tax	22747.44	April '04 to March '09	Commissioner, Service Tax, Mumbai
Service Tax, as per Finance Act 1994	Show Cause Notice cum Demand of service Tax	321.40	April '09 to March '10	Commissioner, Service Tax, Mumbai
Service Tax, as per Finance Act 1994	Show Cause Notice cum Demand of service Tax	891.89	April '10 to March '11	Commissioner, Service Tax, Mumbai

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in current and immediately preceding financial year.
- xi) Based on 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 institution or banks.
- xii) According to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of Companies (Auditors Report) (Amendment) Order 2003 is not applicable to the company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other Investments. Accordingly the provisions of clause 4(xiv) of Companies (Auditors Report) (Amendment) Order 2003 are not applicable to the company.
- xv) According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from bank or financial institutions.
- xvi) According to the information and explanation given to us, the company has not availed any term loans 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 31-3-2012.
- 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 through 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, no fraud on or by the company has been noticed or reported during the year.

FOR KAPOOR GOYAL & CO (FRN 001370N)
CHARTERED ACCOUNTANTS

JAGDISH CHANDER KAPOOR
PARTNER (M No 012001)

Place: New Delhi
Date: May 16, 2012



BALANCE SHEET

AS AT 31ST MARCH 2012

(₹ IN THOUSANDS)

PARTICULARS	NOTE NO.	AS AT 31-03-12		AS AT 31-03-11	
EQUITY AND LIABILITIES					
SHAREHOLDERS`FUNDS					
SHARE CAPITAL	2.1	10,000.00		10,000.00	
RESERVES & SURPLUS	2.2	<u>505,825.72</u>	515,825.72	<u>445,862.49</u>	455,862.49
NON-CURRENT LIABILITIES					
OTHER LONG TERM LIABILITIES	2.3	638.82		427.94	
LONG TERM PROVISION		<u>15,075.14</u>	15,713.96	<u>12,034.07</u>	12,462.01
CURRENT LIABILITIES					
TRADE PAYABLES	2.4	8,652.78		6,799.45	
OTHER CURRENT LIABILITIES		26,322.32		30,880.71	
SHORT TERM PROVISION		<u>26,469.75</u>	61,444.85	<u>28,148.14</u>	65,828.30
TOTAL			<u>592,984.53</u>		<u>534,152.80</u>
ASSETS					
NON CURRENT ASSETS					
FIXED ASSETS:					
TANGIBLE ASSETS	2.5	30,856.08		29,648.85	
INTANGIBLE ASSETS		<u>105.87</u>	30,961.95	-	29,648.85
DEFERRED TAX ASSETS (NET)	2.25		6,995.39		4,828.06
LONG TERM LOANS AND ADVANCES	2.6		2,635.21		3,335.57
OTHER NON CURRENT ASSETS					
BANK BALANCES	2.7	17,740.26		79,221.64	
OTHERS		<u>2,593.82</u>	20,334.08	<u>3,020.34</u>	82,241.98
CURRENT ASSETS					
CURRENT INVESTMENTS	2.8	-		7,840.75	
INVENTORIES		87.03		-	
TRADE RECEIVABLES		94,489.54		119,417.94	
CASH AND BANK BALANCES		368,274.15		251,110.08	
SHORT-TERM LOANS AND ADVANCES		17,394.73		10,708.94	
OTHER CURRENT ASSETS		<u>51,812.45</u>	532,057.90	<u>25,020.63</u>	414,098.34
TOTAL			<u>592,984.53</u>		<u>534,152.80</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS		1 & 2			

(M.V.K. KUMAR)
Chief Executive Officer
PAN : ADMPK5704G

(SUDERSHAN GUPTA)
Director
DIN: 00813955

(A.K. PURWAHA)
Chairman
DIN : 00165092

As Per Our Report Of Even Date Attached
For KAPOOR GOYAL & CO
Chartered Accountants
Firm Regn. No. 001370N

Place: New Delhi
Date: May 16, 2012

(J.C. KAPOOR)
Partner
M. No. 012001

**STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31ST MARCH 2012

(₹ IN THOUSANDS)

PARTICULARS	NOTE NO.	2011-2012	2010-2011
A Revenue:			
I) Revenue from operations	2.9	299,203.94	294,914.46
II) Other Income	2.10	35,900.03	26,865.85
Total revenue (I+II)		335,103.97	321,780.31
B. EXPENSES :			
MANPOWER SERVICES	2.11	58,387.47	58,801.78
EMPLOYEE BENEFIT EXPENSE	2.12	53,252.61	49,922.82
DEPRECIATION AND AMORTIZATION EXPENSE	2.13	1,834.75	1,703.46
OTHER EXPENSES :	2.14		
FACILITIES		8,853.60	7,567.32
CORPORATE COSTS		2,163.18	2,288.76
OTHER COSTS		61,993.91	47,741.11
TOTAL EXPENSES		186,485.52	168,025.25
PROFIT FOR THE YEAR (A-B)		148,618.45	153,755.06
LESS: PRIOR PERIOD ADJUSTMENTS (NET)	2.26	-	568.99
PROFIT BEFORE TAX		148,618.45	153,186.07
LESS: TAX EXPENSE			
CURRENT TAX		50,085.49	51,743.27
DEFERRED TAX		(2,212.10)	(868.04)
PRIOR PERIOD TAX ADJUSTMENTS (NET)			
CURRENT TAX		59.18	104.87
DEFERRED TAX		44.77	-
PROFIT AFTER TAX		100,641.11	102,205.97
EARNING PER-SHARE (IN ₹)-FACE VALUE ₹ 100/- PER SHARE			
(1) BASIC		1,006.41	1,022.06
(2) DILUTED		1,006.41	1,022.06
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 & 2		

(M.V.K. KUMAR)
Chief Executive Officer
PAN : ADMPK5704G

(SUDERSHAN GUPTA)
Director
DIN: 00813955

(A.K. PURWAHA)
Chairman
DIN : 00165092

As Per Our Report Of Even Date Attached
For KAPOOR GOYAL & CO
Chartered Accountants
Firm Regn. No. 001370N

Place: New Delhi
Date: May 16, 2012

(J.C. KAPOOR)
Partner
M. No. 012001



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2012

(₹ IN THOUSANDS)

PARTICULARS	YEAR ENDED on 31.03.2012	YEAR ENDED on 31.03.2011
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND PRIOR PERIOD ITEMS	148,618.45	153,755.06
ADJUSTMENT FOR:		
DEPRECIATION	1,834.75	1,703.46
PROVISION FOR POST RETIREMENT & LONG TERM BENEFITS	1,961.70	7,081.48
PROVISION FOR DOUBTFUL DEBTS/ADVANCES	2,805.12	(1,587.88)
INTEREST INCOME	(34,133.77)	(22,275.04)
DIVIDEND INCOME	(812.69)	(438.76)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	120,273.56	138,238.32
ADJUSTMENT FOR:		
DEBTORS	22,123.28	(20,109.63)
OTHER CURRENT ASSETS	(13,668.33)	1,818.29
LOANS & ADVANCES	(2,144.39)	(893.12)
INVENTORIES	(87.03)	-
WORK-in-PROGRESS	(387.70)	24.55
TRADE PAYABLES & OTHER LIABILITIES	(735.10)	(935.45)
CASH GENERATED FROM OPERATIONS	125,374.29	118,142.96
DIRECT TAXES PAID	(56,343.80)	(54,243.09)
CASH FLOW BEFORE PRIOR PERIOD ITEMS	69,030.49	63,899.87
PRIOR PERIOD ITEMS	-	(568.99)
NET CASH FLOW FROM OPERATING ACTIVITIES	A 69,030.49	63,330.88
(B) CASH FLOW FROM INVESTING ACTIVITIES		
FIXED ASSETS PURCHASED	(3,147.85)	(707.21)
INTEREST INCOME	21,824.50	20,190.23
CHANGES IN TERM DEPOSIT OVER THREE MONTHS ORIGINAL MATURITY	(56,687.81)	(51,255.92)
CURRENT INVESTMENTS	7,840.75	(7,840.75)
DIVIDEND INCOME	812.69	438.76
NET CASH FLOW FROM INVESTING ACTIVITIES	B (29,357.72)	(39,174.89)

**CASH FLOW STATEMENT (Contd.)**

FOR THE YEAR ENDED 31ST MARCH 2012

(₹ IN THOUSANDS)

PARTICULARS	YEAR ENDED on 31.03.2012	YEAR ENDED on 31.03.2011
(C) CASH FLOW FROM FINANCING ACTIVITIES		
DIVIDEND PAID	(35,000.00)	(30,000.00)
TAX ON DIVIDEND	(5,677.89)	(4,982.62)
NET CASH FLOW FROM FINANCING ACTIVITIES	C (40,677.89)	(34,982.62)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,005.12)	(10,826.63)
OPENING BALANCE (CASH AND CASH EQUIVALENT)	4,300.22	15,126.85
CLOSING BALANCE (CASH AND CASH EQUIVALENT)	3,295.10	4,300.22

NOTES:

- THE ABOVE CASH FLOW STATEMENT HAS BEEN PREPARED UNDER THE "INDIRECT METHOD" AS SET OUT IN THE ACCOUNTING STANDARD-3 ON "CASH FLOW STATEMENT".
- CASH AND CASH EQUIVALENTS REPRESENTS :

CASH ON HAND	14.29	6.54
BALANCES WITH BANKS IN CURRENT ACCOUNTS	3,280.81	4,293.68
	<u>3,295.10</u>	<u>4,300.22</u>
- PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUPED WHEREVER NECESSARY IN ORDER TO CONFORM TO THIS YEAR PRESENTATION.

(M.V.K. KUMAR)
Chief Executive Officer
PAN : ADMPK5704G

(SUDERSHAN GUPTA)
Director
DIN: 00813955

(A.K. PURWAHA)
Chairman
DIN : 00165092

As Per Our Report Of Even Date Attached
For KAPOOR GOYAL & CO
Chartered Accountants
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(J.C. KAPOOR)
Partner
M. No. 012001

Place: New Delhi
Date: May 16, 2012



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

1.2 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.

1.3 The method of Accounting followed for preparation of Accounts is generally on Accrual basis unless otherwise stated.

1.4 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.

1.5 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.

1.6 CASH & CASH EQUIVALENT

- i) Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestrictive use;
- ii) Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The company considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

1.7 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.

1.8 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.

1.9 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 Rs.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.

1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are liabilities involving substantial degree of estimation are recognized when there is a present obligation as a result of past event having probability of outflow of resources and a reliable estimate can be made of such an obligation. Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

1.11 RETIREMENT/OTHER LONG TERM EMPLOYEE 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, a defined benefit plan, 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.
- (d) Liability in respect of other long term/terminal employee benefits, being defined benefit plans, is recognized on the basis of actuarial valuation.

1.12 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.

1.13 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.

1.14 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.

Current Investments i.e. investments which are intended to be held for not more than twelve months from the date of investment are carried at the lower of cost or market value.



2. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SHARE CAPITAL

The company at present is having only one class of share capital i.e. equity share capital.
The requisite disclosure in respect of share capital are as under :

(₹ IN THOUSAND)

	as at 31-Mar-12	as at 31-Mar-11
AUTHORISED		
200,000 EQUITY SHARES OF PAR VALUE OF ₹ 100 EACH (200,000 EQUITY SHARES OF PAR VALUE OF ₹100 EACH)	20,000.00	20,000.00
ISSUED, SUBSCRIBED AND PAID UP*		
100,000 EQUITY SHARES OF PAR VALUE OF ₹ 100 EACH FULLY PAID UP (100,000 EQUITY SHARES OF PAR VALUE OF ₹ 100 EACH FULLY PAID UP)	10,000.00	10,000.00
* ALL SHARES ARE HELD BY HOLDING COMPANY- ENGINEERS INDIA LTD. AND ITS NOMINEES	<u>10,000.00</u>	<u>10,000.00</u>

2.2 RESERVES & SURPLUS :

The classification of Reserves & Surplus disclosing therein Appropriation /Allocation/Transfers is as under :

(₹ IN THOUSAND)

	as at 31-Mar-12	as at 31-Mar-11
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET	445,862.49	381,477.11
ADD: TRANSFERRED FROM P&L ACCOUNT	100,641.11	102,205.97
LESS : INTERIM DIVIDEND	15,000.00	12,500.00
LESS : PROPOSED DIVIDEND	20,000.00	20,000.00
LESS : PROVISION FOR TAX ON DIVIDEND	5,677.88	5,320.59
	<u>505,825.72</u>	<u>445,862.49</u>

2.3 NON-CURRENT LIABILITIES:

The Disclosure of Non-Current Liabilities including their sub-classification into major heads is as under :

(₹ IN THOUSAND)

	as at 31-Mar-12	as at 31-Mar-11
A) OTHER LONG TERM LIABILITIES		
SECURITY DEPOSITS & RETENTIONS	<u>638.82</u>	<u>427.94</u>
B) LONG TERM PROVISIONS		
EMPLOYEES' POST RETIREMENT/LONG TERM BENEFITS	<u>15,075.14</u>	<u>12,034.07</u>



2.4 CURRENT LIABILITIES :

THE DISCLOSURE OF CURRENT LIABILITIES INCLUDING THEIR SUB-CLASSIFICATION INTO MAJOR HEADS IS AS UNDER :

(₹ IN THOUSANDS)

	as at 31-Mar-12		as at 31-Mar-11	
A) TRADE PAYABLES		8,652.78		6,799.45
B) OTHER CURRENT LIABILITIES :				
SECURITY DEPOSITS & RETENTIONS		643.11		83.58
ADVANCES RECEIVED FROM CLIENTS		2,663.89		2,349.29
UNEARNED INCOME BILLED TO CLIENTS		3,214.62		1,638.10
SERVICE TAX PAYABLE		2,763.09		10,925.48
OTHER PAYABLES :				
WITHHOLDING FOR INCOME TAXES	2,568.41		2,176.15	
ACCRUED EMPLOYEE BENEFITS	3,866.17		5,663.96	
OTHERS	10,603.03	17,037.61	8,044.15	15,884.26
		26,322.32		30,880.71
C) SHORT TERM PROVISIONS				
EMPLOYEES' POST RETIREMENT/LONG TERM BENEFITS		1,466.17		2,545.54
PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY		1,759.08		-
PROVISION FOR TAXATION(NET)-CURRENT YEAR		-		2,358.10
PROPOSED DIVIDEND		20,000.00		20,000.00
TAX ON DIVIDEND		3,244.50		3,244.50
		26,469.75		28,148.14

2.5 FIXED ASSETS

THE DISCLOSURE OF FIXED ASSETS INCLUDING THEIR SUB-CLASSIFICATION INTO MAJOR HEADS IS AS UNDER :

TANGIBLE ASSETS AS AT 31st MARCH, 2012

(₹ IN THOUSANDS)

GROSS BLOCK					DEPRECIATION				NET BLOCK	
PARTICULARS	AS ON 01.04.2011	ADDITIONS FOR THE YEAR	SOLD/ADJ	AS ON 31.03.2012	DEP UPTO 31.03.2011	DEP FOR THE YEAR	EARLIER YEAR'S DEPRECIATION ADJ./WRITE-OFF	TOTAL DEP AS ON 31.03.2012	WDV AS ON 31.03.2012	WDV AS ON 31.03.2011
Furniture & Fixtures	5628.62	114.53	6.15	5737	1226.88	451.84	6.15	1672.57	4064.43	4401.74
Office Equipment	341.90	1128.96	-	1470.86	95.15	208.26	-	303.41	1167.45	246.75
Leasehold Property*	23127.59	50	-	23177.59	1417.04	386.23	-	1803.27	21374.32	21710.55
Air Conditioners	2160.02	-	-	2160.02	330.85	102.6	-	433.45	1726.57	1829.17
Computers	4778.48	1426.83	147.64	6057.67	3317.84	615.14	147.64	3785.34	2272.33	1460.64
Library Books	231.33	5.30	-	236.63	231.33	5.3	-	236.63	-	-
Vehicles	-	272.63	-	272.63	-	21.65	-	21.65	250.98	-
Total	36267.94	2998.25	153.79	39112.4	6619.09	1791.02	153.79	8256.32	30856.08	29648.85
Previous Year	35560.73	707.21	-	36267.94	4915.62	1703.46	-	6619.09	29648.85	30645.11

* Acquired from CIDCO Ltd. on 60 years lease basis

INTANGIBLE ASSETS AS AT 31st MARCH, 2012

(₹ IN THOUSAND)

GROSS BLOCK					DEPRECIATION				NET BLOCK	
PARTICULARS	AS ON 01.04.2011	ADDITIONS FOR THE YEAR	SOLD/ADJ	AS ON 31.03.2012	DEP UPTO 31.03.2011	DEP FOR THE YEAR	EARLIER YEAR'S DEPRECIATION ADJ./WRITE-OFF	TOTAL DEP AS ON 31.03.2012	WDV AS ON 31.03.2012	WDV AS ON 31.03.2011
Software	1311.31	149.60	-	1460.91	1311.31	43.73	-	1355.04	105.87	-
Total	1311.31	149.60	-	1460.91	1311.31	43.73	-	1355.04	105.87	-
Previous Year	1311.31	-	-	1311.31	1311.31	-	-	1311.31	-	-



2.6 LONG TERM LOANS & ADVANCES:

The Disclosure of Long Term Loans & Advances including their sub-classification into major heads is as under :

(₹ IN THOUSANDS)

	as at 31.03.12	as at 31.03.11
A) SECURITY DEPOSIT -UNSECURED (CONSIDERED -GOOD)	2,631.41	3,326.17
B) OTHER LOANS & ADVANCES		
(ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED) -UNSECURED- CONSIDERED GOOD		
LOANS & ADVANCES TO EMPLOYEES	3.80	7.40
PREPAID EXPENSES	—	2.00
	<u>3.80</u>	<u>9.40</u>
	<u>2,635.21</u>	<u>3,335.57</u>

2.7 OTHER NON-CURRENT ASSETS

The Disclosure of other Non Current Assets including their sub-classification into major heads is as under :

(₹ IN THOUSANDS)

	as at 31.03.12	as at 31.03.11
BANK BALANCES		
TERM DEPOSIT WITH REMAINING MATURITY OF MORE THAN 1 YEAR	17,740.26	79,221.64
(INCLUDES ₹ 17740.26 THOUSANDS (₹ 19221.64 THOUSANDS HELD UNDER LIEN AGAINST BANK GUARANTEES)	<u>17,740.26</u>	<u>79,221.64</u>
OTHERS		
INTEREST ACCRUED ON NON-CURRENT BANK DEPOSITS	2,583.18	3,010.31
INTEREST ACCRUED - OTHERS	10.64	10.03
	<u>2,593.82</u>	<u>3,020.34</u>

2.8 CURRENT ASSETS

The Disclosure of Current Assets including their sub-classification into major heads is as under :

(₹ IN THOUSANDS)

	as at 31.03.12	as at 31.03.11
CURRENT INVESTMENTS (LOWER OF COST OR NET REALISABLE VALUE)		
OTHER THAN TRADE (UNQUOTED)		
NIL UNITS (PREV. YEAR 7893.073 UNITS) OF UTI TREASURY ADVANTAGE FUND	0.00	7,840.75
(FACE VALUE ₹ 1000/- PER UNIT), VALUED AT COST	<u>0.00</u>	<u>7840.75</u>
INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)	<u>87.03</u>	<u>-</u>
Trade Receivables (Unsecured)		
Trade Receivable Outstanding For A Period Exceeding Six Months From The Date They Are Due For Payment:		
Considered Good	26,955.76	26,755.51
Considered Doubtful	<u>11,317.60</u>	<u>8,512.48</u>
	38,273.36	35,267.99
Less: Provision For Doubtful Debts	<u>11,317.60</u>	<u>8,512.48</u>
	26,955.76	26,755.51
Other Trade Receivable:Considered Good	<u>67,533.78</u>	<u>92,662.43</u>
	<u>94,489.54</u>	<u>119,417.94</u>



CASH AND BANK BALANCES

(₹ IN THOUSAND)

	as at 31.03.12		as at 31.03.11	
CASH AND CASH EQUIVALENTS				
CASH ON HAND	14.29		6.54	
BALANCES WITH BANKS IN CURRENT ACCOUNTS	<u>3,280.81</u>	3,295.10	<u>4,293.68</u>	4,300.22
OTHER BANK BALANCES				
Balances with Banks in Deposit Accounts other than having original maturity of 3 months or less but are due for maturity within 12 months of Balance Sheet Date.*		364979.05		246809.86
*Includes ₹ 22679.05 Thousands (₹ 16209.86 Thousands)				
Held under Lien against Bank Guarantees				
*Includes Bank Deposits having more than 12 months original maturity of ₹ 118150.31 thousands (₹ 91584.57 thousands)				
		<u>368,274.15</u>		<u>251,110.08</u>
SHORT TERM LOANS & ADVANCES				
A) SECURITY DEPOSIT				
UNSECURED-CONSIDERED GOOD	4,691.27		2,265.70	
UNSECURED-CONSIDERED DOUBTFUL	349.68		<u>349.68</u>	
	5,040.95		2,615.38	
LESS : PROVISION FOR DOUBTFUL DEPOSITS	<u>349.68</u>	4,691.27	<u>349.68</u>	2,265.70
B) OTHER LOANS & ADVANCES				
Advances Recoverable in Cash or in Kind or for Value to be Received (Unsecured - Considered Good)				
Loans & Advances to Employees	942.80		384.10	
Prepaid Expenses	296.26		282.59	
Advance Income Tax including FBT (Net)	8,089.96		7,125.94	
Advance Income Tax (Net)-Current Year	2,877.01		-	
Others	497.43	12,703.46	650.61	8,443.24
		<u>17,394.73</u>		<u>10,708.94</u>
OTHER CURRENT ASSETS				
Work in Progress*	453.18		65.48	
Interest accrued on current bank deposits	23,624.79		10,889.00	
Unbilled Income	<u>27,734.48</u>		<u>14,066.15</u>	
	<u>51,812.45</u>		<u>25,020.63</u>	

*As taken, valued and certified by Management



2.9 Revenue From Operations :

The Details of Revenue from Operations into various Categories is disclosed as under :

(₹ IN THOUSAND)

	2011-12		2010-2011	
REVENUE FROM OPERATIONS	298,816.24		294,939.01	
Changes in work-in-progress				
Closing Work-in-Progress	453.18		65.48	
Less: Opening Work-in-Progress	65.48	387.70	90.03	(24.55)
TOTAL		299,203.94		294,914.46

2.10 Other Income

The Details of Other Income into various Categories is disclosed as under :

(₹ IN THOUSAND)

	2011-12		2010-2011	
Interest Earned (Gross)				
TDS ₹ 3413.28 Thousand (Previous				
Year ₹ 2227.42 Thousand)				
On Bank Deposits	34,132.83		22,274.20	
On Loans To Employees	0.94	34,133.77	0.84	22,275.04
Dividend from Current Investments		812.69		438.76
Provision for Doubtful Debts No Longer		589.38		4,151.93
Required Written Back				
Foreign Exchange Difference		326.88		-
Other Miscellaneous Income		37.31		0.12
TOTAL		35,900.03		26,865.85

**EXPENSES**

The Details of expenses under various heads as per their nature is as given below :

(₹ IN THOUSANDS)

	2011-2012	2010-2011
2.11 Manpower Services	58,387.47	58,801.78
2.12 Employee Benefits Expense		
Salaries And Allowances	47,902.32	44,018.39
Contribution towards Employees' Pension and Provident Fund and Administration Charges Thereon	3,647.51	2,918.44
Staff Welfare	487.95	590.82
Contribution to Gratuity Fund	1,214.83	2,395.17
	<u>53,252.61</u>	<u>49,922.82</u>
2.13 Depreciation and Amortization Expense	<u>1,834.75</u>	<u>1,703.46</u>
2.14 Other Expenses		
a) Facilities		
Rent - Residential Accommodation	3,341.16	3,534.80
Less: Recovered	<u>308.64</u>	<u>311.85</u>
Rent (office)	1,715.46	1,062.64
Electricity & Water	1,316.45	1,136.66
Repairs to Building	610.14	204.45
Other Repairs & Maintenance	1,571.10	1,505.05
Insurance	367.45	315.77
Hire Charges - Office Equipment	240.48	119.80
	<u>8,853.60</u>	<u>7,567.32</u>
b) Corporate Cost		
Bank Charges	379.60	429.97
Sitting Fees To Independent Director	50.00	50.00
Publicity	723.33	869.39
Entertainment	529.47	570.92
Remuneration To Auditors		
- Audit Fees	100.00	100.00
- Tax Audit Fees	20.00	20.00
- Certification	7.00	7.50
- Out of Pocket Exp & Service Tax	<u>201.43</u>	<u>83.63</u>
Filing Fee	21.53	4.10
Licences & Taxes	55.49	13.34
Legal & Professional Charges	<u>75.33</u>	<u>139.91</u>
	<u>2,163.18</u>	<u>2,288.76</u>
c) Other Costs		
Travel & Conveyance	49,791.41	41,727.35
Printing , Stationery & General Office Supplies	418.81	632.40
Newspaper And Periodicals	6.27	16.37
Postage & Telecommunications	951.21	903.69
Foreign Exchange Difference	-	192.77
Courier, Transportation & Handling	328.83	294.35
Provision for Doubtful Debts	3,394.49	2,564.06
Corporate Social Responsibility	5746.59	-
Other Miscellaneous Expenses	779.65	1,144.65
Training Expenses	<u>576.65</u>	<u>265.47</u>
	<u>61,993.91</u>	<u>47,741.11</u>
Total	<u>186,485.52</u>	<u>168,025.25</u>



2.15 Contingent Liabilities

- a) 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, 2010-2011 and 2011-2012 cannot be ascertained. Due taxes on self assessment basis have been paid.
- b) Income Tax Department is in Appeal for an amount of ₹ 981.55 Thousand with Income Tax Appellate Tribunal against Commissioner of Income Tax (Appeals) Orders dated 16.03.2011 in Company's favour for the Assessment Year 2002-03.
- c) 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.
- d) 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.
- e) The Company has filed a reply to show cause notice cum demand of ₹ 891.89 Thousand created by Additional Commissioner, Service Tax, Mumbai on 18th Oct, 2011 covering the period from April, 2010 to March, 2011.

2.16 Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹ 42.24 Thousand (₹ 104.72 Thousand).

- 2.17** Guarantees issued by Bank and outstanding as on 31st March 2012 ₹ 37,780.38 Thousand (₹ 32,158.33 Thousand).
- 2.18** 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.
- 2.19**
 - a) 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.
 - b) The company also has a Memorandum of Understanding with Engineers India Limited for providing manpower services to EIL at actual cost plus margin.
- 2.20** 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.
- 2.21** 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.
- 2.22** The movement in provision for doubtful debts and deposits during the year is as follows:

(₹ IN THOUSANDS)

	2011-12	2010-11
Opening Balance	8862.16	10450.03
Add : Amount provided during the year	3394.49	2564.06
Less : Amount written back during the year	589.38	4151.93
Closing Balance at the year end	11667.27	8862.16

- 2.23** 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.

**2.24 RELATED PARTY DISCLOSURE**

- (a) 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	HOLDING COMPANY
2.	KEY MANAGEMENT PERSONNEL	
	A. Mr. A.K.PURWAHA Chairman	C&MD in EIL
	B Dr. AVINASH CHANDRA Director	Director in EIL
	C. Mr. SUDERSHAN GUPTA Director	ED in EIL

S. No.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
	D. Mr. G.D.GOYAL Director	Director in EIL
	E. Mr. D.MOUDGIL Director	Director in EIL
	F. Mr. A. DESHPANDE Director	ED in EIL
	G. Mr. C.B. SINGH Director	Government Nominee
	H. Mr. MVK KUMAR CEO	ED in EIL

- (b) (1) RELATED PARTY TRANSACTIONS

During the year, ended 31st March 2012, the company had following transactions with related parties:-

(₹ IN THOUSANDS)

Name of related party	Particulars	Relationship	Amount	Payable/Receivable as on 31.3.12
Engineers India Limited	Purchase of Professional & Technical services and Facilities	Holding Company	33,474.60 (34,379.62)	Payable 9,689.35* (5,162.04)
-do-	Execution of contract for services	-do-	25,003.19 (16,188.47)	Receivable 1,748.50 (5,289.53)
-do-	Dividend (Interim & Final)	-do-	35,000.00 (30,000.00)	

* Gross bill amount, before adjustment of TDS Liability.

- (2) Director's Remuneration :

Sitting Fees paid to a part time Director ₹ 50.00 Thousand (₹ 50.00 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”.

- 2.25** 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 ₹ 2212.10 Thousands (₹ 868.04 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 31-03-2011	For the year 2011-12	As on 31-03-2012
A.	Deferred Tax Assets			
1.	Provision for Leave Encashment	4277.18	1162.06	5439.24
2.	Provision for Doubtful Debts/Advances	2875.33	910.12	3785.45
3.	Provision for Long Service Awards	253.76	70.25	324.01
4.	Provision for Leave Encashment & PF for pay revision	61.83	(13.67)	48.16
5.	Unspent CSR	0.00	570.73	570.73
	Total	7468.10	2699.49	10167.59

(₹ IN THOUSANDS)

S.No.	Particulars of Deferred Tax Assets / (Liabilities)	Upto 31-03-2011	For the year 2011-12	As on 31-03-2012
B.	Deferred Tax Liabilities			
1.	Depreciation	2640.04	532.16*	3172.20
C.	Net Deferred Tax Asset/ (Liabilities)	4828.06	2167.33	6995.39

* Including Deferred Tax Liability of Rs.44.77 Lacs pertaining to previous Financial Year 2010-11.

- 2.26** Prior period items net debit of ₹ NIL (net Debit of ₹ 568.99 Thousands) shown under prior period adjustments are as detailed below :

Prior Period Income

(₹ IN THOUSANDS)

	2011-12	2010-11
Total (A)	0.00	0.00

Prior Period Expenditure

(₹ IN THOUSANDS)

	2011-12	2010-11
Provision for long service award*	0.00	504.45
Others	0.00	64.54
Total(B)	0.00	568.99
TOTAL(A-B)	(0.00)	(568.99)

*Additional provision necessitated consequent to change in accounting practice from actual payment basis to actuarial valuation basis.

- 2.27** As per guidelines on Corporate Social Responsibility for Central Public Sector Enterprises issued by Department of Public Enterprises vide its office memorandum date 9th April, 2010, the CSR budget by Central Public Sector Enterprises should be fixed for each financial year based on Net Profit for previous financial year, and shall not lapse.

The Company is fixing the CSR budget each year from Financial Year 2010-11 onwards based on its profit in previous financial year. Till financial year 2010-11, the company has accounted for CSR expenditure in books of accounts on the basis of its actual incurrence. In view of CSR guidelines which require mandatorily to fix CSR budget each year based on profits for previous financial year, the company has created a provision for CSR expenditure amounting to Rs.1759.08 Thousand in books of accounts for the unspent balances for CSR budgets up-to financial year 2011-12.

- 2.28** 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.



2.29 Liability in respect of 'Performance Related Pay', amounting to ₹ 3161.58 Thousand (₹ 4596.11 Thousand) for management level employees for the year 2011-2012 has been estimated and provided based on scheme formulated in accordance with DPE Guidelines, based upon certain ranking parameters.

2.30 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 2011-2012
Contributory Provident Fund and Employee Pension Scheme 1995	₹ 3647.51 Thousands (₹ 2,918.44 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 31.03.12	As on 31.03.11
a) Actuarial Assumptions		
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.15%	9.15%
Expected rate of future salary increase	10.00%	10.00%
b) Reconciliation of opening and closing balances of present value of Defined Benefit obligation		
Present value of obligations as at beginning of year	5605.80	3116.00
Interest cost	448.46	249.28
Current Service Cost	1230.38	820.15
Benefits paid	(0.00)	(226.67)
Actuarial (gain)/loss on Obligations	99.55	1647.04
Present value of obligations as at end of year	7384.19	5605.80



(₹ IN THOUSANDS)

Gratuity (Funded)	As on 31.03.12	As on 31.03.11
c) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets as beginning of year	4067.43	3717.39
Expected return on plan assets	613.88	357.91
Contributions	2768.75	218.80
Benefits paid	(0.00)	(226.67)
Actuarial Gain/(loss) on plan assets	NIL	NIL
Fair value of plan assets at the end of year	7450.06	4067.43
d) Fair value of plan assets as on 31.03.2012		
Fair value of plan assets at beginning of year	4067.43	3717.39
Actual return on plan assets	613.88	357.91
Contribution	2768.75	218.80
Benefits paid	(0.00)	(226.67)
Fair value of plan assets at the end of year	7450.06	4067.43
Funded status	65.87	(1538.37)
Excess of Actual over estimated return on plan Assets	NIL	NIL
e) Actuarial Gain/Loss recognized for the year 2010-11		
Actuarial Gain/(Loss) for the year - Obligation	(99.55)	(1647.04)
Actuarial Gain/Loss for the year - Plan assets	NIL	NIL
Total (gain)/Loss for the year	99.55	1647.04
Actuarial (gain)/Loss for the year	99.55	1647.04
f) The amounts recognized in the balance sheet		
Present value of obligations as at the end of year	7384.19	5605.80
Fair value of plan assets as at the end of the year	7450.06	4067.43
Funded status	65.87	(1538.37)
g) Expenses Recognized in statement of Profit & Loss		
Current Service Cost	1230.37	820.15
Interest cost	448.46	249.28
Expected return on plan assets	(613.88)	(357.91)
Net actuarial (gain)/Loss recognized in the year	99.55	1647.04
Expenses Recognized in statement of Profit & Loss	1164.51	2358.56

**2.31** Other disclosures required under Companies Act, 1956/Revised Schedule-VI.

(₹ IN THOUSANDS)

Particulars	For the year ended 31.03.12	For the year ended 31.03.11
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)	15612.57	8566.96
c) Earning in foreign exchange Towards professional fees.	13281.59	2456.06

2.32 In Significant Accounting Policies and Notes to Accounts, figures in brackets represent previous year figures, wherever year is not specified. Elsewhere figures in brackets represent negative figures.

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

Signatures to Significant Accounting Policies and Notes to Accounts

(M.V.K. KUMAR)
Chief Executive Officer
PAN: ADMPK5704G

(SUDERSHAN GUPTA)
Director
DIN: 00813955

(A K PURWAHA)
Chairman
DIN : 00165092

As per our report of even date attached
For KAPOOR GOYAL & CO.
Chartered Accountants
Firm Regn No.001370N

Place : New Delhi
Date : May 16, 2012

(J.C.KAPOOR)
Partner
M.No.012001



**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 31st March, 2012**

The preparation of financial statements of Certification Engineers International Limited for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor 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 16th May 2012.

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 31st March 2012 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

(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi.

Place : New Delhi

Date: June 19, 2012



Directors' Report

The directors have pleasure in submitting their report and the audited financial statements for the financial year ended 31st December 2011.

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 11,874/-

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:-

ASHOK KUMAR PURWAHA

RAM SINGH

GORDHAN DAS GOYAL

DR. SAMAD BIN SOLBAI

TAN HOR SENG

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



Statement by Directors

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 14th May, 2012.

GORDHAN DAS GOYAL
Director
Petaling Jaya

RAM SINGH
Director

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 2011 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 14th May, 2012.

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 14th May, 2012.

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 2011, and the income statement, statement of changes in equity and cash flow statement for the year 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 31st December 2011 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)

SUNDARASAN A/L ARUMUGAM
1876/02/14(J/PH)
Chartered Accountant (M)

Place: Petaling Jaya
Date: May 14, 2012



INCOME STATEMENT

for the year ended 31st December 2011

	Notes	2011 RM	2010 RM
Revenue	3 (ii)	—	—
Other Income		7,556	6,522
Other Operating Expenses		(17,919)	(28,417)
Loss before taxation	5	(10,363)	(21,895)
Taxation	6	(1,511)	(1,304)
Loss after taxation		(11,874)	(23,199)

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

**BALANCE SHEET**as at 31st December 2011

	Notes	2011 RM	2010 RM
Non-current asset			
Plant and equipment	7	2	2
Current assets			
Other receivables and deposit	8	642	3,381
Fixed deposit with a licensed bank		240,000	272,043
Cash and bank balances		25,824	3,699
		266,466	279,123
Current liabilities			
Other payables and accrued liabilities	9	5,750	6,740
Taxation		1,511	1,304
		7,261	8,044
Net-current assets			
		259,205	271,079
		<u>259,207</u>	<u>271,081</u>
Financed by :			
Share capital	10	250,000	250,000
Accumulated profit		9,207	21,081
		<u>259,207</u>	<u>271,081</u>

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



STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December 2011

	Share capital RM	Accumulated profit RM	Total RM
Balance as at 1 st January 2011	250,000	21,081	271,081
Loss after taxation	-	(11,874)	(11,874)
Balance as at 31st December 2011	<u>250,000</u>	<u>9,207</u>	<u>259,207</u>
Balance as at 1 st January 2010	250,000	44,280	294,280
Loss after taxation	-	(23,199)	(23,199)
Balance as at 31st December 2010	<u>250,000</u>	<u>21,081</u>	<u>271,081</u>

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

**CASH FLOW STATEMENT**for the year ended 31st December 2011

	2011 RM	2010 RM
Cash flows from operating activities		
Loss before taxation	(10,363)	(21,895)
Adjustments for :		
Interest income	(7,556)	(6,522)
Operating loss before working capital changes	(17,919)	(28,417)
Changes in working capital :		
Other receivables	2,739	(898)
Other payables	(990)	3,240
Cash absorbed by operations	(16,170)	(26,075)
Tax paid	(1,304)	(3,030)
Net cash flow from operating activities	(17,474)	(29,105)
Cash flows from investing activity		
Interest received	7,556	6,522
Net cash flow from investing activity	7,556	6,522
Net decrease in cash and cash equivalents	(9,918)	(22,583)
Cash and cash equivalents brought forward	275,742	298,325
Cash and cash equivalents carried forward	265,824	275,742
Breakdown of cash and cash equivalents carried forward		
Fixed deposit with a licensed bank	240,000	272,043
Cash and bank balances	25,824	3,699
	265,824	275,742

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



NOTES TO THE FINANCIAL STATEMENTS

31st December 2011

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 14th May, 2012

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: -

	2011 RM	2010 RM
Directors' fee	7,000	18,495
Auditor's remuneration	1,750	1,750
And crediting :		
Interest income	7,556	6,522

6. Taxation

	2011 RM	2010 RM
Tax charges	1,511	1,304

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:

	2011 RM	2010 RM
Loss before taxation	(10,363)	(21,895)
Taxation at Malaysian statutory tax rate of 20%	(2,073)	(4,379)
Expenses not deductible for tax purposes	3,584	5,683
Tax expense for the year	1,511	1,304

Subject to agreement of the Inland Revenue Board, the Company has the following available for set-off against future taxable income.

	2011 RM	2010 RM
Unutilised tax losses	746,875	746,875
Unutilised capital allowances	345	345
	747,220	747,220

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	590	9,950	10,540

**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
2011	<u>1</u>	<u>1</u>	<u>2</u>
2010	<u>1</u>	<u>1</u>	<u>2</u>

8. Other receivables and deposit

	2011 RM	2010 RM
Deposit	<u>642</u>	<u>3,381</u>

9. Other payables and accrued liabilities

	2011 RM	2010 RM
Accrued expenses	<u>5,750</u>	<u>6,740</u>

10. Share capital

	2011 RM	2010 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 31st December 2011

	2011 RM	2010 RM
Revenue	-	-
Other income :		
Interest income	7,556	6,522
Other operating expenses	Appendix I (17,919)	(28,417)
Net loss for the year	(10,363)	(21,895)

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 31st December 2011

	2011 RM	2010 RM
Other operating expenses		
Director's fee	7,000	18,495
Legal and professional fee	4,690	6,312
Auditors' remuneration	1,750	1,750
Tax fee	1,000	1,000
Penalty	682	-
Communication and courier	680	566
Service tax	675	554
Printing and stationery	672	282
Miscellaneous expenses	500	1,000
Travelling expenses	220	150
Bank charges	50	58
Overprovision of auditors' remuneration	-	(1,750)
	17,919	28,417

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 on Consolidated Financial Statements of Engineers India Limited**

1. We have audited the attached Consolidated Balance Sheet of Engineers India Limited ("the Company"), its subsidiaries and joint ventures as at 31st March, 2012 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 ventures, whose financial statements reflect the company's share of total assets of ₹ 6004.73 Lakhs as at 31st March, 2012 and total revenue of ₹ 3411.62 Lakhs and total expenditure of ₹ 2517.64 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. and joint venture Jabal Elliot Co. Ltd. the accounts drawn upto December 2011 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 31st March, 2012, 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 ventures at 31st March, 2012.
 - (b) In the case of Consolidated Profit & Loss Account of the consolidated results of operations of Engineers India Limited, its subsidiaries and joint ventures 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 ventures for the year ended on that date.

For M Verma & Associates,
Chartered Accountants

(Mohender Gandhi)
Partner

Membership No. 088396
Firm Registration No. 501433C

Place : New Delhi
Date : May 28, 2012



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2012

PARTICULARS	NOTE NO.	as at 31-MAR-12 ₹ IN LAKHS		as at 31-MAR-11 ₹ IN LAKHS	
EQUITY AND LIABILITIES					
Shareholders` funds					
Share Capital	2.1	16846.84		16846.84	
Reserves & Surplus	2.2	<u>173030.89</u>	189877.73	<u>132140.02</u>	148986.86
Non-Current Liabilities					
Other Long term Liabilities	2.3	519.48		471.43	
Long Term Provisions		<u>2153.40</u>	2672.88	<u>1755.35</u>	2226.78
Current Liabilities					
Trade Payables	2.4	58810.97		30815.39	
Other Current Liabilities		75598.48		123237.30	
Short term Provisions		<u>53400.96</u>	187810.41	<u>46931.09</u>	200983.78
TOTAL			<u>380361.02</u>		<u>352197.42</u>
ASSETS					
Non Current Assets					
Fixed Assets:					
Tangible assets	2.5	5486.25		6055.82	
Intangible assets		162.81		268.47	
Capital work-in-progress		<u>5159.54</u>	10808.60	<u>1307.94</u>	7632.23
Non Current Investments	2.6		5750.00		0.00
Deferred Tax Asset (Net)	2.27		21495.87		17611.87
Long Term Loans and Advances	2.7		5773.21		7543.16
Other Non Current Assets	2.8		234.90		4445.87
Current Assets:					
Current Investments	2.9	57100.54		51279.05	
Inventories		82.60		87.49	
Trade Receivables		31578.55		31903.79	
Cash and Bank Balances		168702.11		175398.34	
Short Term Loans and Advances		18597.38		22518.27	
Other Current Assets		<u>60237.26</u>	336298.44	<u>33777.35</u>	314964.29
TOTAL			<u>380361.02</u>		<u>352197.42</u>
Significant Accounting Policies and Notes to Accounts		1 & 2			
(RAJAN KAPUR) Company Secretary PAN : AAIPK0926B	(SUDERSHAN GUPTA) Executive Director (F & A) PAN : AAGPG5991E	(RAM SINGH) Director (Finance) DIN 02942267	(A.K. PURWAHA) Chairman & Managing Director DIN : 00165092		

As per our report of even date attached
for M. Verma & Associates
Chartered Accountants

(MOHENDER GANDHI)
PARTNER

Membership No. 088396
Firm Registration No. 501433C

Place: New Delhi
Date : May 28, 2012

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31ST MARCH 2012

	NOTE NO.	2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
A Revenue:			
i) Revenue from Operations	2.10		
- Consultancy & Engineering Services		122717.13	115691.75
Increase (+)/(Decrease) (-) in Work-in Progress		475.11	(406.85)
		<u>123192.24</u>	<u>115284.90</u>
-Turnkey Projects		269584.31	152062.68
Increase (+) / (Decrease) (-) in Work-in-progress		(20,432.99)	17,471.54
		<u>249151.32</u>	<u>169534.22</u>
		372343.56	284819.12
ii) Other Income	2.11	23224.06	15965.45
Total Revenue (i + ii)		<u>395567.62</u>	<u>300784.57</u>
B. Expenses :			
Technical Assistance/Sub-Contracts	2.12	67268.32	64850.16
Construction Materials & Equipments	2.13	151653.45	81189.23
Employee Benefits Expense	2.14	54783.95	52400.42
Depreciation & Amortization Expense	2.15	1969.23	1451.30
Other Expenses :	2.16		
Facilities		4807.70	3478.70
Corporate Costs		3669.69	3265.19
Other Costs		18511.79	13730.61
Total Expenses		<u>302664.13</u>	<u>220365.61</u>
Profit for the Year (A-B)		92903.49	80418.96
Less: Prior Period Adjustments (net)	2.28	191.83	583.54
Profit Before Tax		92711.66	79835.42
Less: Tax Expense			
Current Tax		32527.09	30460.25
Deferred Tax		(3,884.83)	(3,420.31)
		<u>64069.40</u>	<u>52795.48</u>
Less: Prior Period Tax Adjustments (net)			
Current Tax		(318.07)	(333.43)
Deferred Tax		0.83	-
Profit After Tax		<u>64386.64</u>	<u>53128.91</u>
Earning Per share (Basic & Diuted (in ₹))		19.11	15.77
(Face value ₹ 5/- Per Share)			
Significant Accounting Policies and Notes to Accounts	1 & 2		

(RAJAN KAPUR)
Company Secretary
PAN : AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F & A)
PAN : AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN : 00165092

As per our report of even date attached
for M. Verma & Associates
Chartered Accountants
(MOHENDER GANDHI)
PARTNER
Membership No. 088396
Firm Registration No. 501433C

Place: New Delhi
Date : May 28, 2012



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

		2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
(A) Cash Flow from Operating Activities			
Net Profit Before Tax and Prior Period Adjustments	a	92903.49	80418.96
Add:			
i) Adjustment For:			
Depreciation and Amortization		1969.23	1493.07
Fixed Assets Written Off		1.93	24.72
Goodwill on Consolidation		0.00	5.89
Provision for Diminution in Value of Investment in Joint Ventures		0.00	9.80
(Profit)/loss on Sale of Fixed Assets		(2.64)	3.97
ii) Other Income:			
Interest Income		(16803.81)	(12,649.31)
Share of Profit on Trade Investment		(37.37)	-
Capital Gain on Redemption of Investment in Mutual Funds		(4073.54)	(68.51)
Dividend Income		(372.38)	(177.07)
	b	<u>(19,318.58)</u>	<u>(11,357.44)</u>
Operating Profit before Working Capital Changes	c=a+b	73584.91	69061.52
iii) Adjustment For:			
(Increase)/Decrease in Trade Receivables		325.24	(308.37)
(Increase)/Decrease in Inventories		4.89	9.76
(Increase)/Decrease in Loans & Advances and Other Assets		(35,605.21)	4,352.64
(Increase)/Decrease in Work in Progress		19,957.88	(17,064.69)
Increase/(Decrease) in Liabilities/Provisions		<u>(14,481.19)</u>	<u>21,455.29</u>
	d	<u>(29,798.39)</u>	<u>8,444.63</u>
Cash Generated from Operations	e=c+d	43,786.52	77,506.15
Less: Tax Paid	f	32,240.42	27,095.30
Cash Flow Before Prior Period Adjustments	g=e-f	<u>11,546.10</u>	<u>50,410.85</u>
Prior Period Adjustments	h	<u>(191.83)</u>	<u>(583.54)</u>
Net Cash Flow from Operating Activities	i=g+h	<u>11,354.27</u>	<u>49,827.31</u>
(B) Cash Flow from Investing Activities			
Payments Towards Capital Expenditure		(4,011.51)	(2542.19)
Sale of Fixed Assets		26.79	12.29
Interest Received		16,670.30	12,911.48
Share of Profit on Trade Investment		-	18.37
Dividend Received		372.38	177.07
Redemption of Investment in Fixed Maturity Plans of Mutual Funds		47,073.54	2,768.51
Purchase of Investment in Fixed Maturity Plans of Mutual Funds		(53,700.00)	(51,700.00)
Investment in Liquid Plans of Mutual Funds (Net)		(908.22)	7,525.57

**CONSOLIDATED CASH FLOW STATEMENT (Contd.)**

FOR THE YEAR ENDED 31ST MARCH, 2012

		2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
Fixed Deposit Placed with Banks having Original Maturity of More than Three Months		(228,884.05)	(265,928.52)
Fixed Deposit with Banks Matured having Original Maturity of More than Three Months		230,224.59	261,957.26
Investment in Joint Ventures		-	(83.90)
Divestment in Joint Venture		74.10	-
Net Cash Flow from Investing Activities	j	6,937.92	(34,884.06)
C) Cash Flow from Financing Activities			
Dividend Payment (Including Dividend Tax)		(15,663.85)	-
Interim Dividend Payment (Including Dividend Tax)		(7,831.92)	(13,472.70)
Net Cash Flow from Financing Activities	k	(23,495.77)	(13,472.70)
Increase/ (Decrease) in Cash & Cash Equivalents	i+j+k	(5,203.58)	1,470.55
Cash & Cash Equivalents at the Beginning of the Year		6,958.34	5,487.79
Cash & Cash Equivalents at the Close of the Year		1,754.76	6,958.34
Increase/ (Decrease) in Cash and Cash Equivalents		(5,203.58)	1,470.55

NOTES:

1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".

2. Cash & Cash Equivalents represents :

i) Cash and Stamps in Hands	27.39	30.07
ii) Cheques in Hand	537.53	2693.29
iii) Balance with Banks in Current Account	1189.84	2234.98
iv) Balance with Banks in Deposit Account having Original Maturity of Three Months or Less	0.00	2000.00
Total	1754.76	6958.34

3 Cash & Cash Equivalents includes ₹ 661.61 Lakhs (₹ 0.94 Lakhs) pertaining to Joint Ventures

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

(RAJAN KAPUR)
Company Secretary
PAN : AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F & A)
PAN : AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN : 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN : 00165092

As per our report of even date attached
for M. VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER
Membership No. 088396
Firm Registration No. 501433C

Place : New Delhi
Date : May 28, 2012



Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended 31st March, 2012.

1) 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 Companies. 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 Companies 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. 2.19 of Notes to the Consolidated Financial Statements.
- The excess of the cost to the Company of its Investment in Subsidiaries or Joint Ventures 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 Ventures 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 31 st March, 2012
Certification Engineers International Limited	Subsidiary	India	100
EIL Asia Pacific Sdn. Bhd.	Subsidiary	Malaysia	100
TEIL Projects Limited	Joint Venture	India	50
Jabal Eliot Co. Ltd.	Joint Venture	Saudi Arabia	33.333



- iii) The reporting date of Financial Statements of EIL Asia Pacific Sdn. Bhd. (Foreign Subsidiary of the Company) and Jabal Eiliot Co. Ltd. (Foreign Joint Venture Company) is 31st December, 2011 as against the Company's reporting date which is 31st March, 2012. There were no significant transactions or other events occurred between reporting date of foreign subsidiary and foreign joint venture and 31st March, 2012 which require adjustment.
- iv) Another joint venture "Tecnimont EIL Emirates Consultores E Servicos LDA" which was under liquidation as on 31st March, 2011 was formally liquidated & registration cancelled on 4th April, 2011. The residual proceeds amounting to ₹74.10 lakhs were received during the current financial year 2011-12.
- v) The Company has entered into Production Sharing Contract with Government of India along with other partners on 28th March, 2012 for Exploration & Production of Oil and Gas. The Company is a non-operator and is having 20% participating interest in the venture. The company would share Expense/Income/ Assets/ Liabilities of the venture on the basis of its percentage in the production sharing contract. The detail of company's interest in block is as under:

Block No.	Participating Interest
CB-ONN-2010/11	20%

The company's share in pre acquisition cost amounting to ₹ 6.08 lakhs have been charged to expenditure during the current year 2011-12.

As of 31st March, 2012, the Company's share in income/expenses/assets/ liabilities in the above venture for post acquisition activities is ₹ Nil.

The Company's estimated share in work programmes committed under production sharing contract in respect of above block as on 31st March, 2012 is ₹ 2546.39 Lakhs.

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).

2. NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

2.1 Share Capital:

The company at present is having only one class of share capital i.e. equity share capital. The requisite disclosure in respect of share capital are as under :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
Authorised		
600,000,000 Equity shares of Par Value of ₹ 5 each (600,000,000 Equity shares of Par Value of ₹ 5 each)	30000.00	30000.00
Issued		
337,017,600 equity shares of Par Value of ₹ 5 each (337,017,600 Equity shares of Par Value of ₹ 5 each)	16850.88	16850.88
Subscribed and Paid up		
336,936,600 Equity shares of Par Value of ₹ 5 each (336,936,600 Equity shares of Par Value of ₹ 5 each) fully paid up	16846.83	16846.83
Add: Forfeited Shares		
Amount originally paid up on 2,600 Equity shares of Par Value of ₹ 5 each (2,600 equity shares of Par Value of ₹ 5 each)	0.01	0.01
	16846.84	16846.84


Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

	Financial Year 2011-12	Financial Year 2010-11
No. of shares outstanding at the beginning of the financial year	336936600	56156100
Add: Sub-division of equity shares having par value of ₹ 10/- each into two equity shares having par value of ₹ 5/- each	-	56156100
Add: Bonus shares issued	-	224624400
No. of shares outstanding at the close of the financial year	<u>336936600</u>	<u>336936600</u>

Rights, Preferences and Restrictions attaching to Equity Shares

The Company is having one Class of Equity Shares having a Par Value of ₹ 5 each. Each Shareholder is eligible for one vote per Share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their Shareholding.

Details of each Shareholder holding more than 5 percent shares

Name of the shareholder	Number of shares held as at 31-Mar-12	Number of shares held as at 31-Mar-11
President of India	270900540 80.401%	270900540 80.401%

Other disclosures

	as at 31-Mar-12	as at 31-Mar-11
Aggregate number of equity shares having par value of ₹5/- each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date	224624400	224624400

2.2 Reserves & Surplus :

The classification of Reserves & Surplus disclosing therein Appropriation /Allocation/Transfers is detailed as under :

	as at 31-Mar-12 ₹ IN LAKHS			as at 31-Mar-11 ₹ IN LAKHS		
A. General Reserve						
Balance as per last balance sheet	131831.31			108577.28		
Less: Utilized for Issue of Bonus Shares	0.00			10311.12		
Add: Transferred from Statement of Profit and Loss	<u>64386.64</u>	196217.95		<u>53128.91</u>	151395.07	
Less: Appropriations :						
Interim Dividend	6738.73			3369.37		
Proposed Final Dividend	13477.46			13477.46		
Tax on Interim/Proposed Dividend	<u>3279.58</u>	<u>23495.77</u>	172722.18	<u>2716.93</u>	<u>19563.76</u>	131831.31
B. Securities Premium Account						
Balance as per last balance sheet	0.00			920.10		
Less: Utilized for Issue of Bonus Shares	<u>0.00</u>	0.00		<u>920.10</u>	0.00	
C. Capital Reserve						
Capital Grant Received						
From Oil Industry Development		200.00			200.00	
Board for R&D Centre						
Capital Reserve due to Consolidation		108.71			108.71	
		<u>173030.89</u>			<u>132140.02</u>	

**2.3 Non-Current Liabilities :**

The disclosure of Non-Current Liabilities Including their sub-classification into major heads is given as under :

	as at 31-MAR-12 ₹ IN LAKHS	as at 31-MAR-11 ₹ IN LAKHS
A) Other Long Term Liabilities :		
Security Deposits & Retentions	336.98	338.93
Advances Received from Clients	182.50	132.50
	519.48	471.43
B) Long Term Provisions :		
Employees' Post Retirement/ Long Term Benefits	2153.40	1755.35
	2153.40	1755.35

Above includes ₹ 0.53 Lakhs (₹ 0.31 Lakhs) share of Joint Ventures.

2.4 Current Liabilities :

The disclosure of Current Liabilities Including their sub-classification into major heads is given as under :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
A) Trade Payables	58810.97	30815.39
	58810.97	30815.39
B) Other Current Liabilities :		
Security Deposits & Retentions	23816.59	14814.14
Advances Received from Clients	1841.51	1885.44
Capital Creditors	687.88	16.85
Income Received in Advance	37588.28	86895.30
Service Tax Payable	975.07	2634.77
Unpaid Dividend *	60.56	70.81
Other Payables :		
- Withholding for Employees including Employers Contribution	948.48	1081.24
- Withholding for Income Taxes	1742.23	1144.17
- Accrued Employees Benefits	6578.39	9014.84
- Amount held on behalf of Clients	1210.10	5563.46
- Others	149.39	116.28
	10628.59	16919.99
	75598.48	123237.30
* Excluding Amount due for payment to Investor Education and Protection Fund		
C) Short Term Provisions :		
Employees' Post Retirement/Long Term Benefits	2574.48	4236.16
Contractual Obligations	29161.07	23666.25
Provision for Corporate Social Responsibility	1553.84	-
Provision for Taxation	32147.24	30611.25
Less: Advance Income Tax	27699.52	27246.42
Proposed Dividend	13477.46	13477.46
Tax on Dividend	2186.39	2186.39
	53400.96	46931.09

Above Includes ₹ 12.98 Lakhs (₹ 19.09 Lakhs) share of Joint Ventures.



2.5 Fixed Assets

(₹ IN LAKHS)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31-Mar-11	ADD FOR YR.	SOLD/RECL/ TRNS/ADJ.	AS ON 31-Mar-12	DEP UPTO 31-Mar-11	DEP FOR YEAR	DEP WRTN. BACK	TOT DEP. 31-Mar-12	WDV AS ON 31-Mar-12	WDV AS ON 31-Mar-11
Tangible Assets :										
Land Freehold	298.08	0.00	-	298.08	0.00	0.00	0.00	0.00	298.08	298.08
Land Leasehold	792.05	819.50	0.00	1611.55	6.31	11.79	0.00	18.10	1593.45	785.74
Building	4490.90	26.41	(6.30)	4523.61	2604.54	168.26	5.06	2767.74	1755.87	1886.36
Plant & Machinery	1217.32	0.00	21.67	1195.65	1142.47	3.17	5.38	1140.26	55.39	74.85
Furniture, Fixtures And Office/ Constn. Equipment	2381.40	71.51	259.83	2193.08	1702.07	224.15	198.42	1727.80	465.28	679.33
Computer Hardware	6842.42	272.41	26.73	7088.10	4511.16	1294.38	67.02	5738.52	1349.58	2331.26
Motor Vehicles	9.10	10.58	0.00	19.68	8.90	1.04	0.13	9.81	9.87	0.20
Library Books	466.98	5.85	0.12	472.71	466.98	5.85	0.12	472.71	0.00	0.00
	16498.25	1206.26	302.05	17402.46	10442.43	1708.64	276.13	11874.94	5527.52	6055.82
Less: Assets held for disposal				1508.47				1467.20	41.27	0.00
Total Tangible Assets	16498.25	1206.26	302.05	15893.99	10442.43	1708.64	276.13	10407.74	5486.25	6055.82
Intangible Assets :										
Computer Software	3195.05	154.93	0.00	3349.98	2926.58	260.59	0.00	3187.17	162.81	268.47
Total Intangible Assets	3195.05	154.93	0.00	3349.98	2926.58	260.59	0.00	3187.17	162.81	268.47
Total	19693.30	1361.19	302.05	19243.97	13369.01	1969.23	276.13	13594.91	5649.06	6324.29
Previous Year	18643.35	1522.72	472.77	19693.30	12307.73	1493.07	431.79	13369.01	6324.29	6335.62
Capital Work In Progress									5159.54	1307.94

Depreciation for the year includes prior period depreciation ₹ Nil (₹ 41.77 Lakhs)

Asset held for disposal represents items pertaining to Computer Hardware.

Net Fixed Assets includes ₹ 28.30 Lakhs (₹ 20.64 Lakhs) share of Joint Ventures.

2.6 Non Current Investments :

The classification of Non Current Investments (Long Term) into different categories with requisite details is given as under :

		as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
Other than Trade			
Quoted			
In Units of Fixed Maturity Plan of Mutual Funds			
No. of Units			
27500000 (Nil)	SBI Debt Fund Series - 18 Months - 8 Growth Plan of ₹ 10 Each	2750.00	0.00
30000000 (Nil)	SBI Debt Fund Series - 15 Months - 7 Growth Plan of ₹ 10 Each	3000.00	0.00
TOTAL		5750.00	0.00
Aggregate Value of Quoted Investments - Book Value		5750.00	0.00
Aggregate Value of Quoted Investments - Market Value		5900.48	0.00

**2.7 Long Term Loans & Advances :**

The details of Long term Loans & Advances classified under different heads is disclosed hereunder :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
a) Capital Advances - Unsecured (Considered Good)	355.75	886.16
b) Security Deposit :		
Unsecured- Considered Good	84.42	123.61
c) Loans & Advances to Related Parties :		
Secured-Considered Good:		
Directors	3.65	4.30
Unsecured-Considered Good:		
Directors	2.16	3.93
d) Other Loans and Advances		
(Advances Recoverable in Cash or in Kind or for value to be received):		
Secured-Considered Good:		
Employees	2538.34	2708.85
Unsecured-Considered Good:		
Employees	1610.19	1622.94
Others	3.52	0.90
	1613.71	1623.84
Advance Income Tax	57971.64	47745.42
Less: Provision for Taxation	56808.29	45587.97
	1163.35	2157.45
Advance Fringe Benefit Tax	60.43	370.29
Less: Provision for Fringe Benefit Tax	48.60	335.27
	11.83	35.02
	5773.21	7543.16

Above Includes ₹11.15 Lakhs (₹ 4.24 Lakhs) share of Joint Ventures.

2.8 Other Non Current Assets :

Details of other Non-Current Assets Classified under different heads is disclosed hereunder :

	as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
Bank Balances :		
Non-Current Bank Deposits	203.26	4414.75
TOTAL (A)	203.26	4414.75
The above includes Bank Deposits ₹ 203.26 Lakhs (₹ 214.76 Lakhs) held as Margin Money/Security against Bank Guaranties.		
Others :		
Interest Accrued on Non-Current Bank Deposits	25.83	31.12
Miscellaneous Expenditure (to the extent not written off or adjusted)	5.81	0.00
TOTAL (B)	31.64	31.12
TOTAL (A+B)	234.90	4445.87

Above Includes ₹ 5.81 Lakhs (₹ Nil) share of Joint Ventures.



2.9 Current Assets :

The details of Current Assets Classified under different heads is given as below :

	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
A) Current Investments				
1) Current Maturity of Long Term Investments - (At cost less diminution in value other than temporary)				
I. Trade (At Cost)				
Unquoted				
Investment in Association of Persons (AOP):				
Capital Contribution in Petroleum India International	500.00		500.00	
Share in accumulated surplus of Petroleum India International	651.30	1151.30	613.93	1113.93
TOTAL (a)	1151.30		1113.93	

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

Oil and Natural Gas Corporation of India Limited was member till June, 2001.

Total Capital of Petroleum India International is ₹ 5500.00 Lakhs and EIL's share in Capital of AOP is ₹ 500.00 Lakhs.

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 2010-11 and amount received during the current year is as under:

(₹ IN LAKHS)

Balance as on 01-04-2011	Share of Profit accounted during Year 2011-12	Amount received during the Year 2011-12	Balance as on 31-03-2012
613.93	37.37	0.00	651.30

Petroleum India International during financial year 2010-11 has ceased its business activities and is in process of dissolution.



		as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
II. Other than Trade			
i) Quoted			
Investment In units of Fixed Maturity Plan of Mutual Funds			
No. of Units			
Nil (60000000)	UTI Fixed Term Income Fund Series VII - III (367 Days) - Growth Plan of ₹ 10 Each	0.00	600.00
Nil (60000000)	SBI Debt Fund Series - 370 Days - 4 - Growth Plan of ₹ 10 Each	0.00	600.00
Nil (100000000)	SBI Debt Fund Series - 370 Days - 5 - Growth Plan of ₹ 10 Each	0.00	1000.00
Nil (1000000000)	SBI Debt Fund Series - 370 Days - 9 - Growth Plan of ₹ 10 Each	0.00	10000.00
Nil (500000000)	UTI FMP -Yearly FMP Series :YFMP (01/11) Institutional Growth Plan of ₹ 10 Each	0.00	5000.00
Nil (1000000000)	SBI Debt Fund Series - 370 Days - 10 - Growth Plan of ₹ 10 Each	0.00	10000.00
Nil (160000000)	IDBI FMP-367 Days Series-1 (March 2011) Plan-C-Growth Plan of ₹ 10 Each	0.00	1600.00
Nil (250000000)	IDBI FMP-367 Days Series-1 (March 2011) Plan-D-Growth Plan of ₹ 10 Each	0.00	2500.00
Nil (750000000)	UTI Fixed Term Income Fund Series IX-I- (367 Days)-Growth Plan of ₹ 10 Each	0.00	7500.00
82000000 (820000000)	SBI Debt Fund Series - 370 Days - 11 - Growth Plan of ₹ 10 Each	8200.00	8200.00
20000000 (Nil)	SBI Debt Fund Series - 367 Days - 6 - Dividend Plan of ₹ 10 Each	2000.00	0.00
15000000 (Nil)	UTI Fixed Term Income Fund Series XI - VI - (367 Days) - Growth Plan of ₹ 10 Each	1500.00	0.00
100000000 (Nil)	SBI Debt Fund Series - 367 Days - 17 - Growth Plan of ₹ 10 Each	10000.00	0.00
82500000 (Nil)	UTI Fixed Term Income Fund Series XI - VII - (366 Days) - Growth Plan of ₹ 10 Each	8250.00	0.00
50000000 (Nil)	Canara Robeco Fixed Maturity Plan - Series 7 - Plan A - Growth Plan of ₹ 10 Each	5000.00	0.00
100000000 (Nil)	SBI Debt Fund Series - 367 Days - 19 - Growth Plan of ₹ 10 Each	10000.00	0.00
100000000 (Nil)	SBI Debt Fund Series - 367 Days - 18 - Growth Plan of ₹ 10 Each	10000.00	0.00
	TOTAL (b)	54950.00	47000.00



		as at 31-Mar-12 ₹ IN LAKHS	as at 31-Mar-11 ₹ IN LAKHS
ii) Unquoted			
a) Investment in Units of Fixed Maturity Plan of Mutual Funds			
No. of Units			
Nil	UTI Fixed Income Interval Fund -Annual Interval	0.00	3000.00
(23298618.392)	Plan Series-I-Institutional Growth Plan of ₹ 10 Each		
	TOTAL (c)	0.00	3000.00
b) Investment in Joint Venture Companies			
Tecnimont EIL Emirates -Consultores E Servicios, LDA *		0.00	100.62
Quota : 1,50,000 Euro of Share Capital			
Less : Provision for Diminution in Value of Investment		0.00	26.52
	TOTAL (d)	0.00	74.10
* Formally liquidated and registration cancelled on 4 th April, 2011 and proceeds amounting to ₹ 74.10 Lakhs received during current year 2011-12.			
2) Other Current Investments (lower of cost or net realizable value)			
Other than trade			
Quoted			
In Units of Liquid Plans of mutual funds			
No. of Units			
89748.51	SBI Premier Liquid Fund Super Institutional	900.40	0.00
(Nil)	Daily Dividend Plan of ₹ 1000 Each		
Nil	UTI Treasury Advantage Fund	0.00	12.62
(513.998)	of ₹ 1000 Each		
Nil	UTI Treasury Advantage Fund	0.00	78.40
(7839.073)	of ₹ 1000 Each		
588232.688	ING Treasury Advantage Fund - Institutional Daily Dividend	58.84	0.00
(Nil)	of ₹ 10 Each		
2349.215	SBI Premier Liquid Fund - Institutional - Growth	40.00	0.00
(Nil)	of ₹ 1000 Each		
	TOTAL (e)	999.24	91.02
	TOTAL (a+b+c+d+e)	57100.54	51279.05
Aggregate Value of Quoted Investments - Book Value		55949.24	47000.00
Aggregate Value of Quoted Investments - Market Value		56976.59	47609.20
Aggregate Value of Unquoted Investments - Gross Book Value		1151.30	4214.55
Aggregate Provision for Diminution in Value of Investments		0.00	26.52

Above Includes ₹ 98.84 Lakhs (₹ 12.62 Lakhs) Share of Joint Ventures.



	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
B) Inventories (lower of cost or net realizable value) :				
Stores, Spares and Chemicals in Hand		82.60		87.49
		<u>82.60</u>		<u>87.49</u>
C) Trade Receivables (Unsecured)				
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment:				
Considered Good		8987.71		6717.27
Considered Doubtful		<u>5331.03</u>		<u>4961.01</u>
		14318.74		11678.28
Other Trade Receivable: Considered Good		<u>22590.84</u>		<u>25186.52</u>
		36909.58		36864.80
Less: Provision for Doubtful Debts		<u>5331.03</u>	<u>31578.55</u>	<u>4961.01</u> <u>31903.79</u>
Above Includes ₹ 0.10 Lakhs (₹ Nil Lakhs) Share of Joint Ventures.				
D) Cash and Bank Balances :				
Cash & Cash Equivalents:				
Balances with Banks in Current Account #		1189.84		2234.98
Balances with Banks in Deposit Account having original maturity of three months or less		0.00		2000.00
Cheques in Hand		537.53		2693.29
Cash & Stamps on Hand #		<u>27.39</u>	1754.76	<u>30.07</u> 6958.34
Other Bank Balances:				
Unpaid Dividend Account		60.56		70.81
Held on Behalf of Clients		1210.10		5563.46
Balances with Banks in deposits account having maturity of more than three months but are due for maturity within twelve months of balance sheet date *		<u>165676.99</u>	<u>166947.35</u>	<u>162805.73</u> <u>168440.00</u>
		<u>168702.11</u>		<u>175398.34</u>

* Includes Bank deposits having more than twelve months original maturity of ₹ 32876.16 lakhs (₹ 57403.85 Lakhs)

* Includes Bank deposits ₹ 276.35 Lakhs (₹ 204.21 Lakhs) held as margin Money/Security against Bank Guarantees.

Includes ₹ 133.77 Lakhs (₹ 124.38 Lakhs) in currencies which are not repatriable.

Above Includes ₹ 661.61 Lakhs (₹ 0.94 Lakhs) Share of Joint Ventures.



	as at 31-Mar-12 ₹ IN LAKHS		as at 31-Mar-11 ₹ IN LAKHS	
E) Short Term Loans & Advances :				
a) Loans & Advances to Related Parties :				
Secured-Considered Good:				
Directors		0.73		1.48
Unsecured-Considered Good:				
Directors		1.91		3.33
b) Security Deposit				
Unsecured- Considered Good	179.36		67.27	
Unsecured-Considered Doubtful	3.50		3.85	
	<u>182.86</u>		<u>71.12</u>	
Less: Provision for Doubtful Deposits	<u>3.50</u>	179.36	<u>3.85</u>	67.27
c) Other Loans and Advances :				
(Advances Recoverable in Cash or in Kind or for Value to be Received):				
Secured-Considered Good:				
Employees	332.29		382.52	
Unsecured-Considered Good:				
Employees	699.85		1181.04	
Prepaid Expenses	190.65		129.65	
Advances to Vendor/Contractors	12417.41		18731.20	
Advance Income Tax	2493.50		385.28	
Advance Fringe Benefit Tax	23.36		0.00	
Less : Provision for Fringe Benefit Tax	<u>0.00</u>	23.36	<u>0.00</u>	0.00
Retention against Contracts	1166.50		908.99	
Others	1091.82		441.21	
Unsecured - Considered Doubtful :				
Employees	1.36		1.36	
Advances to Vendor/Contractors	2.58		4.80	
Claims Receivable	286.30		286.30	
Others	<u>0.00</u>		<u>0.38</u>	
	<u>18705.62</u>		<u>22452.73</u>	
Less: Provision for Doubtful Loans & Advances	<u>290.24</u>	18415.38	<u>6.54</u>	22446.19
Total (a+b+c)		<u>18597.38</u>		<u>22518.27</u>
Above Includes ₹ 23.70 Lakhs (₹ 14.72 Lakhs) Share Of Joint Ventures.				
F) Other Current Assets :				
Work In Progress *	1329.30		21287.18	
Fixed Asset held for disposal	41.27		0.00	
Interest Accrued on Current Bank Deposits	5254.95		4965.36	
Unbilled Revenue	53611.74		7524.81	
	<u>60237.26</u>		<u>33777.35</u>	

* As taken, valued and certified by the management

* Direct Cost incurred on Lumpsum services & Turnkey contracts having physical progress less than 25 %.

Above Includes ₹ 0.99 Lakhs (₹ Nil) Share of Joint Ventures.



	2011-2012 ₹ IN LAKHS	2010-2011 ₹ IN LAKHS
--	-------------------------	-------------------------

2.10 Revenue from Operations :

The Details of Revenue from operations for different components of revenue Is detailed as below :

A) Consultancy & Engineering Services	122717.13	115691.75
	<u>122717.13</u>	<u>115691.75</u>
B) Turnkey Projects	269584.31	152062.68
	<u>269584.31</u>	<u>152062.68</u>
TOTAL (A+B)	392301.44	267754.43

Increase/(Decrease) in Work-in-Progress

A) Consultancy & Engineering Services				
Closing Work-in-Progress	1329.30		854.19	
Less: Opening Work-in-Progress	<u>854.19</u>	475.11	<u>1261.04</u>	(406.85)
B) Turnkey Projects				
Closing Work-in-Progress	0.00		20432.99	
Less: Opening Work-in-Progress	<u>20432.99</u>	(20,432.99)	<u>2961.45</u>	17471.54
		(19,957.88)		17064.69

2.11 Other Income

The details of other income into various categories is disclosed hereunder :

Interest Earned (Gross) :

Bank Deposits	15881.99	11802.59
Loans to Employees	167.56	184.76
Income Tax Refund	538.44	397.08
Others	<u>215.82</u>	<u>264.88</u>
	<u>16803.81</u>	<u>12649.31</u>

Income from Long Term Investments:

Share of Profit from Aop (Trade Investment)	37.37	0.00
Dividend Income from Current Investments	372.38	177.07
Capital Gain on Redemption of Investments in Mutual Funds	4073.54	68.51
Funds recd. for expenditure against R&D	296.13	165.45
Less: Utilisation	<u>(296.13)</u>	<u>(165.45)</u>
Profit on Sale of Assets	10.81	1.50
Foreign Exchange Difference (Net)	0.00	190.13
Provisions no Longer Required Written Back *	1467.42	1872.54
Miscellaneous Income	458.73	1006.39
	<u>6420.25</u>	<u>3316.14</u>
	23224.06	15965.45

* Provisions no longer required written back under head 'other income' represents:

- Contractual obligations written back for ₹ 1467.42 lakhs (₹ 997.73 lakhs) in respect of contracts for which Obligation under respective contracts is completed.
- Other provisions no longer required written back ₹ Nil (₹ 874.81 lakhs)

Above Includes ₹ 6.32 Lakhs (₹ 0.69 Lakhs) Share of Joint Ventures.



Expenses :

The details of expenses under various heads as per their nature is as given below :

	2011-2012 ₹ IN LAKHS		2010-2011 ₹ IN LAKHS	
2.12 Technical Assistance/Sub Contracts		<u>67268.32</u>		<u>64850.16</u>
2.13 Construction Materials & Equipments		<u>151653.45</u>		<u>81189.23</u>
2.14 Employee Benefits Expense :				
Salaries and Allowances @				
Staff	44310.05		42035.48	
Directors	<u>247.45</u>	44557.50	<u>287.17</u>	42322.65
Contribution towards Employees` Pension and Provident Fund & Administration Charges Thereon:				
Staff	3142.61		2772.53	
Directors	<u>20.99</u>	3163.60	<u>14.37</u>	2786.90
Contribution towards Employees` Defined Contributory Superannuation Scheme:				
Staff	2809.25		1922.27	
Directors	<u>9.70</u>	2818.95	<u>9.74</u>	1932.01
Staff Welfare				
Staff	4068.38		4892.65	
Directors	<u>9.43</u>	4077.81	<u>5.90</u>	4898.55
Contribution to Gratuity Fund*	171.26		463.01	
Less: Contribution received from Others	<u>5.17</u>	166.09	<u>2.70</u>	460.31
		<u>54783.95</u>		<u>52400.42</u>

@ Salaries and Allowances Includes :

- Provision for Bonus of ₹ 0.08 Lakhs (Previous Year ₹ 0.09 Lakhs).
- ₹ 2003.17 Lakhs (₹ 2888.76 Lakhs) on account of Leave Encashment Funded Scheme with LIC of India.
- ₹ Nil (₹ 40.81 Lakhs) towards Payment of VRS compensation.

* Contribution to Gratuity Fund includes :

- Term Insurance Premium paid to LIC of India .
- Additional Gratuity Liability of ₹ 36.00 Lakhs (₹ Nil) pursuant to revision of Gratuity Ceiling from ₹ 3.50 Lakhs To ₹ 10.00 Lakhs in respect of employees seperated during the period 1.1.2007 to 23.5.2010.

Above Includes ₹ 108.54 Lakhs (₹ 89.61 Lakhs) Share of Joint Ventures.



	2011-2012 ₹ IN LAKHS		2010-2011 ₹ IN LAKHS	
2.15 Depreciation & Amortization Expense				
Depreciation & Amortization Expense		1969.23		1451.30
		1969.23		1451.30
2.16 Other Expenses :				
a) Facilities :				
Rent :				
Office		428.51		371.21
Residential Accommodation				
Staff	526.74		468.87	
Directors	<u>29.69</u>	556.43	<u>29.13</u>	498.00
Less: Recovered - Staff	92.90		74.12	
- Directors	<u>4.30</u>	<u>97.20</u>	<u>3.67</u>	<u>77.79</u>
		459.23		420.21
Light, Water & Power		702.51		692.69
Insurance		150.18		231.03
Misc. Repairs & Maintenance *		3006.40		1702.66
Hire Charges of Office Equipments		<u>60.87</u>		<u>60.90</u>
		4807.70		3478.70
b) Corporate Cost :				
Bank Charges		244.60		255.28
Sitting Fees to Independent Directors		4.50		5.40
Interest		116.02		147.05
Advertisement for Tender				
& Recruitment		1774.08		1253.91
Publicity		58.73		592.31
Subscription		146.77		59.29
Entertainment		205.98		190.84
Foreign Exchange Difference (net)		639.16		0.00
Remuneration to Auditors:				
For Audit	6.59		6.58	
For Tax Audit	1.25		1.20	
Others	3.57		3.64	
For Out of Pocket Expenses and Service Tax	<u>3.16</u>	14.57	<u>1.81</u>	13.23
Filing Fee		2.50		124.79
Legal & Professional Charges		303.76		446.10
Licences & Taxes		148.92		146.80
Loss on Sale of Assets		8.17		5.47
Fixed Assets Written off		<u>1.93</u>		<u>24.72</u>
		3669.69		3265.19

* Includes ₹ 1109.47 Lakhs (Previous Year ₹ 272.84 Lakhs) for repairs & maintenance of own building and ₹ 287.00 Lakhs (Previous Year ₹ 212.60 Lakhs) for Plant & Machinery.
Above Includes ₹ 30.38 Lakhs (₹ 21.79 Lakhs) share of Joint Ventures



	2011-2012 ₹ IN LAKHS		2010-2011 ₹ IN LAKHS	
c) Other Costs				
Consumables/Stores		0.09		4.98
Travel & Conveyance				
Directors @	70.07		64.89	
Others	<u>6122.50</u>	6192.57	<u>5632.66</u>	5697.55
Printing, Stationery & General Office Supplies		456.82		466.78
Newspapers and Periodicals		56.40		40.04
Postage & Telecommunications		558.15		498.17
Goodwill on Consolidation adjusted		0.00		5.89
Courier, Transportation & Handling		102.00		164.17
Commission to Foreign Agents		131.66		153.00
Provision for Doubtful Debts & Advances (net)		653.37		21.12
Preliminary Expenses Written off		0.59		0.00
Bad Debts written off		562.45		174.07
Provision for Contractual obligations		6962.24		6065.10
Provision for Diminution in value of Investment in Joint Ventures		0.00		9.80
Training Expenses				
Travel	4.39		34.56	
Others	<u>243.18</u>	247.57	<u>156.78</u>	191.34
Miscellaneous Expenses #		2779.39		286.75
		18703.30		13778.76
Less: Expenditure relating to Capital Works		191.51		48.15
		18511.79		13730.61

@ Includes recovery of ₹ 0.56 Lakhs on account of use of car (Previous Year ₹ 0.59 lakhs)

Includes CSR expenditure to the tune of ₹ 2536.17 Lakhs (₹ 74.79 Lakhs)

Above Includes ₹ 16.93 Lakhs (₹15.99 Lakhs) Share of Joint Ventures.

**2.17 Contingent Liabilities & Commitments**

i) Contingent Liabilities:

a) Claims against the Company not acknowledged as debt.

- i) Commercial claims pending in the Courts or lying with Arbitrators amounting to ₹ 2092.40 Lakhs (₹ 205.18 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) Income Tax/Fringe Benefit Tax assessments have been completed upto the assessment year 2009-10. Income Tax liability, if any, in respect of pending assessments for the assessment years 2010-11 and 2011-12 cannot be ascertained although tax as per return/revised return has been paid in full.

Wealth Tax Assessments have been completed upto the Assessment Year 2009-10. Wealth Tax liability, if any, in respect of pending assessments for the Assessment Years 2010-11 and 2011-12 cannot be ascertained although tax on returned wealth 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 ₹ 664.36 lakhs for Assessment year 2010-11.

Income Tax Department is in appeal for an amount of ₹ 632.54 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 and 2008-09.

The Company has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 11.61 Lakhs against the order of Assessing Officer u/s 143(3) for the Assessment Year 2009-10.

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 2.55 Lakhs (₹ 2.55 Lakhs) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

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 Commissioner of Central Excise (Appeals) for the period 01.4.2002 to 17.4.2006 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

Sales Tax department is in appeal against the order of Joint Commissioner (Appeals) in company's favour for an amount of ₹ 132.53 Lakhs for assessment year 1999-2000 and ₹ 116.12 Lakhs for assessment year 2000-01 respectively before Sales Tax Tribunal, Agra.

The Company is in appeal before Sales Tax Tribunal, Agra against the demand of Sales Tax Department for ₹ 20.05 Lakhs on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs.

The Company is in appeal before the Appellate Dy. Commissioner, Vishakhapatnam against the demand of Assistant Commissioner, Kakinada amounting to ₹ 28.62 Lakhs on account of VAT for the period March, 11 to June, 11 against which company has deposited an amount of ₹ 3.58 Lakhs. After the close of financial year, the Appellate Dy. Commissioner, Vishakhapatnam has allowed the appeal in the Company's favour.

c) 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, 2010-11 and 2011-12 can not be ascertained although tax as per return has been paid in full.



Income Tax Department is in appeal for an amount of ₹ 9.82 Lakhs with Income Tax Appellate Tribunal against Commissioner of Income Tax (Appeals) order date 16th March, 2011 in Certification Engineers International Limited's favour for Assessment Year 2002-03.

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 27th November 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 29th October 2010, covering the period from April, 2009 to March, 2010.

The Certification Engineers International Limited has filed a reply to show cause notice cum demand of ₹ 8.92 lakhs by Additional Commissioner, Service Tax, Mumbai on 18th October 2011, covering the period from April, 2010 to March, 2011.

In respect of above contingent liabilities, it is not probable to estimate the timing of cash flow, if any, pending the resolution of Arbitration/Appellate/Court/ Assessment proceedings.

ii) Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 6318.76 Lakhs (₹ 3884.31 Lakhs).
- b) Uncalled liability on partly paid equity shares of TEIL Projects Ltd., a joint venture company – ₹ Nil (₹ 200.00 Lakhs)

2.18 a) Guarantees issued by the banks and outstanding as on 31st March, 2012 ₹ 31260.93 Lakhs (₹ 33488.35 Lakhs), against which a provision of ₹ 14059.91 Lakhs (₹ 12157.65 Lakhs) has been made in the books towards liability for performance guarantees/warranties.

b) Letter of credit outstanding as on 31st March, 2012 ₹ 25403.92 Lakhs (₹ 23031.68 Lakhs).

c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31st March, 2012 ₹ 19132.50 Lakhs (₹ 7216.00 Lakhs)

2.19 Depreciation has been provided for on Written Down Value method and Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956, in respect of Joint Venture, TEIL Projects Limited and Subsidiary, Certification Engineers International Limited respectively as against 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 item in the Consolidated Financial Statements is not material.

2.20. 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

2.21. There is no impairment of cash generating assets during the year in terms of Accounting Standard (AS-28) "Impairment of Assets".

2.22. In terms of provision of Accounting Standard (AS-7), the information in respect of for Lumpsum services/ Turnkey projects for contract in progress as on 31.3.2012:

- a) The aggregate amount of cost incurred and recognised Profit upto 31.3.2012 – ₹ 803713.62 Lakhs (₹ 599116.47 Lakhs)
- b) The amount of advances received – ₹ 1739.90 Lakhs (₹ 1587.06 Lakhs)
- c) The amount of retention – ₹ 1102.77 Lakhs (₹ 893.48 Lakhs)

2.23. 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 2011-12	Expense recognized in 2010-11
Contributory Provident Fund & Employees Pension Scheme, 1995	3163.60	2786.90
Employees Defined Contributory Superannuation Scheme	2818.95	1932.01

In respect of Provident Fund the company has a separate irrevocable PF Trust managing the Provident Fund accumulation of employees. The Guidance on implementing AS15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) of ICAI states that benefits involving employer established provident funds, which require interest shortfalls to be re-compensated by the employer are to be considered as defined benefit plans. In this regard, Actuarial valuation as on 31st March, 2012 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to Interest Rate Guarantee by the company towards Provident Fund. In terms of said valuation the Company has no liability towards interest rate guarantee as on 31st March, 2012.

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)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
a) Actuarial Assumptions										
Discount rate	8.00%	8.00%	8.00%	8.00%	8.50%	8.50%	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%	7.00%	--	--	--	--
Increase in price (Gold) of award (Silver)	--	--	--	--	--	--	13.00% 16.00%	13.00% 16.00%	--	--
Increase in other benefits on Retirement	--	--	--	--	--	--	--	--	5.00%	5.00%
b) Reconciliation of opening and closing balances of Defined Benefit obligation										
Present value of obligations as at beginning of year	10680.63	10480.80	19328.00	16562.53	7528.50	6267.88	1606.26	487.82	160.29	139.81
Interest cost	854.45	838.46	1546.24	1325.00	639.92	501.43	128.50	39.03	12.82	11.18
Current Service Cost	315.88	334.50	1619.00	1574.85	125.75	143.14	222.33	170.74	9.39	7.72
Past Service Cost	--	--	--	--	--	--	--	426.02	--	--
Benefits paid	(997.24)	(1184.42)	(1658.49)	(1577.10)	(620.96)	(476.48)	(128.62)	(55.39)	(16.26)	(19.73)
Actuarial (gain)/loss on Obligations	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
Present value of obligations as at end of year	10779.64	10680.63	21397.84	19328.00	8156.45	7528.50	1992.76	1606.26	171.65	160.29
c) Reconciliation of opening and closing balances of fair value of plan assets										
Fair value of plan assets as on beginning of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.33	--	--	--	--
Expected return on plan assets	997.07	966.96	1725.16	1453.82	674.40	579.35	--	--	--	--
Contributions	398.67	827.34	2888.20	2627.51	1107.30	--	--	--	--	--
Benefits paid	(997.24)	(1184.42)	(1658.49)	(1577.10)	(620.96)	(476.48)	--	--	--	--
Actuarial Gain/(Loss) on Plan assets	--	--	--	--	--	--	--	--	--	--
Fair value of plan assets at the end of year	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
d) Fair value of plan assets as on 31.03.2012										
Fair value of plan assets at beginning of year	10597.84	9987.96	16439.24	13935.01	6421.20	6318.33	--	--	--	--
Actual return on plan assets	997.07	966.96	1725.16	1453.82	674.40	579.35	--	--	--	--
Contributions	398.67	827.34	2888.20	2627.51	1107.30	--	--	--	--	--
Benefits paid	(997.24)	(1184.42)	(1658.49)	(1577.10)	(620.96)	(476.48)	--	--	--	--
Fair value of plan assets at the end of year	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
Funded status	216.70	(82.79)	(2003.73)	(2888.76)	(574.51)	(1107.30)	(1992.76)	(1606.26)	(171.65)	(160.29)
Excess of Actual over estimated return on plan	--	--	--	--	--	--	--	--	--	--



(₹ IN LAKHS)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
e) Actuarial Gain/Loss recognized for the year 2011-12										
Actuarial gain/(Loss) for the year - Obligation	74.08	(211.29)	(563.09)	(1442.72)	(483.24)	(1092.53)	(164.29)	(538.04)	(5.41)	(21.31)
Actuarial (gain)/Loss for the year - plan assets	--	--	--	--	--	--	--	--	--	--
Total (gain)/Loss for the year	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
Actuarial (gain)/Loss recognized in the year	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
f) The amounts recognized in the balance sheet										
Present value of obligations as at the end of year	10779.64	10680.63	21397.84	19328.00	8156.45	7528.50	1992.76	1606.26	171.65	160.29
Fair value of plan assets as at the end of the year	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
Funded status	216.70	(82.79)	(2003.73)	(2888.76)	(574.51)	(1107.30)	(1992.76)	(1606.26)	(171.65)	(160.29)
Net (Asset)/liability recognized in balance sheet	(216.70)	82.79	2003.73	2888.76	574.51	1107.30	1992.76	1606.26	171.65	160.29
g) Expenses Recognized in statement of Profit & Loss										
Current Service Cost	315.88	334.50	1619.00	1574.85	125.75	143.14	222.33	170.74	9.39	7.72
Past Service cost	--	--	--	--	--	--	--	426.02	--	--
Interest cost	854.45	838.46	1546.24	1325.00	639.92	501.43	128.50	39.03	12.82	11.18
Expected return on plan assets	(997.07)	(966.96)	(1725.16)	(1453.82)	(674.40)	(579.35)	--	--	--	--
Net Actuarial (gain)/Loss recognized in the year	(74.08)	211.29	563.09	1442.72	483.24	1092.53	164.29	538.04	5.41	21.31
Expenses recognized in statement of Profit & Loss	99.18	417.29	2003.17	2888.76	574.51	1157.74	515.12	1173.83	27.62	40.21
h) Amount for the current period										
Present Value of Obligation	10779.64	10680.63	21397.84	19328.00	8156.45	7528.50	1992.76	1606.26	171.65	160.29
Plan Assets	10996.34	10597.84	19394.11	16439.24	7581.94	6421.20	--	--	--	--
Surplus (Deficit)	216.70	(82.79)	(2003.73)	(2888.76)	(574.51)	(1107.30)	(1992.76)	(1606.26)	(171.65)	(160.29)
i) Major Categories of Plan Assets (as percentage of total plan assets)										
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 01.04.2011 to 31.03.2012)	125.75	105.50	151.90
Interest Cost (for the period 01.04.2011 to 31.03.2012)	639.92	580.93	711.29
Value of Projected Benefit Obligation on 31.03.2012	8156.45	7467.35	8980.99



2.24. 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.

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

(AMOUNT IN LAKHS)

Liabilities & Provisions			
As on 31 st March, 2012		As on 31 st March, 2011	
₹	Foreign Currency	₹	Foreign Currency
697.96	AED 48.74	100.85	AED 8.04
21326.11	USD 413.06	6420.97	USD 142.15
23.18	KWD 0.12	22.96	KWD 0.14
1867.68	EURO 27.00	1029.92	EURO 16.11
495.23	GBP 6.25	453.40	GBP 6.25
194.44	SWK 24.93	146.52	SWK 20.46
1421.11	JPY 2243.98	—	--
0.07	OR 0.00	0.06	OR 0.00
1.07	QR 0.08	0.96	QR 0.08
2.91	BD 0.02	1.57	BD 0.01

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

(AMOUNT IN LAKHS)

Assets, Loans & Advances			
As on 31 st March, 2012		As on 31 st March, 2011	
₹	Foreign Currency	₹	Foreign Currency
535.52	AED 39.55	795.20	AED 67.39
1256.27	USD 24.77	570.96	USD 12.90
52.57	KWD 0.29	120.37	KWD 0.77
743.29	EURO 11.02	1053.08	EURO 16.93
--	--	2.06	BD 0.02
3.67	GBP 0.05	4.84	GBP 0.07
0.22	LD 0.01	0.21	LD 0.01
133.77	AD 199.66	124.38	AD 197.43
5.07	YUAN 0.64	0.24	YUAN 0.03

2.26. 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.

2.27. 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)

S. No	Particulars of Deferred Tax Assets/ (Liability)	Upto 31.3.2011	For the year 2011-12	As on 31.3.2012
A.	Deferred Tax Asset			
1.	Provision For leave Encashment	6313.75	683.36	6997.11
2.	Provision for contractual obligations	7256.94	1813.44	9070.38
3.	Provision for Doubtful Debts	1613.62	211.33	1824.95
4.	Provision for Post Retirement Medical	2443.72	202.64	2646.36
5.	Provision for Leave encashment and Provident fund for pay revision allowable on cash basis u/s 43B	77.87	(58.84)	19.03
6.	Provision for other benefits on retirement	52.03	3.66	55.69
7.	Provision for Long Service Awards	523.78	126.01	649.79
8.	Voluntary Retirement Scheme	10.59	(2.65)	7.94
9.	Carry forward of unabsorbed long term Capital Loss on Investment in Fixed Maturity Plans of Mutual Funds	12.30	60.66	72.96
10.	Provision for Loss in Joint Venture	64.04	17.35	81.39
11.	Provision for Corporate Social Responsibility	0.00	504.15	504.15
	Total Deferred Tax Asset	18368.64	3561.11	21929.75
B.	Deferred Tax Liability:			
1.	Depreciation	756.77	(322.89)	433.88
	Total Deferred Tax Liability	756.77	(322.89)	433.88
C.	Net Deferred Tax Asset / (Liability)	17611.87	3884.00	21495.87

- 2.28. Prior period items net debit of ₹ 191.83 Lakhs (net debit ₹ 583.54 Lakhs) included in respective head of accounts are as detailed below:-

Prior Period Income

(₹ IN LAKHS)

Particulars	2011-12	2010-11
I Consultancy & Engineering Services	(188.95)	(536.08)
II Miscellaneous Income	0.17	--
(A)	(188.78)	(536.08)
Prior Period Expenditure		
Particulars	2011-12	2010-11
I Facilities	1.69	0.00
II Corporate Cost	1.10	0.00
III Others	0.26	0.65
IV Salary & Allowances	0.00	5.04
V Depreciation	0.00	41.77
(B)	3.05	47.46
Total (A-B)	(191.83)	(583.54)

- 2.29. 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 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 31.03.2012	Year ended 31.03.2011
Segment Revenue		
Consultancy & Engineering projects	123192.24	115284.90
Turnkey Projects	249151.32	169534.22
Total	372343.56	284819.12
Segment Profit		
Consultancy & Engineering Projects	52495.68	50248.00
Turnkey Projects	24521.08	19564.49
Total (a)	77016.76	69812.49
Prior period adjustment	191.83	583.54
Interest	116.02	147.05
Other un-allocable expenditure	7221.31	5211.93
Total (b)	7529.16	5942.52
Other Income (c)	23224.06	15965.45
Profit Before Tax (a-b+c)	92711.66	79835.42
Capital Employed(*)	189877.73	148986.86

(*) 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.

2.30. 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 (Formally liquidated and registration cancelled on 4th April, 2011 and proceeds received during current year 2011-12)
4	JABAL EILLOT CO. LTD.	JOINT VENTURE COMPANY
5.	DIRECTORS	KEY MANAGEMENT PERSONNEL
	Mr. A K PURWAHA	CHAIRMAN & MANAGING DIRECTOR
	Mr. L.N. GUPTA	DIRECTOR (GOVT. NOMINEE)
	Mr. DEPENDRA PATHAK	DIRECTOR (GOVT. NOMINEE)
	Mr. RAM SINGH	DIRECTOR (FINANCE)
	Mr. P. K. RASTOGI	DIRECTOR (HR)
	Mr. G.D. GOYAL	DIRECTOR (COMMERCIAL)
	Mr. P. MAHAJAN	DIRECTOR (TECHNICAL)
	Mr. D. MOUDGIL	DIRECTOR (PROJECTS)
	Mr. A.K. PURWAR	DIRECTOR
	Mr. U.N. BOSE	DIRECTOR
	Mr. B.N. BANKAPUR	DIRECTOR UPTO 31.08.2011
	Dr. AVINASH CHANDRA	DIRECTOR
	Mr. ADIT JAIN	DIRECTOR
	Dr. (Prof.) KDP NIGAM	DIRECTOR
	Mr. SUDERSHAN GUPTA	DIRECTOR (CEIL)
	Mr. C.B. SINGH	DIRECTOR (CEIL) (GOVT. NOMINEE)
	Mr. AJAY DESHPANDE	DIRECTOR (CEIL)
	Mr. MVK KUMAR	CEO, CEIL
	Dr. SAMAD BIN SOLBAI	DIRECTOR EILAP
	Mr. TAN HOR SENG	DIRECTOR EILAP
	Mr. G.K. GHULIANI	DIRECTOR, TEIL PROJECTS LTD., JOINT VENTURE COMPANY (EIL'S NOMINEE) UPTO 31.10.2011
	Mr. S.K. TIKKU	DIRECTOR, TEIL PROJECTS LTD., JOINT VENTURE COMPANY (EIL'S NOMINEE) W.E.F. 01.11.2011

**(B) RELATED PARTY TRANSACTIONS:**

(₹ IN LAKHS)

PARTICULARS	ASSOCIATION OF PERSON	Joint Venture Company	KEY MANAGEMENT PERSONNEL	TOTAL
Dividend / Share of profit	37.37 (0.00)			37.37 (0.00)
Outstanding receivables		2.73 (6.59)		2.73 (6.59)
Deputation of employees & reimbursement of expenses at cost		29.87 (24.64)		29.87 (24.64)
Services & facilities received		128.92 (6.50)		128.92 (6.50)
Outstanding Payable		1.94 (0.00)		1.94 (0.00)
Remuneration/ Sitting fees*			292.07 (322.58)	292.07 (322.58)
Rent paid for residential accommodation			25.39 (25.46)	25.39 (25.46)
Interest Income on loans given			0.24 (0.40)	0.24 (0.40)
Outstanding Loans, Interest & other receivables			8.45 (13.04)	8.45 (13.04)

(*) 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.

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

In terms of Accounting Standard-20 "Earning per Share", the requisite disclosures are as under:

	Calculation of E.P.S.	2011-12	2010-11
A	Net Profit for the year attributable to Equity Shareholders (₹ in Lakhs)	64386.64	53128.91
B	Weighted average number of Equity shares	336936600	336936600
C	Basic & Diluted Earning per share (A)/(B)	₹ 19.11	₹ 15.77
D	Nominal value per share	₹ 5	₹ 5

2.32. 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).

2.33. Pursuant to notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's figures are reclassified to make it comparable with the current year's classification. Further, Previous year's figures have been re-casted and/or regrouped wherever necessary to make them comparable with the current year's figures. Figures shown within brackets in Notes represent previous year's figures.

(RAJAN KAPUR)
Company Secretary
PAN: AAIPK0926B

(SUDERSHAN GUPTA)
Executive Director (F&A)
PAN: AAGPG5991E

(RAM SINGH)
Director (Finance)
DIN: 02942267

(A.K. PURWAHA)
Chairman & Managing Director
DIN: 00165092

As per our report of even date attached
for M VERMA & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHENDER GANDHI)
PARTNER

Membership No. 088396
Firm Registration No. 501433C

Place: New Delhi
Date: May 28, 2012

ATTENDANCE SLIP



ENGINEERS INDIA LIMITED

Regd. Office: Engineers India Bhavan, 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 47th Annual General Meeting of the Company held on Thursday, the 30th day of August 2012 at 10.00 a.m. at Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi -110010.

.....
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: Engineers India Bhavan, 1, Bhikaiji Cama Place, New Delhi - 110 066

I / We ofbeing a member / members of Engineers India Limited hereby appoint ofor failing himof as my / our proxy to attend and vote for me / us and on my / our behalf at the 47th Annual General Meeting of the Company to be held on Thursday, the 30th August, 2012 and any adjournment thereof.

Affix
Revenue
Stamp of
₹ 1/-

Signature

Folio No. :

DP Id* :

Client Id* :

No. of Shares held :

Signed this day of2012

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.**



ENGINEERS INDIA LIMITED

Regd. Office: Engineers India Bhavan, 1, Bhikaiji Cama Place, New Delhi – 110 066

APPEAL TO MEMBERS

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 allowing service of documents to shareholders through electronic mode by the Companies. In support of this, your Company had sent a letter dated July 4, 2011 (also posted on the website of the Company) to all the members. An appeal was also made to the Members in this regard in the Annual Report of the Company for the financial year 2010-11.

We solicit your valuable cooperation and support in our endeavour to contribute our bit to the environment and it is earnestly requested again that the Members who have yet not registered their e-mail ids may notify the same to the Company either at the registered office or to the concerned depository at the earliest by filling up the Registration Form given below.

This is also a golden opportunity for every shareholder of Engineers India Limited to contribute towards a Greener Environment by consenting to receive communications in electronic form.

For Engineers India Limited

Place: New Delhi

Date: July 16, 2012

(Rajan Kapur)
Company Secretary



ENGINEERS INDIA LIMITED

Regd. Office: Engineers India Bhavan, 1, Bhikaiji Cama Place, New Delhi – 110 066

REGISTRATION FORM

(In terms of Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

To
The Company Secretary
Engineers India Limited
E.I. Bhavan, 1, Bhikaiji Cama Place
New Delhi – 110 066

Registered Folio No./DP ID& Client ID : _____

Name of Sole/First Registered Share Holder : _____

Registered Address : _____

Declaration: [Select whichever is applicable by ticking (✓) in the circle/box]

- ☐ I/we shareholder(s) of Engineers India Limited hereby agree to receive all communications through electronic mode.
If the above is selected, please inform the following:-

☐ I/we would like to register the E-mail ID with the Company.
E-mail ID: _____

☐ I/we would like to register/have registered the E-mail ID with the Depository. If yes, the Company shall use the data provided by NSDL/CDSL.

- ☐ I/we shareholder(s) of Engineers India Limited hereby agree to receive all communications through physical mode.

Place:

Date:

Signature (Sole/First Holder)

Notes:

- 1) The Form is also available on the website of the Company www.engineersindia.com
- 2) On registration to receive communication through electronic mode, all the communication will be sent to the registered E-mail ID.
- 3) Shareholders are requested to keep the Company informed as and when there is any change in the e-mail address. Unless the E-mail ID once registered is changed by you by sending another communication in writing to the Company, the Company will continue to send the communications to you on your registered E-mail ID.

Let's Go Green for a Better Tomorrow



Delivering Excellence through People

Registered & Head Office:

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E-mail : eil.mktg@eil.co.in Website : www.engineersindia.com

Branch Office:

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इंजीनियर्स
इंडिया लिमिटेड



ENGINEERS
INDIA LIMITED

Delivering Excellence through People