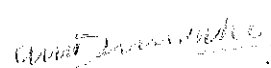
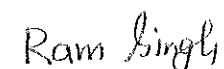
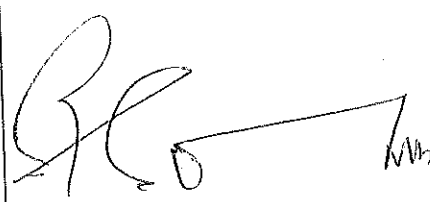



Regd. Office: Engineers India Bhawan
1, Bhikaiji Cama Place, New Delhi – 110066
CIN : L74899DL1965GOI004352

COMPANY SECRETARIAT
कम्पनी सचिवालय

FORM A

Format of covering letter of the annual report to be filed with the Stock Exchange

1.	Name of the Company	Engineers India Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none"> A. K. Purwaha Chairman & Managing Director Ram Singh Director (Finance) M/s M. Verma & Associates Statutory Auditors Adit Jain Chairman of Audit Committee 	   

Date: 1.08.2014
Place: New Delhi

Phone / दूरभाष : 26100258
26762188

फैक्स/ Fax: 26191690
ईमेल/ e-mail: company.secretary@eii.co.in
वेबसाइट/website : http://www.engineersindia.com





A Navratna Company

Rising Beyond Expectations Shining Beyond Boundaries

49TH ANNUAL REPORT 2013-14



VISION

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

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 organization.
- Passion in pursuit of excellence.
- Quality as a way of life.
- Collaboration in synergy through cross-functional Team efforts.
- Sense of ownership in what we do.

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.

FORWARD

As Engineers India celebrates the Golden Jubilee Year, nostalgia takes us back to the momentous journey of spectacular growth. We are proud to have covered this distance and in the process emerge as the leading 'Total Solutions' engineering consultancy and EPC company in this part of the world.

The initial years were a challenge, as the confidence reposed in a new Indian entity was very low and on the other hand the Company had to compete with competitors from across the globe who were many times bigger and possessed diversified technology portfolio. The strong determination of the management group of that time and the support from the Government laid the foundation for the Company to blossom into a full-fledged engineering organization. Having started this journey with almost no on-ground infrastructural facilities and work sites completely marooned from their daily lives, the early founding members of EIL set-out on arduous assignments, undeterred by the physically demanding conditions and challenging circumstances. That was the time when national interest in refineries was increasing and EIL quickly positioned itself as the only company equipped in place to carry out detailed engineering based on foreign technology. The early steps taken by its indomitable workers reinforced the mandate of the Company: ***a strong, energy sufficient India built for and by Indians.***

During the course of this journey, EIL has played a significant role in the growth story of hydrocarbon, petrochemical and non-ferrous metallurgy sectors in India. It has its footprints in 19 of the 22 operating refineries in the country with combined refining capacity of more than 150 MMTPA and also involved in the establishment of 7 of the 8 mega petrochemical complexes in India. Partnering with ONGC, EIL was instrumental in developing the required E&P infrastructure for Bombay High and played a major role in developing Aluminium sector in the country by providing its services for all the major plants in the country. In the process, EIL has also been instrumental in indigenisation of more than 90 % in terms of technology and around 80% of indigenisation in the supply of process machinery/equipments.

This Golden Jubilee Year has also been pivotal for the Company with the successful execution of a Further Public Offer (FPO) in FY 2013-14 and also being accorded the **Navratna Status** by the Government of India. Both are a reflection of the Nation's trust in our capabilities and our promise of outstanding growth in tandem with the growth of India's energy sector.

As EIL moves ahead, it aims to become a world class organisation through forays into new high potential sectors and geographies, enhanced operational strength in current overseas locations, technology focus, strategic partnerships and effective leadership.

Engineers India Limited

A Total Solutions Consultancy Company providing services from Concept to Commissioning.

AT A GLANCE



- One of India's leading Engineering Consultancy and EPC companies in Hydrocarbons and Petrochemicals.
- Nearly five decades of experience on landmark projects with global energy majors.
- Significant track record across entire oil & gas value chain including 10 green-field refineries, 39 oil & gas processing plants, 40 offshore process platforms, 42 pipelines and 7 petrochemical complexes.
- Focused diversification into other sectors:
 - ✦ Fertilizer and LNG
 - ✦ Non-ferrous metallurgy
 - ✦ Infrastructure
 - ✦ Strategic crude oil storage
 - ✦ Nuclear and solar energy
 - ✦ E&P
- Over 2968 highly experienced professionals and technical workforce.
- In-house and collaborative R&D support with 16 registered patents.
- Expanding overseas presence in MENA and South East Asia.
- Zero debt firm with track record of healthy earnings and consistent dividend payout.

TABLE OF CONTENTS

1. Chairman's Statement	4-5
2. Board of Directors	6-10
3. Corporate Information	11
4. Ten Years' Performance at a Glance	12
5. Notice – 49 th Annual General Meeting (AGM)	13-18
6. Directors' Report	19-38
7. Report on Sustainable Development-Annexure to Directors' Report	39-44
8. Management Discussion & Analysis Report-Annexure to Directors' Report	45-49
9. Report on Corporate Governance - Annexure to Directors' Report	50-63
10. Auditors' Report on Corporate Governance & Management's Reply on Comments of the Auditors	64-65
11. Particulars of Employees - Annexure to Directors' Report	66
12. Auditors' Report	67-69
13. Balance Sheet	70
14. Statement of Profit & Loss	71
15. Cash Flow Statement	72-73
16. Significant Accounting Policies and Notes to Accounts	74-103
17. Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies	104-105
18. CAG Comments on the Accounts of EIL	106
19. Annual Report of Certification Engineers International Ltd. for the financial year 2013-14	107-144
20. Annual Report of EIL Asia Pacific Sdn. Bhd. for the year 2013	145-155
21. Consolidated Accounts with Auditor's Report thereon	156-187
22. Attendance Slip & Proxy Form	189 & 191

Chairman's Statement



A.K. PURWAHA
Chairman & Managing Director

*D*ear Shareholders,

It gives me immense pleasure to report your company's performance for the 49th year of its service to the nation.

As EIL steps into its Golden Jubilee year, its robust corporate strategy steered by the corporate vision to build a world-class EPC and total solutions consultancy organization continues to inspire its workforce to deliver excellence and to create a business portfolio for long term sustainable growth.

The celebration of the Golden Jubilee year has been crowned by the momentous achievement of your company being conferred with the prestigious "Navratna" status by the Government of India. The upgraded status will provide your company with enhanced operational and financial autonomy to work in domestic and overseas markets.

This year your company successfully carried out a Further Public Offer (FPO) as part of the Government of India's decision to divest 10% of its stake in EIL. The FPO was oversubscribed by 2.83 times with overwhelming retail participation. Further, shares representing 1.03% of equity share capital of the Company from GoI shareholding were transferred to CPSE ETF.

During the financial year 2013-14, your company has registered a turnover of ₹1824 Crores. The revenue from consultancy & engineering business stood at ₹1109 Crores. Profit After Tax during the year was ₹480 Crores.

On the business front, your company secured new business of ₹1155 Crores in FY2013-14 which includes ₹1085 Crores from domestic consultancy and turnkey business and ₹70 Crores from overseas business. Major contribution in our order inflows continues to remain from Hydrocarbon and Petrochemical business.

The major consulting orders secured in the Refining sector include Coke Chamber Replacement and Allied Modernization in Coker at Barauni Refinery of IOCL, Licensor Selection & initial project activities for Rajasthan Refinery and Detailed Feasibility Report (DFR) for Numaligarh Refinery Expansion Project and for Gujarat Refinery Expansion Project of IOCL.

In the Oil & Gas segments, EIL was awarded Consultancy Services for Revamping of Unmanned Platform Phase-II for ONGC, Mumbai and engineering assignments from Cairn Energy including "Front End Engineering Design for Sulphate Removal" of Thumbli Saline Aquifer Water Project. EIL's efforts to further grow into LNG sector resulted in award of PMC services for Dahej Expansion Phase-IIIA for Petronet LNG Limited. The Company has also bagged PMC Services for Kochi-Coimbatore-Erode-Salem LPG Pipeline Project and Irugur-Devangonthi Pipeline Project from BPCL, Kochi.

In the Infrastructure field, EIL has been awarded Projects from Gujarat Housing Board for Project Management Services for their Housing Projects. In LSTK domain, EIL has been successful in securing the job for executing Coker Block of Resid Upgradation Project for CPCL, Chennai against stiff competition.

During the fiscal, your company's intense focus on augmenting its international business has met with considerable success. Your company has been successful in expanding its footprints in new territories of Indonesia, Turkey, Angola and Nigeria. Upcoming business opportunities for large scale projects are also envisaged in Algeria, Oman and Bahrain. In UAE, EIL was successful in signing long term General Engineering Services Agreement with the state owned company M/s GASCO. General Engineering Services Agreements with Equate of Kuwait and BAPCO of Bahrain were also extended for duration of 2 years during this fiscal. M/s Dangote has appointed your company as Project Management Consultant for their 20 MMTPA Refinery and 600,000 TPA Polypropylene plant in Nigeria. A contract of \$139 Million to this effect which was initiated during the fiscal 2013-14 was concluded in the current financial year 2014-15. This is the single largest consultancy order received by your company. While consolidating its footprints in these geographies, your company also looks forward to expanding its operations in other regions of African subcontinent, South East Asia and Latin America.

Your company's MOU performance was rated in "Very Good" category for the FY 2012-13.

During the last decade India has emerged as one of the key growth drivers of world economy. With growth dynamic shifting towards developing economies the share of our economy in primary energy consumption has also increased considerably over the years. With the consumer, investor and industry friendly policies expected from the new Government in all the sectors of economy, I am confident that the opportunities for EIL in strengthening its business portfolio in core hydrocarbon sector and expanding its services to other high growth sectors of economy will increase further.

During this fiscal your company progressed work on projects of strategic importance to India's energy sector. In the upstream segment your company is executing Offshore Platform projects for Gujarat State Petroleum Corporation (GSPC), Western Onshore Redevelopment Project for Mehsana, Ankleshwar and Ahmedabad Assets of ONGC among other jobs.

In the midstream segment your company is carrying out work on the Kochi-Coimbatore-Erode-Salem LPG Pipeline and Irugur-Devangonthi Pipeline Project for BPCL, Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline Project (MBBVPL) for GSPL India Transco Limited (GITL) and Dabhol-Bangalore gas pipeline project for GAIL (India) Ltd, among many other jobs.

In the downstream segment, key among them are 6 MMTPA Integrated Refinery Expansion Project (IREP) at Kochi of Bharat Petroleum Corporation Ltd (BPCL), Refinery expansion & up-gradation project for Mangalore Refinery and Petrochemicals Ltd (MRPL), 6 MMTPA capacity CDU-4 Project at Mumbai Refinery for BPCL.

Your company has also played a pivotal role in the petrochemical and metallurgy segment with ongoing execution of major jobs such as the Dahej Petrochemical Complex for ONGC Petro-additions Ltd (OPaL), Assam Gas Cracker Complex at Lepetkata for BCPL, Second phase expansion of Bauxite Mines, Alumina Refinery for NALCO, Bhubaneswar and the Mahan Aluminum Smelter project, Madhya Pradesh for HINDALCO among other jobs.

In fulfilling its mandate to upgrade the energy infrastructure, your company is executing various jobs such as the Dahej LNG Expansion (Phase IIIA) for Petronet LNG, development of Strategic Crude Oil Facilities in Rock Caverns for the Indian Strategic Petroleum Reserves Limited at Mangalore, Vishakhapatnam and Padur, development of port facilities for Ratnagiri Gas and Power Pvt Ltd among other jobs. Your company is also entering into an SPV with other Oil majors for setting up solar power projects in India.

The infrastructure business of your company has demonstrated steady progress with successfully executing work of Sardar Sarovar Narmada Nigam Limited (SSNNL), Tertiary Treatment Reverse Osmosis Plant at Chennai for CMWSSB, Interceptor Sewer Project for the abatement of pollution in River Yamuna for Delhi Jal Board (DJB) and Data Centre in Delhi and Bengaluru for Unique Identification Authority of India (UIDAI). Your company has also developed its new Office Complex in Gurgaon which will be an energy efficient Green Building with a GRIHA 4 Star Certification. With a total built up area of 5.38 lac sq.ft, this office complex is being designed as a Zero discharge site by promoting 100% rainwater recharge. Construction of new Office building at Navi Mumbai and Chennai is in progress.

The complex areas of EIL operation call upon a very high level of professional expertise and comprehension which has been carried out in EIL many times over with repeated perfection and a very high level of accuracy. The knowledge and professional expertise required to execute the intricate processes lies deeply embedded in your company's DNA with its exclusive class of engineers who have been instrumental in the growth of the company for last five decades.

Empowerment of executives is critical for improving the project performance on time and cost matrix. Executives have been further empowered to take decisions related to projects and its effective implementation which will have direct impact on schedule and profitability of the project.

In today's highly competitive business environment, continuous and ongoing innovation is the corner-stone of success for any organization. Your company has evolved to constantly upgrade its business processes and technology basket to meet market expectations. Your company's Research & Development Centre (R&D) in Gurgaon has been successful in the commercialization and application of various process technologies during the fiscal including development of high level oxygen enrichment process to enhance SRU capacity by 200%, development of generic mathematical model of fluidized bed gasifier, and development of high capacity trays for enhancing capacity of existing column and aiming at reduced down time incorporating innovative construction features among other innovations.

During the year the efforts of R&D were recognized by grant of three patents;

- Device for measurement of flow rate of overflash liquid in Crude Distillation Column
- An absorbent composition, a process for the preparation thereof and a process for removal of Hydrogen Sulphide impurities from gaseous feedstock and
- Fluid interface level measurement device

With this your company's patent portfolio has grown to 16 'live' patents and 13 pending patent applications relating to various process technologies.

Your company visualizes the complete project value chain and continuously identifies, develops and adopts the solutions that add value to the systems and processes. Your company over the years has been able to maintain its technological edge by continuous updation of its systems and processes and align them with global standards and best practices.

Continuous updation of IT systems to develop a state-of-the art networking infrastructure to enable real time data-sharing, Integrated On-line system for Structural Design and Engg. Activities, Environment Services System, Intelligent Design Basis for standardization of designs, Inclusion of supplier / contractor documentation in the eDMS system and pre-commissioning management system are some of the initiatives undertaken during the year to facilitate improved performance across the project value chain.

Today, no development process can afford to neglect the environmental consequences of economic activity, or allow unsustainable depletion and deterioration of natural resources. At a time of rapid urbanization, population growth and challenges due to possible climate change, your company has endeavored to adapt and rethink the energy efficiency, safety, resource conservation, bio-diversity preservation and waste control measures for its existing as well as upcoming future projects. To achieve this, your company gives particular attention to management of water resources, efficient use of materials, energy and environmental management during the project implementation phase.

Your company has modeled its business strategy to look beyond performances on financial matrices and focus on other tangibles like value addition in terms of improved efficiency, Environmental Protection, Community Development, Corporate Social Responsibility etc.

Your company takes its Corporate Social Responsibility (CSR) very seriously. We firmly believe that CSR is not just obeying the law or act of philanthropy. It is much beyond that. It implies serious business where organizations have to be seen as partners in their communities and not just as profit centers. A number of CSR initiatives have been undertaken by your company in the areas of woman empowerment, health care, upliftment of underprivileged, provision of safe drinking water, community development etc.

For a knowledge-based enterprise such as EIL, recruiting and retaining the most capable and smart talent is one of our key strategic challenges. Your company's endeavor is to maintain a highly motivated workforce. Initiatives were taken through employee engagement survey to understand the talent demands of the changing business environment and expectations/aspirations of the employees. The year gone by has witnessed many positive changes that have reinforced the positioning of the HR function as a strategic partner in business. The focus during the year has also been strengthening of the HR systems by building in greater transparency and authenticity and facilitating in creation of an environment of trust and collaboration through various policies and initiatives. The foundation for this was laid through restructuring of the HR Directorate which has resulted in greater ease of functioning, enhanced customer service and enabling higher responsiveness to our employees.

This year also saw the company being bestowed with number of prestigious awards, prominent being Golden Peacock Award for Sustainability for the year 2013 instituted by Institute of Directors (IOD), Golden Peacock Award for Corporate Social Responsibility for the year 2013, 12th ICSI National Award-2012 for Excellence in Corporate Governance, ICC PSE Excellence Award-2013 for R&D, Technology Development & Innovation, Petrofed Award-2012 for Innovator of the Year Team among many others. While our efforts are self-less and authentic in spirit, these recognitions from external boards of eminent judges confirms that our progress is in the right direction.

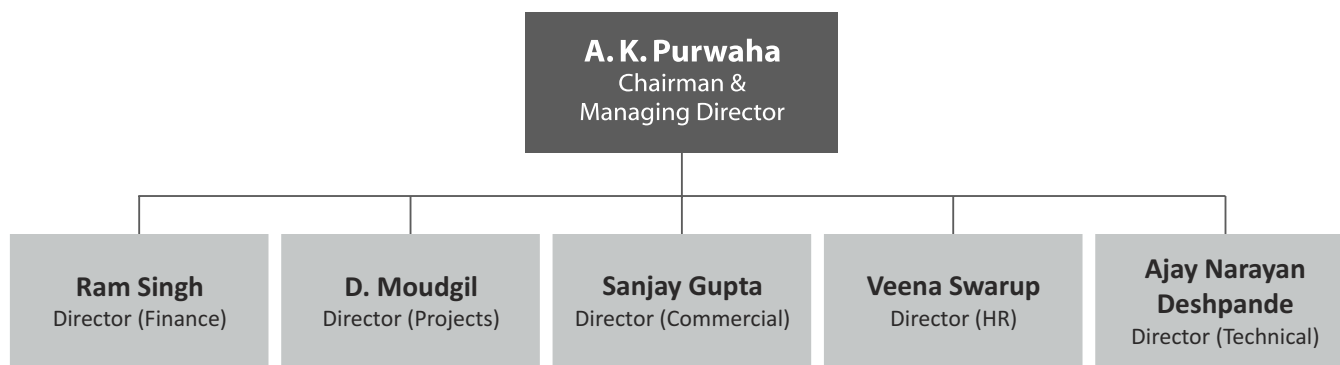
The Company remains committed to good corporate governance and ethical practices as per our listing agreement and Government guidelines.

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

A.K. Purwaha



Board of Directors



Non-Executive Directors

Dr. Archana S. Mathur Director (Govt. Nominee)	Adit Jain Non-official Independent Director	Bijoy Chatterjee Non-official Independent Director
Dr. R.K. Shevgaonkar Non-official Independent Director	Dr. J.P. Gupta Non-official Independent Director	Dr. V. Vizia Saradhi Non-official Independent Director (w.e.f. 13.11.2013)
D.R. Meena Non-official Independent Director (w.e.f. 13.11.2013)		
R.N. Choubey Director (Govt. Nominee) (from 10.04.2013 to 5.12.2013)	Dr. (Prof.) K.D.P. Nigam Non-official Independent Director (till 8.07.2013)	Dr. Christy Fernandez Non-official Independent Director (from 26.09.2013 to 27.02.2014)

Company Secretary
Rajan Kapur

Brief Profiles of the Directors

Functional Directors



Mr. A.K. Purwaha is the Chairman & Managing Director of our Company since October 1, 2009 and is responsible for the management of the Company. He has a Bachelor's Degree in Electrical Engineering from Delhi College of Engineering, Delhi University. Mr Purwaha has around 38 years of experience in the hydrocarbon sector. He has served Oil & Natural Gas Corporation Limited for more than eight years and GAIL (India) Ltd. for more than 24 years. He has worked on various projects, including cross country pipelines for gas distribution, gas processing and petrochemical plants, operation and maintenance of gas pipeline systems and was on Board of GAIL (India) Ltd. as Director (Business Development) for 3 years. Further he had also led Mahanagar Gas Limited (a joint venture of GAIL (India) Ltd., BG Group, (U.K.) and the Government of Maharashtra), as its Managing Director for five years.



Mr. Ram Singh is the Director (Finance) of our Company. He has been on the Board since January 28, 2010. He has a Bachelor's Degree in Commerce from Delhi University and is an associate member of the Institute of Cost Accountants of India. He has 33 years of experience in finance and cost accounting in the steel and hydrocarbon sector. His experience includes positions held with the Steel Authority of India Limited, Bharat Petroleum Corporation Limited, Oil Co-ordination Committee and Petroleum Planning and Analysis Cell of the Ministry of Petroleum and Natural Gas. He is currently responsible for the financial management of our Company. He has been associated with various government appointed committees, including Expert Technical Group, Advisory Committee on Synergy in Energy and Committee on Pricing and Taxation of Petroleum Products and the High Powered Committee. Mr. Ram Singh has been conferred with Business Today Best CFO of a PSU (Mid size) Award-2013 and India CFO Award for Excellence in Risk Management by IMA India.



Mr. Deepak Moudgil is the Director (Projects) of our Company. He has a Bachelor's Degree in Civil Engineering from Punjab University. He has been associated with EIL for over 38 years. During his professional carrier with EIL, he has gained extensive experience holding different positions in various departments of EIL, including construction, administration, marketing and projects. He has successfully led EIL's diversification into infrastructure sector.



Mr. Sanjay Gupta is the Director (Commercial) of our Company. He is a B.E. from IIT, Roorkee and has about 33 years of experience in implementation of mega grassroots and brownfield projects in Refineries and Petrochemicals. He was also entrusted with the task of leading the implementation of the first ever OBE Project and pioneered the same in the Hydrocarbon sector in India. Several projects on this mode have been implemented by the Company, thereafter. He is primarily responsible for all the commercial functions of the company including, Estimation, Contracting, Inspection and Business Development. He has been additionally entrusted with the task of the largest ever overseas assignment of the Grassroots Refinery cum Petrochemical Complex of the Dangote Group in Nigeria. Over and above is responsible in evolving the Strategy Plan and suo-moto studies to initiate projects towards optimization/Energy Improvement in existing facilities in India and abroad.



Ms. Veena Swarup is the Director (HR) of our Company. She holds a Master's Degree in Business Administration from Lucknow University. She has three decades of experience in the field of human resource in the petroleum and natural gas sector. Prior to joining EIL, Ms. Swarup was with ONGC since 1983, where she headed the Performance Management and Benchmarking Group, which steers the performance contracts and service level agreements between board level and unit chiefs. Her other assignments included setting up the ONGC Energy Center, Head HR at various units of ONGC, policy making and negotiations with collectives. She also headed the SAP-HR Project for ONGC. She was deputed to MRPL as a change agent to initiate aligning the Company to public sector requirements. She has also had a stint with the Directorate General of Hydrocarbons as the Head of Corporate Affairs and Human Resources. She has been associated with several prestigious committees of DPE & SCOPE to review various policies with reference to Public Sectors. As Director (HR), EIL she is credited for bringing a transformational change in the functioning of HR in EIL and undertaking a number of HR initiatives.



Mr. Ajay Narayan Deshpande is the Director (Technical) of our Company. He has a Bachelor's Degree in Chemical Engineering from Nagpur University and a Master's Degree in Systems & Management from the Indian Institute of Technology, Delhi, securing the first rank in both the programs. He has worked in various capacities of our Company over the past 33 years, including oil and gas, refinery and petrochemicals sector, covering the functions of process design/development, research and development, plant operations and safety, heat & mass transfer, environmental engineering, specialist materials and maintenance services and information technology in the Technology Division. He has exposure of working in Projects Division also. He has been responsible for the business growth and technology initiatives of the Company and was also responsible for meeting the company's targets on R&D and sustainable development. He has co-authored six patent applications on behalf of the Company. He has served as Director on the Board of CEIL for two years. As Director (Technical) he is now responsible for all Technology and Engineering Divisions within the Company.

Government Nominee Director



Dr. Archana S. Mathur is a Government nominee Director of our Company. She has a Master's Degree in Economics from the Delhi School of Economics, Delhi University and Ph.D. in the field of International Trade from the Jawaharlal Nehru University, New Delhi. She joined the Indian Economic Service in 1982. Over the course of 30 years in the service, Dr. Mathur has served in various economic ministries of the Government of India. She has a number of academic papers in prestigious journals and books to her credit.

Non-official Independent Directors



Mr. Adit Jain is the Chairman and Editorial Director of IMA India (www.ima-india.com), a business information company he established in 1994. Previously, he worked with Lazard India, an investment bank, as Vice President & Head, Corporate Advisory Services, and was responsible for the Mergers and Acquisitions business. He has advised several corporations towards the development of their India strategy. He has deposed, as an expert witness, at commercial litigations in the United States and in Parliamentary proceedings in India and Australia. He provides briefings to Boards of international corporations in the US, Europe and Asia and is a frequent speaker at emerging market seminars. He has over the years authored over a thousand articles and papers in the domain of politics, international affairs, foreign policy, defence, the environment and business practices. He is Editor of IMA's Quarterly Country Report and CFO Connect a monthly magazine for the Finance Function and the firms's principal economic commentator. His writings frequently focus on the economic role of governments.

Between 1984 and 1991, he worked in the United Kingdom with Wild Barnsley Engineering as Contracts Engineer and Stag Holdings Plc as Strategy Director. He started his career in India in 1982 with McNally Bharat Engineering Company as a Contracts Engineer. He has a bachelor's degree in mechanical engineering from the Birla Institute of Technology, Mesra, India and a master's degree in business administration from the Henley Business School, UK. In 2009, he was elected a Fellow of the Royal Geographical Society in recognition of his interests in conservation.



Mr. Bijoy Chatterjee has a Master's Degree in Physics and Master's Degree in National Development and Project Planning. He has served as the Secretary/Additional Chief Secretary/Principal Secretary of several government departments, including 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 handled work relating to several Ministries/Departments in the Government of India. He has served as the Managing Director of the West Bengal Power Development Corporation Ltd. and Chairman of West Bengal Tourism Development Corporation Ltd.



Dr. R.K. Shevgaonkar holds a Doctorate in Electrical Engineering from the Indian Institute of Technology, Bombay. After completing his post doctoral fellowship at the University of Maryland, USA, he has served in various positions at the Indian Institute of Technology, Bombay, including the Dean of Students' Affairs, Dean-Resource Mobilization, Head-Department of Electrical Engineering, Head-Centre for Distance Engineering Education Programme and as Deputy Director. He was the Vice Chancellor of University of Pune and is presently serving as the Director at the Indian Institute of Technology, Delhi. He has been a Visiting Professor at University of Lincoln, USA; ETH, Zurich, Switzerland, and ISEP Paris, France. He has been a researcher in the field of optical communication, image processing, antennas, microwaves, radio astronomy. He has published more than 150 papers in international journals and conferences, and two books. He has guided 18 doctorate students and more than 30 master in technology dissertations. 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 has received the Education Leadership Award 2012 from Headlines Today, New Delhi. He is also a recipient of VASVIK Award (2009) in the category of Information & Communication Technology, IETE Ram Lal Wadhwa Award (2013) and IEEE William E. Sayle Award for Achievement in Education (2014). He is Fellow of IEEE, Fellow of Indian National Academy of Engineering, Fellow of National Academy of Science, India, Fellow of Optical Society of India, Fellow of Institution of Electronics and Telecommunication Engineers, Fellow of Institution of Engineers, Fellow of Maharashtra Academy of Sciences 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.



Dr. J.P. Gupta has a Bachelor's Degree in Technology in Chemical Engineering from IIT, Kanpur, Master's Degree in Science in Chemical Engineering from the University of Michigan, USA and Doctorate in Chemical Engineering from University of Pennsylvania, USA. He joined the faculty of Chemical Engineering at the IIT, Kanpur in 1973. He has published/presented over 120 research papers and authored/edited three books. He is on the Editorial Boards of various international research journals. He has been awarded the Hutchinson Medal (jointly with David Edwards) by the Institution of Chemical Engineers (U.K.), the IPCL Safety Award by the Indian Institute of Chemical Engineers, the Trevor Kletz Merit Award by the Texas A&M University and the Distinguished Alumni Award by the University of Pennsylvania. He has also participated in various conferences and delivered seminars worldwide, including at the United Nations 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 for Gujarat Energy Research & Management Institute, Gandhinagar and helped set-up Pandit Deendayal Petroleum University, member for the Board of Governors and Finance Committee, Indian Institute of Technology, Kanpur. He has also been a consultant to Larsen & Toubro (Mumbai) and Joseph Oat Corp. (USA), in addition to being a diplomat (science & technology) Embassy of India, Washington DC and India's delegate to the United Nations. He is currently Director of Rajiv Gandhi Institute of Petroleum Technology, Rae Bareilly and ex-officio Member of its Board.



Dr. V. Vizia Saradhi is B.Sc. graduate, Post Graduate in Industrial Relations & Personnel Management from Andhra University and Ph.D. in Human Resources. He joined HPCL in December 1979 and worked there for around 33 years. He was holding the position of **Director (Human Resources)**. Prior to taking over as Director (HR), he was Executive Director (Industrial Relations). During his tenure in HPCL, he had a wide exposure in Petroleum Industry, Human Resources, Industrial Relations, Refineries, Marketing and Corporate Division. Under his HR Directorship, HPCL has been conferred with various National and International awards like "Continuous Innovation in HR Strategy at work" by Asia Pacific HRM Congress. He has been Individually honored with the prestigious awards like "Leading HR Leader Award" by the Singapore HR Institute in July 2009; "Indira Super Achievers Award" by Indira Group of Institutes in September 2009 and "Pride of HR Profession Award" by Asia Pacific HRM Congress in August 2009. He was Chairman/Member of various empowered committees of the Board in HPCL and also Chairman of the Avantika Gas Limited and Bhagyanagar Gas Limited, Joint Venture between HPCL and GAIL. Presently he is Sr. Advisor, University Petroleum Energy Studies.



Mr. D.R. Meena is B.Sc. graduate and LLb from Rajasthan University, Jaipur. He was enrolled as an Advocate with the Bar Council of Delhi on 18.11.1993. He joined legal service in the Ministry of Law and Justice (Department of Legal Affairs) in the year 1979 and thus have experience of about 32 years of working in different posts. He served as Union Law Secretary and in the capacity of Union Law Secretary he was monitoring the functioning of the Department of Legal Affairs, handling litigations for and on behalf of Union of India before the Hon'ble Supreme Court, High Courts, subordinate courts and various Tribunals, etc. He was also responsible for finalizing various Treaties, Agreements, Conventions, etc. with foreign countries. Functioned as Arbitrator and Appellate Authority under the Arbitration and Conciliation Act, 1996 and disposed of more than 200 cases. Also functioned as the Appellate Authority to decide Appeals against the Award published by the Permanent Machinery of Arbitration (PMA) and have decided about 100 cases. Acted as Part-time Member in FERA Board (now ATFE), Copy Right Board, IRDA Division Bench and Protection of Plant Varieties & Farmers Rights Authority as a nominee of the Law Ministry to decide appeals, CPIO and First Appellate Authority under the RTI Act, 2005, for the Department of Legal Affairs. Represented Government of India in various International seminars on Legal matters and discussions on mutual agreements, etc. and visited Japan, Nepal, London, China, Thailand, Switzerland, Russia, Austria and USA in this regard.



Corporate Information

► **COMPANY SECRETARY**
Rajan Kapur

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

► **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

► **REGISTERED & HEAD OFFICE**

Engineers India Bhawan,
1, Bhikaiji Cama Place,
New Delhi-110066
CIN: L74899DL1965GOI004352
Tel. : 011-26762121,
Fax : 011- 26178210, 26194715
E-mail : eil.mktg@eil.co.in,
Website : www.engineersindia.com

► **SUBSIDIARY COMPANIES**

Certification Engineers International Limited
Engineers India Bhawan,
1, Bhikaiji Cama Place,
New Delhi - 110 066
CIN: U74899DL1994GOI062371
Tel. : 011-26762121,
Fax : 011- 26174868, 26186245
E-mail : ceil.del@eil.co.in,
Website: www.certificationengineers.com

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

► **MAIN BANKERS**

State Bank of India Corporate Accounts Group,
11th Floor, Jawahar Vyapar
Bhawan, 1, Janpath,
New Delhi - 100 001

Indian Overseas Bank F-47, Malhotra Building,
Janpath,
New Delhi - 110 001

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

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



Ten Years' Performance at a Glance

(₹ in Lakhs)

	PARTICULARS/YEARS	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-13	2013-14
A	OPERATING STATISTICS										
	Turnover*	91,580.11	79,048.04	57,108.13	73,775.21	1,53,246.28	1,99,379.70	2,82,328.44	3,69,882.43	250,596.70	182,359.17
	Other Income	5,786.74	6,666.63	10,778.65	13,557.26	22,152.52	18,367.10	16,036.63	23,217.74	31,642.17	33,600.24
	Expenditure	80,073.64	65,551.08	47,450.86	57,702.15	1,23,351.90	1,51,619.05	2,19,339.16	3,01,432.07	192,717.42	145,879.53
	Prior Period Adjustments (Net)	627.63	185.67	(28.07)	242.27	0.13	79.96	577.45	191.57	427.75	277.07
	Profit before Tax	16,665.58	19,977.92	20,463.99	29,388.05	52,046.77	66,047.79	78,448.46	91,476.53	89,093.70	69,802.81
	Tax	6,989.22	8,025.57	8,647.19	10,904.48	19,385.10	24,972.04	29,608.15	31,707.33	28,446.97	21,276.40
	Fringe Benefit Tax	-	255.00	275.00	270.20	286.67	-	-	-	-	-
	Deffered Tax (Assets)/Liability	(1,587.15)	(2,166.99)	(2,757.61)	(1,246.50)	(2,078.37)	(2,481.76)	(3,411.63)	(3,862.33)	(2,210.82)	550.06
	Profit after Tax	11,263.51	13,864.34	14,299.41	19,459.87	34,453.37	43,557.51	52,251.94	63,631.53	62,857.55	47,976.35
	Amount Transfer from General Reserve	-	-	-	-	-	56,156.10	-	-	-	-
	Dividend including Dividend Tax	4,811.75	5,122.57	6,183.11	7,205.74	12,124.72	69,620.58	19,510.55	23,438.99	23,507.42	25,554.95
	Retained Surplus	6,451.76	8,741.77	8,116.30	12,254.13	22,328.65	30,093.03	32,741.39	40,192.54	39,350.13	22,421.40
B	FINANCIAL POSITION										
	CAPITAL EMPLOYED	86292.27	95034.04	103150.34	115205.00	137533.65	111470.58	144211.97	184404.51	223754.64	246176.04
	NON CURRENT ASSETS										
	i) Fixed Assets**	4148.89	4001.49	3967.54	5035.89	6328.12	7189.38	7315.10	10469.07	18597.45	24966.27
	ii) Other Non current Assets***	18749.23	20014.84	22047.43	24312.64	27058.43	24224.52	28674.83	34724.74	39170.21	30041.36
	CURRENT ASSETS ***	139859.79	133432.97	143754.70	182309.81	265175.87	251937.62	310934.04	329212.37	326699.21	320034.01
	EQUITY & LIABILITIES										
	i) Share Capital	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	16846.84	16846.84	16846.84	16846.84
	ii) Reserve & Surplus	80676.65	89418.42	97534.72	109589.38	131918.03	105854.96	127365.13	167557.67	206907.80	229329.20
	NON CURRENT LIABILITIES ****	-	-	-	-	-	-	2101.85	2515.21	2,479.95	2,192.55
	CURRENT LIABILITIES ****	76465.64	62415.26	66619.33	96453.34	161028.77	171880.94	200610.15	187486.46	158232.28	126673.05
C	RATIOS										
	PBT / Turnover	18.20%	25.27%	35.83%	39.83%	33.96%	33.13%	27.79%	24.73%	35.55%	38.28%
	PAT/ Turnover	12.30%	17.54%	25.04%	26.38%	22.48%	21.85%	18.51%	17.20%	25.08%	26.31%
	PBT / Capital Employed	19.31%	21.02%	19.84%	25.51%	37.84%	59.25%	54.40%	49.61%	39.82%	28.35%
	PAT / Net Worth	13.05%	14.59%	13.86%	16.89%	25.05%	39.08%	36.23%	34.51%	28.09%	19.49%
	Turnover / Net Worth (number of times)	1.06	0.83	0.55	0.64	1.11	1.79	1.96	2.01	1.12	0.74
	Sundry Debts / Turnover (Month's Turnover)	4.23	3.40	4.21	2.87	2.35	1.91	1.31	1.00	1.59	2.26

Notes:

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

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

*** From Financial Year 2010-11, Assets have been reclassified 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)

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



Regd. Office: Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi – 110066
Tel:011-26762121, Fax:011-26178210, E-mail: eil.mktg@eil.co.in
Website: <http://www.engineersindia.com>
CIN: L74899DL1965GOI004352

Notice

NOTICE is hereby given that the 49th Annual General Meeting of the Members of Engineers India Limited will be held on Thursday, the 28th day of August, 2014 at 10.30 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, 2014 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To consider declaration of final dividend.
3. To appoint a director in place of Shri Ram Singh (DIN: 02942267), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Ms. Veena Swarup (DIN: 06388817), who retires by rotation and being eligible, offers herself for re-appointment.
5. To fix remuneration of Auditors for the financial year 2014-15 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 2014-15.”

By order of the Board

Place: New Delhi
Date : July 25, 2014

(Rajan Kapur)
Company Secretary

Notes

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint one or more proxy(ies) to attend and vote on a poll instead of himself and a proxy so appointed need not be a member of the Company. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
2. In accordance with the provisions of the Companies Act, 2013, Shri Adit Jain, Shri D.R. Meena and Dr. V. Vizia Saradhi who were appointed as Additional Directors after the date of last Annual General Meeting, shall vacate their offices at the ensuing Annual General Meeting.
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 Tuesday, 19th August, 2014 to Thursday, 28th August, 2014 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.
6. Dividend, if any, approved at the 49th 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 Monday, 18th August, 2014 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 Monday, 18th August, 2014.
7. Members holding shares in physical form are requested to notify immediately Change of Address, Bank Account etc., 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. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in Electronic/Demat form, the nomination form may be filed with the respective Depository Participant.
11. The balance lying in the unpaid dividend account of the Company in respect of final dividend declared on 17.09.2007 for the financial year 2006-2007 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 16.10.2014 (tentative date). Members who have not encashed their dividend warrants pertaining to the said year may approach to the Company or its Registrar & Share Transfer Agent for obtaining the payments thereof upon completion of necessary formalities in the said behalf before 30th September, 2014. The subsequent due dates of transfer of unpaid/unclaimed dividend to IEPF for the respective financial years have been provided in the Corporate Governance Report and also at Company's website. Therefore, the members who have not encashed their dividend so far for these years are also requested to write to the Company or its Registrar & Share Transfer Agent for claiming the unpaid dividend before their due dates of transfer to IEPF.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account/folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are

maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.

13. 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.
14. Pursuant to the requirements of Corporate Governance, a brief resume of the Directors proposed for reappointment is annexed with the Notice.
15. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website i.e. www.engineersindia.com.
16. Electronic copy of the Annual Report for the financial year 2013-2014 is being sent to all the Members whose e-mail ids are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their e-mail address, physical copy of the Annual Report for the financial year 2013-2014 is being sent in the permitted mode.
17. 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 also posted on the website of the Company at www.engineersindia.com. Further, the appeals were also made to the Members in this regard in the Annual Report of the Company for the financial year 2010-11, 2011-12 and 2012-13. Since the Company is committed towards Green Initiative, it is earnestly requested again in view of the circulars issued by Ministry of Corporate Affairs and the other statutory provisions, that the Members who have yet not registered/updated their e-mail ids may notify the same to the Company either at the registered office or at e-mail address eil.annualreport@eil.co.in quoting full details of Folio No./DP, Client ID and name of first/sole holder or to the concerned depository.
18. 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.

19. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and the provisions of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide members facility through M/s Karvy Computershare Pvt. Limited (KCPL) to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice of 49th Annual General Meeting. The cut-off date (record date) for this purpose is Friday, the 18th July 2014. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

1. A. In case a Member receives an email from M/s Karvy

Computershare Pvt. Limited (KCPL) [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. User ID and password being sent separately). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event Number for Engineers India Limited.
- (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding multiple Foliros / Demat accounts shall choose the voting process separately for each of the Foliros / Demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate / Institutional Members (i.e. other than



Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: eil.scrutinizer@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

- B. In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:
- (i) User ID and initial password as provided.
 - (ii) Please follow all steps from Sr.No.(i) to (xii) as mentioned in (A) above, to cast your vote.
2. The e-voting period commences on Friday, August 22, 2014 at 9:30 am (IST) and ends on Sunday, August 24, 2014 at 5:30 pm (IST). During this period the members of the company as on the cut-off date, being July 18, 2014 may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter.
3. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
5. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on

the cut-off date (i.e. the record date), being Friday, July 18, 2014.

6. The Board of Directors has appointed Shri Santosh Kumar Pradhan, Practicing Company Secretary as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
8. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
9. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.engineersindia.com) and on Karvy's website (<https://evoting.karvy.com>) within two (2) days of passing of the resolutions and would also be communicated to the BSE Limited and the National Stock Exchange of India Limited.

20. No Gifts shall be distributed in the Annual General Meeting or afterwards.

By order of the Board

Place: New Delhi
Date: July 25, 2014

(Rajan Kapur)
Company Secretary

Annexure to AGM Notice

Brief Resume of Directors, retiring by rotation and eligible for re-appointment vide Item Nos. 3 & 4 of Notice of 49th AGM:

Item No. 3

Name	:	Shri Ram Singh
Father's Name	:	Shri Santokh Singh
Designation	:	Director (Finance)
Official Address	:	Engineers India Limited, 1, Bhikaiji Cama Place, New Delhi – 110 066
Date of Birth	:	1 st May, 1957
Qualification	:	Bachelor's Degree in Commerce from Delhi University ACMA
Experience	:	He has 33 years of experience in finance and cost accounting in the steel and hydrocarbon sector. His experience includes positions held with the Steel Authority of India Limited, Bharat Petroleum Corporation Limited, Oil Co-ordination Committee and Petroleum Planning and Analysis Cell of the Ministry of Petroleum and Natural Gas. He is currently responsible for the financial management of our Company. He has been associated with various government appointed committees, including Expert Technical Group, Advisory Committee on Synergy in Energy and Committee on Pricing and Taxation of Petroleum Products and the High Powered Committee. Mr. Ram Singh has been conferred with Business Today Best CFO of a PSU (Mid size) Award-2013 and India CFO Award for Excellence in Risk Management by IMA India.
Other Directorships	:	EIL Asia Pacific Sdn. Bhd.
Other Committee Memberships	:	Nil
Shareholding in EIL	:	Nil
Relationship between Directors inter-se	:	None

Item No. 4

Name	:	Ms. Veena Swarup
Father's Name	:	Lt. Col. Shanti Swarup
Designation	:	Director (HR)
Official Address	:	Engineers India Limited 1, Bhikaiji Cama Place, New Delhi-110066



Date of Birth	:	7 th June, 1956
Qualifications	:	MBA, Lucknow University
Experience	:	<p>She has three decades of experience in the field of human resource in the petroleum and natural gas sector. Prior to joining EIL, Ms Swarup was with ONGC since 1983, where she headed the performance Management and Benchmarking Group, which steers the performance contracts and service level agreements between board level and unit chiefs. Her other assignments included setting up the ONGC Energy Center, Head HR at various units of ONGC, policy making and negotiations with collectives. She also headed the SAP-HR Project for ONGC. She was deputed to MRPL as a change agent to initiate aligning the Company to public sector requirements. She has also had a stint with the Directorate General of Hydrocarbons as the Head of Corporate Affairs and Human Resources. She has been associated with several prestigious committees of DPE & SCOPE to review various policies with reference to Public Sectors. As Director (HR), EIL she is credited for bringing a transformational change in the functioning of HR in EIL and undertaking a number of HR initiatives.</p>
Other Directorships	:	Nil
Other Committee Memberships	:	Nil
Shareholding in EIL	:	Nil
Relationship between Directors inter-se	:	None

Directors' Report

To
The Shareholders
Engineers India Limited

Ladies & Gentlemen,

Your Directors have great pleasure in presenting the 49th Annual Report together with audited accounts of the Company for the year ended March 31st, 2014 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

2013-14 in Retrospect

Your Company sustained its good performance during FY 2013-14. The salient features, as stated in the audited financial statement, are as follows:

Turnover	:	₹ 182359 lakhs
Profit Before Tax (PBT)	:	₹ 69803 lakhs
Profit After Tax (PAT)	:	₹ 47976 lakhs

Dividend

The Board of Directors of the Company has recommended for the financial year 2013-14, a final dividend of ₹ 3/- per share (of face value of ₹ 5/- per share) in addition to ₹ 3.50 per share interim dividend already paid during the year. With this, the total dividend for the financial year 2013-14 works out to ₹ 6.50 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

Your company's Investor Relations (IR) objective is to build long term relationship of trust with its stakeholders. Your company aims to achieve this by fulfilling responsibilities to shareholders through fair disclosure of information and bilateral communication.

EIL is responsive towards openly sharing information with shareholders, investors, financial analysts, press and other stakeholders. The IR team utilizes various communication channels and materials including presentations, press releases, financial fact sheets and website content for distributing relevant and timely information. Management is also actively organizing and participating in investor events, such as Annual General Meetings, Press Conferences, One-on-One meetings, Investor Road Shows and Analyst Conferences.

Your company aims to treat all stakeholders equally and maintain disclosure and transparency in sharing information on financial performance, business outlook and strategic developments.

Management Discussion & Analysis

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

Consultancy Assignments (Domestic)

Offshore Oil & Gas

During the year, EIL continued to make considerable progress in Offshore Oil & Gas and LNG sectors in India and overseas. Foray into Deep Water sector remained one of the key focus areas for the Company.

The following consultancy assignments were successfully completed in Offshore Oil & Gas during the year:

- Detailed feasibility report for Naval Science and Technological Laboratory (NSTL) for "Mainak" Naval System Ocean station.
- Pre-award activities for ONGC's Water Injection South (WIS) platform.

During the year, EIL secured the following orders against stiff competition. Implementation has taken off in right earnest.

- PMC services for expansion of Petronet LNG Limited's (PLL) Dahej LNG Terminal from 10 MMTPA to 15 MMTPA.
- Consultancy services for pre-award and post-award activities for Revamping of ONGC's 39 (nos.) well head platforms located in various fields.
- Consultancy services for post-award activities for ONGC's BPA-BPB revamp project.

Additionally, following Offshore Oil & Gas projects are currently under execution:

- PMC services for Well-head, Process-cum-Living Quarters Platforms and submarine pipelines of Deen Dayal Field Development Project of Gujarat State Petroleum Corporation Limited (GSPC) at Mallavaram, Andhra Pradesh. Pre-commissioning and commissioning activities for the project are in advanced stage of completion.
- Re-qualification and Re-certification of 50 (nos.) offshore jackets for ONGC is in advanced stage of completion.
- Front End Engineering Design (FEED) package for Marine Works, Storage Tanks and Re-gasification Terminal for PLL's 5 MMTPA Gangavaram LNG Terminal.

Consultancy services for FEED Package and LSTK tender for LNG Storage Tank of 200000 m³ capacity have been completed for Hazira capacity expansion project of Hazira LNG Private Limited (HLPL).

Onshore Oil & Gas

Following Onshore projects are under execution:

The Western Onshore Redevelopment Project (WORP) of ONGC is being executed by EIL on PMC basis. The Project entails revamp of onshore assets for 90 installations at Ahmedabad, Ankleshwar and Mehsana. All seven technical bid packages for the project have been prepared based on which EPC tendering activities have been initiated by ONGC.



EIL is providing PMC services for Cairn's Associated Facilities Project at Mangala Processing Terminal comprising Storage Tanks and Export system, Power Generation & Distribution system and integrated balance works. The project is in advanced stages of completion. Pre-commissioning & commissioning activities are under progress.

Pipelines

EIL leverages its strong credentials in designing and laying of cross country pipelines for transportation of crude oil, refined petroleum products, natural gas and LPG to explore business opportunities in India and abroad. The following pipeline projects have been successfully completed during the year:

- Two additional Compressor stations at Chainsa (Haryana) and Kailaras (Madhya Pradesh) on Vijaipur-Dadri Pipeline of GAIL.
- Capacity Augmentation of Kota - Piyala Section of Manglya -Bijwasan Multi Pipeline of BPCL.
- 30" x 2 km HDD at Narmada River for GAIL.

The Green buildings designed by EIL for Chainsa & Kailaras pumping stations have been awarded 4 star rating by GRIHA.

The following major pipeline projects are in progress:

- 12"/8"x 450 km Kochi-Coimbatore-Erode-Salem LPG Pipeline for BPCL.
- 16"x320 km Irugur-Devangonhi Product Pipeline for BPCL.
- 36"x860 km Mehsana-Bathinda Pipeline along with 24"/18"/16"/8"x 726 km Spur lines for GIGL.
- 36"/30"/24"x1428 km Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline along with 30"/24"/18" x 477 km Spurlines for GITL.
- 12"x 100 km Hazira-Dahej Naphtha Pipeline for ONGC.
- 10"x26 km LPG Onshore/Offshore Pipeline from BPCL/HPCL Mahul Refineries to Uran for BPCL.
- 18"/16"x275 km Natural Gas Pipeline from Vijaipur to Kota and Spur line to Chittorgarh for GAIL.
- Detailed Feasibility Report (DFR) for 1400 km Dhamra- Numaligarh Crude Oil Pipeline for Numaligarh Refinery Limited (NRL).
- Upgradation of pumping stations for Naharkatiya-Barauni Crude Oil Pipeline (NBPS) project of Oil India Ltd. (OIL).

EIL believes that its vast experience in executing Pipeline and Urban Infrastructure projects can be leveraged for entry into City Gas Distribution as an Owner/Operator.

Petroleum Refining

During the year, your company achieved significant progress on the following major petroleum refinery projects:

- As part of Phase-III Refinery Expansion Project, Mangalore Refinery & Petrochemicals Limited (MRPL) had planned to increase the crude processing capacity to 15 MMTA by adding CDU/VDU of 3 MMTA. The Project is being implemented on hybrid mode of PMC-LSTK, OBE and EPCM for various units. EIL is PMC for LSTK packages and EPCM consultant for Utilities/Offsites.

- EPCM services for the CDU-4 project being executed by Bharat Petroleum Corporation Limited (BPCL) in their Mahul Refinery, Mumbai. The new Crude and Vacuum Distillation Unit (CDU-4), designed for a capacity of 6 MMTA, shall replace the ageing CDU-1 and CDU-2. Engineering and procurement for the project are in advanced stage of completion and construction activities are progressing in full swing.
- The Integrated Refinery Expansion Project (IREP) of BPCL Kochi Refinery aims to increase refining capacity from the present 9.5 MMTA to 15.5 MMTA. The IREP comprises CDU/VDU, DHDT, VGO-HDT, FCCU, DCU, associated utilities including CPP, Offsite facilities and revamping of existing Naphtha Hydro-Desulphurization (NHDS) and Semi-Regenerative Reformer (SRR) units. Engineering and procurement activities for the project are in progress. Major construction contracts have been awarded and construction activities are in progress.
- A Tail Gas Treating Unit (TGTU), using indigenous technology developed by EIL R&D, is being installed in the existing sulphur recovery unit of HPCL Vizag Refinery to achieve a recovery of 99.9%. Major ordering for the project has been completed.
- PMC services for implementation of 366 MW Captive Power Project (CPP) of IOCL's 15 MMTA Paradip Refinery Project. Construction is nearing completion and commissioning activities are progressing in full swing in the project.
- Wax Project of NRL envisages production of paraffin wax and Semi-micro-crystalline wax utilizing inherent properties of Assam Crude. Engineering and ordering activities have been completed and construction activities are in progress.
- EPCM Services for New Coke Chamber and Allied Modernization Facilities of IOCL, Barauni were awarded to EIL during the year. Process Package is under preparation. Engineering and procurement activities have commenced.
- EPCM Services for INDAdaptG Unit of IOCL, Guwahati was awarded during the year. Process and detailed engineering activities are in progress.
- Delayed Coker Unit and LPG CFC Treating Unit package for Resid Upgradation project of CPCL.
- DHDS de-bottlenecking Project at BPCL's Mumbai Refinery was successfully commissioned during the year.

Petrochemicals

Significant progress has been made on the following petrochemical projects:

- Dahej Petrochemical Complex of ONGC Petro-additions Limited (OPAL) is being executed on PMC mode. The Project consists of 11,000 KTA Dual Feed Ethylene Cracker, HDPE, LLDPE/HDPE swing, PP units and associated Utilities and Offsites. The Dual Feed Cracker (1.1 MTPY ethylene), HDPE & Butene units have been mechanically completed and other process units are in advanced stage of completion. The 220 KV Switchyard and raw water transportation facilities have already been commissioned.
- Assam Gas Cracker Project of Brahmaputra Cracker and Polymer Limited (BCPL), a grass-root petrochemical project is being

executed by EIL on EPCM mode. The project comprises Gas Sweetening Unit, C2+ Separation Unit, Gas Dehydration Unit, Ethylene Cracker, LLDPE/HDPE, PP and supporting Utilities, Offsites and Pipelines. Mechanical, Electrical and Instrumentation works are in advanced stage of completion. Availability of petrochemicals from the project will boost the development of plastic industry in the North-Eastern region of the country.

- GAIL Petrochemical Complex-II Project consists of Gas Sweetening and Gas Processing units at Vijaipur and Gas Cracker, Gas Processing, LLDPE/HDPE Swing, Butene 1 Units at Pata. The Project is in advanced stage of mechanical completion. Butene-1 unit at Pata has been commissioned. GSU at Vijaipur and LLDPE/HDPE, GPU-II, Furnaces of GCU at Pata have been mechanically completed.
- The Butadiene Extraction Unit (BDEU) of IOCL's Panipat Naphtha Cracker Project (PNCP) was commissioned during the year. The Unit, with a capacity of 138,000 TPA, was executed on EPCM basis.

Strategic Storages

Recognizing the country's dependence on imported oil and gas resources, Government of India (GoI) is implementing the Strategic Crude Oil Storage Programme for bolstering India's energy security. The Strategic Storage programme envisages construction of crude oil storages in underground unlined rock caverns using the hydro-geological confinement technology.

Under Phase-I of Strategic Storage Program, EIL is providing Project Management Consultancy services to Indian Strategic Petroleum Reserves Ltd. (ISPRL) for construction of underground storages in Vishakhapatnam, Mangalore and Padur (Karnataka). During the year, significant progress has been achieved and construction is nearing completion at all the locations.

Metallurgy

The following key Metallurgy projects were completed during the year:

- Feasibility Report for Jhamarkotra Rock Phosphate Mine of Rajasthan State Mines & Minerals Limited (RSMML), Rajasthan.
- TEFR for Coal transportation options from Talabira II & III Mines to Aditya Aluminium Complex of Hindalco Industries Limited (HIL) at Lapanga, Odisha.
- Engineering Consultancy services for Boundary Wall & Storm Water Drainage System of Vedanta Aluminium Limited (VAL) at Jharsuguda, Odisha.
- Benchmarking study for Land, Power & Water for downstream industries in the proposed Aluminium Park of Odisha Industrial Infrastructure Development Corporation (IDCO) at Angul, Odisha.
- Fourth Stream Upgradation (from 0.525 MMTA to 0.7 MMTA) project of NALCO Alumina Refinery at Damanjodi.
- Engineering Consultancy services for Rectifier Replacement of Hirkud Smelter of HIL.

Infrastructure

In the Infrastructure sector, EIL is providing various services such as Project Management, Third Party Inspection (TPI), Quality Assurance, Independent Engineer & Lender's Engineer, Project Appraisal and project execution on 'Deposit Concept'.

Following major projects were secured by the Company in the Infrastructure sector during the year:

- Construction supervision services for housing projects in various cities of Gujarat for Gujarat Housing Board.
- PMC services for Central University of Punjab campus at Bhatinda.
- PMC Services for Das Temporary Accommodation EPC project for ADGAS at Das Island, Abu Dhabi.
- Audit and TPI services for construction of Integrated Check Posts for Land Ports Authority of India.
- PMC services for Ph-I extension work for NCR Biotech Science Cluster at Faridabad.

The following infrastructure projects were completed or are under advanced stage of completion during the year:

- Construction of Institutional & Examination buildings for Delhi University.
- Construction of EIL's green office complex at Gurgaon and regional office at Chennai.
- Construction of Data Centre Complexes for UIDAI at Manesar & Bengaluru.
- Construction of Biotech Science cluster campus at Faridabad.
- Build, populate and operate National Data Repository (NDR) for Director General of Hydrocarbons (DGH).

Fertilizers

EIL is leveraging its capabilities and global network to tap the significant business opportunities presented by the fast growing fertilizer sector. By virtue of consistent efforts, your company has achieved considerable successes in this sector and is undertaking detailed engineering assignment for Indogulf Fertilizer for their revamp project of Ammonia and Urea plant at Jagdishpur. Construction assistance was also provided for successful execution of revamp schemes.

Capitalizing on the availability of cheap feedstock at strategic overseas locations for new fertilizer projects, EIL has bagged major projects abroad against stiff international competition. Details of these projects are covered under 'Overseas Assignments'.

Water and Waste Management

EIL prepared FEED Packages for implementation of facility to remove Sulphate from the injection water at Cairn's Mangala Processing Facility at Barmer, Rajasthan. The facility is based on Nano Filtration followed by Reverse Osmosis technology.

Work on other assignments like Tertiary Treatment Reverse Osmosis Plant at Chennai for CMWSSB and Interceptor Sewer Project for the abatement of pollution in River Yamuna for Delhi Jal Board (DJB) is progressing well.

Power

The power sector continued to be a key growth area for EIL with the Company securing new business in Nuclear, Solar & Conventional Thermal Power projects.



- **Nuclear**

In Nuclear sector, EIL has been awarded a prestigious assignment by Nuclear Recycle Board, Bhabha Atomic Research Centre to seismically evaluate two clusters of buildings at Indira Gandhi Centre for Atomic Research (IGCAR), Kalpakkam and re-qualify them for safe operation. In this project, a number of state-of-the-art technologies pertaining to seismic qualification are being implemented by EIL for the first time which includes seismic assessment of structures based on pushover analysis and probabilistic assessment of the structures using fragility curves.

EIL completed the Basic Engineering including HAZOP studies for the Greenfield Nuclear Fuel Complex at Kota, Rajasthan during the year. With the project having received Environmental clearance from MoEF & financial sanctions from Government, Detailed Engineering is being expedited. This new complex will produce Natural Uranium Fuel bundles to cater to the fuelling requirements of new 700 MW Nuclear Power Plant being set up by Nuclear Power Corporation of India Limited (NPCIL).

The assignment from Heavy Water Board for carrying out Design Adequacy Re-Evaluation of Equipments, Structures and Piping systems of Heavy Water Plant, Manuguru has been completed by the Company.

Leveraging the Memorandum of Cooperation with NPCIL, EIL completed the assignments for Kudankulam Nuclear Power Project Units 3 & 4.

- **Conventional Thermal Power**

EIL is implementing a Captive Cogeneration Power Plant for the first time for IREP-Kochi. The project, being executed on EPCM mode, comprises 103.5 MW of power and 830 TPH of steam. During the year, the Company finalized the major orders for Gas Turbines, Utility Boilers and HRSGs while the remaining orders are under advanced stage of finalization.

BORL appointed EIL as PMC for 160 TPH Utility Boiler Package and substantial progress has been achieved on the same.

EIL prepared the DFR for setting up a high sulphur petroleum coke based Circulating Fluidized Bed Boiler technology Power Plant of 100 MW capacity for NRL.

- **Solar/Renewables**

Engineering assignment for 1 x 125 MW Solar Thermal Power project of Reliance is nearing completion. In addition, add-on task orders for Engineering consultancy services for civil/structural design, Design & 3D modeling of interconnecting piping systems, preparation of IBR data package, Engineering of earthing/ lightning protection for Solar Block and Inspection & construction supervision services have been completed.

Engineering consultancy services for preparation of Detailed Project Report (DPR) for the Pilot project for Conversion of Sewage Gas into Compressed Biogas have been rendered to Swedish Energy Agency.

EIL continued to consolidate its footprint in the solar energy sector by commissioning a 90 kWp state-of-the-art solar photovoltaic system at the Company's R&D complex in Gurgaon, Haryana. The 90

kWp grid-tie system is already operational and is interconnected to the existing electrical system in synchronization with the grid/ DG sets. Substantial saving in grid power consumption and reduction in diesel consumption has been achieved through this project. The solar PV system is designed to generate 126000 kWh per annum.

To further the green energy initiative and reinforce its credentials as an environment conscious corporate, solar PV systems have been installed at rooftops of three EIL owned buildings at Asiad Village, New Delhi. Your company is also entering into an SPV with other Oil majors for setting up solar power projects in India.

Overseas Assignments

EIL's global expansion plans were bolstered during the year with the securing of following assignments:

- Configuration Study for proposed Grass-root Refinery Project in Angola for M/s Sonangol.
- Advance FEED Studies for Kuzey Marmara Fixed Offshore Platforms & Pipelines and Offshore Engineering & Consultancy Services of M/s TPAO, Turkey.
- FEED for New Gas Injection, Gas Lift, Oil Facilities for 7 (nos.) well head platforms in Upper Zakum facilities of Zakum Development Company (ZADCO), Abu Dhabi.
- PMC services for world's largest single train Urea complex broadly consisting of 2300 MTPD Ammonia and 4000 MTPD Urea Unit along with associated Utilities and Offsite including Natural Gas Feed Pipeline (83 km long and 18" dia.) and Jetty facilities in Nigeria for M/s Indorama.
- PMC services for BCIC's Shahjalal Fertilizer project (1000 MTPD Ammonia and 1760 MTPD Urea unit along with associated Utilities and Offsite) at Fenchuganj in Bangladesh.
- PMC services for PAU's Ammonia complex consisting of 1900 MTPD Ammonia unit along with associated Utilities and Offsite including dispatch facility and Jetty at Luwuk in Indonesia.

The overseas projects completed during the year are as under:

- Design & Detailed Engineering Services contract with EPC contractor NPCC for Qusahwira Field Development (1.8 MMBOPD) project of ADCO, Abu Dhabi.
- FEED for New Gas Injection, Gas Lift, Oil Facilities for 7 (nos.) well head platforms in Upper Zakum facilities of Zakum Development Company (ZADCO), Abu Dhabi. The FEED documents and all related deliverables were delivered to ZADCO.

During the year, EIL achieved substantial progress in the following projects:

- Detailed Engineering & Procurement services for long lead items for Slops System Rehabilitation & Drains Upgrade at Umm Shaif Super Complex (USSC) of Abu Dhabi Marine Operating Company (ADMA-OPCO), Abu Dhabi.
- PMC services for Rehabilitation and Adaptation project of Skikda and Algiers Refineries of SONATRACH, Algeria. In both the Refineries, various processing units and associated utilities/offsites are being revamped and New Secondary Processing units are being added. As part of PMC contract, EIL has completed the Phase-I & II i.e. FEED and Technical evaluation of bids. Phase-III i.e.

implementation and commissioning has been completed for Skikda which involved revamp of 15MMTPA refinery with addition of new units and facilities. For Algiers refinery, major civil works have been completed and mechanical works have commenced.

- PMC Services for Das Temporary Accommodation EPC project for ADGAS at Das Island, Abu Dhabi.
- PMC Services for EPC Phase of Habshan Acid Gas Flare Recovery project of GASCO, Abu Dhabi.
- PMC services for Pipeline projects of GASCO, Abu Dhabi.
- Development of Process Package for Bitumen Plant project of WIKA at Buton Island, Indonesia.

EIL has also been awarded PMC services for 20 MMTPA Refinery and 600,000 TPA Polypropylene plant by M/s Dangote Oil Refining Company in Nigeria. A contract of \$139 Million to this effect which was initiated during the fiscal 2013-14 was concluded in the current financial year 2014-15. This is the single largest consultancy order received by your company.

Turnkey Projects

EIL is executing turnkey projects either on LSTK mode or on the 'Open Book Estimate (OBE)' basis. Substantial progress was made in the following LSTK/OBE jobs during the year:

- EIL secured the LSTK contract for Delayed Coker Unit and LPG CFC Treating Unit package for Resid Upgradation project of CPCL, Chennai against stiff competition. Detailed Engineering and ordering activities are in progress with orders being placed for all major long lead items such as Fractionator Column, Coke Bridge Crane, Feed Pumps, Coke Crusher etc. Piling works have been completed while civil/structural works at site are progressing well.
- Mangalore Refinery Expansion Phase-III project of MRPL consists of 4 nos. OBE convertible to LSTK jobs viz., PFCC, SRU Block, PP and SPM facilities. PFCC Unit is in advanced stage of commissioning. SRU Train-I has been commissioned and the PP unit is in advanced stage of mechanical completion. The SPM facilities for offloading of VLCC tankers up to 3,00,000 DWT capacity were successfully commissioned during the year.
- South Jetty Pipeline project for loading/unloading of petroleum products and crude oil for IOCL Paradip Refinery, being executed on OBE mode has progressed well during the year.
- GSPC, as a part of Deen Dayal Field Development Project, is implementing an Onshore Gas Terminal (OGT) facility at Mallavaram in Andhra Pradesh. 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. This year has witnessed significant progress with the erection of all equipment and completion of Piping, Electrical and Instrumentation works. Mechanical completion of Train-1 has been achieved. Major utilities have been commissioned and pre-commissioning and commissioning activities for the process units are in full swing.
- EIL is executing the Butene-1 Unit of PNCP on OBE basis. The 20,000 TPA capacity unit was mechanically completed ahead of contractual schedule. The unit has been successfully commissioned.

Performance of Divisions

Process Design & Development

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

- Residual and Detailed Engineering of Wax Production facilities of NRL.
- Residual and Detailed Engineering of a grass root Crude Distillation Unit (CDU-4) at BPCL's Mumbai Refinery for 6 MMPTA crude processing capacity.
- Detailed Engineering activities for IREP Project of BPCL Kochi Refinery for expansion from a crude processing capacity of 9.5 MMTPA to 15.5 MMTPA as well as value addition of streams and bottom upgradation facilities.
- Basic and Detailed engineering for setting up Bitumen facilities from Bituminous Rocks for WIKA, Indonesia.
- Detailed Engineering of the DCU unit of CPCL's Chennai Refinery as part of the EPC project activities.
- Detailed Engineering for INDAdapt⁶ unit of 35KTPA capacity being set up at IOCL's Guwahati Refinery with indigenous development in association with IOCL R&D.
- PMC services for BPA/BPB offshore facilities for ONGC.
- Capacity Expansion and configuration study for IOCL's Panipat Refinery for additional crude processing and value addition from 15 MMPTA to 20 MMTPA.
- Techno Economic Feasibility study for Ethylene Derivative Project at IOCL's Paradip Refinery to examine various possible options of monetizing the Ethylene from FCC off gases.
- Detailed Feasibility Report and pre-project activities for Licensor Selection for a state-of-the-art Refinery-cum-Petrochemical Complex at Barmer for HPCL. The refinery capacity is 9MMTPA, with maximization of Petrochemicals like Polypropylene and Polyethylene.
- Consultancy Service for Licensor Selection and Detailed Feasibility Study for Polybutadiene Rubber Project of GAIL & ONGC to be set up at Dahej, Gujarat. The project intends to utilize the 1-3 Butadiene produced from OPaL, Dahej and produce 110 KTPA Polybutadiene Rubber.
- Detailed Feasibility Report for production of Cumene/Phenol for GAIL by utilizing 50 KTPA Propylene produced at the company's Pata Complex.
- Configuration Study and Detailed Feasibility Study Report for HPCL's Mumbai Refinery for capacity expansion from 7.5MMPTA to about 9.5 MMPTA.
- Utilization of C4 streams from Panipat Naphtha Cracker Complex to produce MTBE, Butene 1, MMA and PMMA.
- Configuration Study and Capacity Expansion study for BPCL's Mumbai Refinery for enhancement of crude processing from 12 MMTPA to 14MMTPA.

- Detailed Feasibility Report for 6 MMTPA expansion of NRL for 100% Sour Crude Processing.
- Due diligence study for NOCL's Cuddalore Refinery for ONGC & IOCL.
- Detailed Feasibility Report for Capacity Expansion of IOCL's Gujarat Refinery from a crude processing capacity of 13.7 MMTPA to 18 MMTPA.
- Feasibility Study for Assessment of Land, Power and Water requirement for Coal to Liquid Projects for IPCOL, Odisha.
- Detailed Feasibility Study for Low Cost Expansion of BORL's Bina Refinery for additional crude processing capacity.
- Site activities related to process for enabling completion of the facilities at GAIL's Petrochemical Complex at Vijaipur & Pata sites, BCPL's Petrochemical sites at Duliajan and Lepetkata, GSPC's Kakinada facilities for Gas processing and MRPL's PFCC facilities.
- Techno Economic Study for Gulf Petrochem for setting up a Bitumen Refinery at Fujairah.
- FEED preparation for Revamp of Unmanned Platform Phase II for ONGC.
- Configuration study for setting up a Grass root Refinery in Angola for M/s Sonangol.
- Commissioning of Sulfur Recovery Unit of 185 TPD sulfur capacity as well as the 3 MMTPA Delayed Coker Unit for MRPL.
- Commissioning of Butene-1 unit of 20,000 TPA capacity at Pata for GAIL.
- Commissioning of Butadiene Extraction Unit at IOCL's Naphtha Cracker Complex.
- Commissioning of the revamp of Propane Deasphalting Unit of HPCL's Mumbai Refinery.

Engineering

The Engineering Division of EIL continued its efforts towards providing optimized and value added services for all ongoing projects consistent with the growth objectives of the Company. In continuous focus were the areas of System Improvement, Repeatability of Design, Enhanced 3D modeling applications and overall implementation of Electronic data management system and improved information exchange and communication systems. Major emphasis was laid on Automation and Standardization of systems, implementation of Internal Audit and Monitoring, updation of specifications standards and guides. In pursuit of its motto of continuous innovation, the Division implemented a number of new concepts & technologies for the first time which are mentioned as under:

- Engineering for procurement of major Packaged Equipment items in Russian design buildings for 2 x 1000 MW – Unit 3 & 4 of Kudankulam Nuclear Power Project of NPCIL.
- Development of mechanized material handling/automation schemes and layouts for Fuel Fabrication Facility (500 TPY capacity) for Pressurized Heavy Water Reactors being set up at Kota (Rajasthan) by Nuclear Fuel Complex.

- Conceptualization, design, engineering and execution of largest Product Ware House (of 88000 MT capacity) based on in-house experience, for OPaL, Dahej.
- Conceptualization, design, engineering and layout preparation involving non conventional concept carried out, based on client's Pilot model plant, for production of Bitumen from Buton Asphaltic Rock (BAR) for WIKA- Indonesia.
- Engineering for procurement of 3 x 2 MWe, 3 X 1.5 MWe and 5 x 1 MWe Crude Oil Engine based Generating sets for OIL for Naharkatia-Barauni Pipeline Project.
- Engineering for procurement of Mainline/Booster centrifugal pumps and reciprocating restart/rocking pumps for challenging crude oil having gelling tendency for Naharkatia-Barauni Pipeline Project.
- Preparation of Bid Package for Enhanced Oil Recovery (EOR) Project based on Polymer Flooding of oil wells including polymer solution preparation, transportation, injection facilities for M/s Cairn Energy.
- Engineering for procurement of Hot Gas Power Recovery Expander Generator of about 13 MWe rating, handling hot flue gases at around 760 °C for FCC Unit of IREP, BPCL Kochi Refinery, thereby recovering the energy of hot gases.
- Engineering for procurement of Hydraulic Power Recovery Turbines in BPCL IREP Project, based on the payback analysis.
- Development of Design Basis Reports for NFC-Kota Composite facility for PHWR Fuel Fabrication Facility & TPY Zircaloy Fabrication Facility at Rawatbhata, Rajasthan.
- Radiation Protection System for Nuclear Fuel Complex-Kota. Various monitoring techniques such as External Radiation Monitor (Survey Meters), Airborne Radioactivity Monitoring, Thermo Luminescent Dosimeters (TLDs), Uranium Lung Burden Estimation Machine, Bio Assay & Hand and foot monitors developed for the plant.
- Application of Wireless Technology for monitoring of various parameters for IREP (Kochi) and BORL Utility Boilers. Wireless Instruments considered for the Pump seal plan instruments, vibration/accelerometers and wireless transmitters for Utility Boiler/ETP plant.
- Application of Tunable diode laser absorption spectroscopy for O₂ measurement in CDU/VDU heaters at BPCL, Mumbai.
- In-house development of concepts of Modular Pipe Rack, Pre-cast and Prefabricated structure usage and repeatability of Modular Design.
- Rationalization study and development of optimized equipment layout for CDU-4 Project of BPCL taking into account stringent requirements of space and access for construction.

Heat and Mass Transfer

The Heat and Mass Transfer Division (HMTD) provided thermal/hydraulic mechanical designs for Fired Heaters, Cast /Glass Air Preheaters, Mass Transfer Systems (column trays/packing etc.), Waste Heat Recovery Equipments and Ejectors in addition to thermal design

of Heat Exchangers & Air Coolers for various projects including BPCL-IREP, BPCL CDU-4, CPCL-DCU etc.

Further, Utility Boilers and Heat Recovery Steam Generator (HRSG) related services were also offered for various on-going projects.

The Division undertook many jobs where various innovative/value added specialist services like feasibility studies, troubleshooting were provided. Some of the key achievements are as follows:

- **Desalter Development**

Considering the limited vendor availability and performance issues faced by the refinery clients, EIL in association with BPCL-R&D is in the process of in-house development of Desalter technology as a CHT sponsored initiative. A prototype facility for the purpose of refinery site testing and actual performance evaluation with the operating crudes currently being processed by BPCL has been conceptualized and the engineering activities for the same are underway.

- **INDAdept[®] Process**

INDAdept[®] process has been developed jointly by EIL & IOCL-R&D as a part of technology development activity. Initially proposed to be a demonstration unit, it has now been converted into a full-fledged refinery scale commercial unit. In this, the Desulphurization section basic & detailed design has been carried out by HMTD. The purpose of Desulphurization section is to reduce the SO_x content in the Reactor off gases so that same can be circulated back to the reactor-regenerator circuit.

- **Heater-Treater System**

Considering the performance related issues in the current design of Heater-Treater in ONGC's Western On-shore facilities due to increase in water cut in the well fluid, ONGC awarded a job to HMTD for developing the design of new Heater-Treater.

The intention is to develop a common Heater-Treater design with improved performance, which can be universally used at their various installations in Western On-shore facilities.

- **HMTD provided services to IOCL, Haldia for carrying out detailed study for the revamp of CDU-II and VDU-II heaters to achieve the targeted enhanced duty and improved performance. The study involved examination of various heater components and evaluation of the feasibility of replacement with existing constraints including interaction with the burner suppliers in order to meet the challenging shutdown requirements in a fast and reliable manner.**

The job also included the preparation of complete Basic Design and Engineering Package and Tender for Execution / Implementation of modifications.

- **Agreement with M/s Kamal Engineering renewed for another 5 years. HMTD provided design back-up services to licensee for various Cast / Glass Air preheaters with large magnitude of heat duty including CDU, VDU, VGO-HDT & DCU for BPCL IREP, CDU & VDU for BPCL CDU-4, DCU for CPCL etc. Further, HMTD has initiated development/up-gradation of APH design software with new design feature & flexibility for better optimization.**

- **As part of the DHDS Debottlenecking Project for BPCL Mumbai**

which had a tight schedule, HMTD carried out the study for DHDS Heater for increased duty & performance suggesting modifications, prepared all engineering documents and procurement specifications, conducted site check listing enabling the critical modifications to be completed within the limited shutdown period.

- HMTD provided services to IOCL Panipat for complete rebuilding of the OHCU vacuum furnace which had suffered extensive damage due to fire in 2012. The job included residual engineering, procurement of major components like burners, pressure parts, and tender for site work.

Project Services – Costing

Costing Division provides services such as preparation of capital cost estimates and financial / economic analysis in diverse activities ranging from technology selection to preparation of feasibility reports and option study estimates for investment decisions. It provides assistance during price negotiation, cost monitoring and control during execution of projects under conventional and LSTK mode of execution. It also prepares cost estimates for bidding as EPC contractor. The vast database and capabilities help in providing valuable support for bid evaluation and award of major contracts as well as in providing effective cost control services.

Project Services - Planning

Planning Division continued to provide critical planning services to various projects. Using state-of-the-art tools and its database, the division caters to diverse project execution roles of the Company viz. EPCM, PMC, LSTK/OBE.

Planning Division utilizes Primavera, PERT Master and various in-house software packages for project planning, scheduling, monitoring, project risk management and material control activities both at Head Office and various project sites. 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, Government of India.

Procurement Services

Procurement Services Division of EIL provides end-to-end Supply Chain Management services towards procurement of goods, services and works for projects executed by EIL for various clients globally as a consultant as well as a contractor, besides various in-house requirements. Procurement Services Division provides services which include registration and maintenance of a dynamic list of capable suppliers and construction contractors globally, handling contracting and purchasing function from issue of an enquiry to placement of an order, inspection, expediting and logistics services for deliveries up to construction sites.

The Division through its effective and efficient procurement processes & established procedures has been delivering the supplies, services and works of specified quality within the specified time at the most competitive prices in a fair, equitable & transparent manner, thereby aiding successful project execution by EIL.

Procurement Services Division's thrust on implementation of newer technologies has made all procurement functions and activities IT enabled- from the receipt of the requisition to order placement, Inspection, Dispatch and Transportation through its integrated in-



house EDMS applications linking all procurement functions across various geographical locations that has resulted in enhanced efficiency and effectiveness of procurement.

The Division has a vast expertise in global procurement through knowledge based manpower, procedures, guidelines and policies ably supported by an extensive data base with vast information on global suppliers and contractors from all over the world.

During the current year, orders for ₹ 700 crores of direct purchases and contracts were placed on suppliers / contractors globally for various OBE / LSTK/ Depository projects. In addition, orders for ₹ 9850 crores were placed for various other clients' projects.

EIL has implemented the Public Procurement Policy (PPP)-2012 for Micro and Small Enterprises. During the current year, EIL procured around ₹ 39.94 crores of goods from micro and small enterprises which is around 12.97% of the total value of direct purchase orders for goods placed by EIL (and around 4.64% of the total value of Purchase order for goods and contracts for works). EIL is committed to enhancing the procurement from MSE enterprises through generation of awareness and participation of capable MSE vendors in EIL procurement. Procurement Services Division has been instrumental in registration of MSE suppliers to enhance procurement as per PPP - 2012 and has been organising and participating in seminars to promote the MSME policy of Government of India. EIL also participated in the two-day event on National Vendor Development Programme-cum-Exhibition at MSME Development Institute, Okhla, Delhi to support development of MSE enterprises and generate awareness regarding policies and systems for vendor registration in EIL.

Procurement Services 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 in London, Shanghai and Milan. Major items inspected included High pressure CTL - Coal Gasification pilot plant developed and supplied indigenously by M/s Thermax, Pune for EIL R&D plant, Crude Column reflux drum (19.1 mtr x 6.1 mtr, 80 MT), Flare knock out Drum (15.7 mtr x 6.1 mtr, 63 MT), HP Air receivers (21.16 mtr x 6.4 mtr, 213 MT), Pre Flash Drum (36.01 mtr x 6.5 mtr, 148 MT) for BPCL Kochi Project among many other large sized equipment. It was for the first time ever that ODC packages of these sizes (in sections) were transported from Kochi port to site by road through busy city area with usual encumbrances viz., Electrical/Telephone lines etc.

Enlarging database for capable suppliers and contractors has always been the effort of the Division. Suppliers and Contractors located worldwide apply through online system available on 24 X 7 basis on EIL website. With an objective to make the system more transparent, effective and paperless, the process of enlistment of contractors, starting from application to final approval, has been made online. Similar efforts are under progress for suppliers' enlistment. New methodology to monitor supplier performance based on parameters like quality, deviations, site complaints, timely deliveries and resources available, has also been implemented in the system.

Construction

Construction Division continued to provide Construction Management Services for various clients at 39 diverse domestic project locations and 8 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.

Concurrent prestigious commitments for the Division include MRPL Phase-III, OPaL Petrochemicals at Dahej, BCPL Lepetkata, OGT- GSPC Kakinada, Wax project at Numaligarh for NRL, Integrated Refinery Expansion Project at Kochi for BPCL, CDU-4 project in Mumbai for BPCL, PMC services for Mangala Field Development project for Cairn Energy at Barmer, Petrochemical project of GAIL at Pata & Vijaipur etc.

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

- DCU project of CPCL, Chennai
- Naharkatiya – Barauni Crude Oil Pipeline (NBPS) project of OIL, Assam
- Utility Boiler project of BORL, Bina
- Implementation of Safety Measurement (ISM) project of OIL, Assam
- Condensate Handling project of GAIL, Gandhar

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

A notable achievement of the Division during the year was the Mechanical Completion of Butene-1 at Panipat ahead of schedule. Major units, offsite and utilities were completed for MRPL Phase-III project, OGT Project at Kakinada and Petrochemical Complex-II project at Pata and Vijaipur.

The Construction Division has introduced many innovative measures for improvisation of construction activities as mentioned below:

- Adopting new construction techniques such as Hanger type of scaffolding (Positive Isolation), grade segregation of pipe rack, use of Temporary Stairway (DOKAS), close proximity/Digital NDT, bolted structures - welding at shop and bolting at site, modular shuttering etc.
- Introduction of software for construction management.
- Making mandatory and proper constructability study for ease of execution.
- Revision of payment terms.

EIL attaches highest importance to HSE policy in execution of all its projects and achieved following accolades:

- 65 million LTA free man hours at Gas Cracker of Project of BCPL
- 14 million LTA free man hours at Strategic Storage Project of ISPRL, Padur
- 10 million LTA free man hours at IREP project of BPCL

Plant Operation and Safety

The Plant Operation and Safety Division (POSD) of EIL provided the following services during the year:

- Process design for Offsite Facilities of Refineries, Petrochemicals, Gas Processing Units, Oil Terminals, Onshore Terminals, Topsides of Strategic Storages (underground caverns), Cross Country Pipelines, LNG Terminals, etc.
- Safety related studies like Hazard 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:

- Feed package for Butadiene Mix Export Project, Equate Petrochemical Kuwait.
- Process Design for offsite facilities of Dangote Refinery, Nigeria.
- Process Package for LNG terminal at Gangavaram for Petronet LNG Limited.
- Process Package of additional LNG tankage for Shell Hazira Pvt. Ltd., Hazira.
- PMC services to Cairn Energy for Capacity Enhancement of Mangala Processing Terminal at Barmer.
- Process Design of offsites facilities for GAIL Petrochemical-II project at Pata & Vijaipur.
- Process Package for offsites facilities of IREP Project of BPCL, Kochi.
- PMC services for GASCO pipelines Yasmina, Arkaan, Fertil, Shuweit-III.
- Process Package for Mehana-Bhatinda Pipeline of GSPL India Gasnet Limited.
- Process Package for Revamp of Pump stations, terminal and other facilities of the Naharkatiya-Barauni Pipeline of OIL.
- Process Package for Dahbol-Bangalore Phase-II Pipeline of GAIL.
- PMC services for Topside facilities for Strategic Storage of Crude Oil at Padur, Mangalore & Vishakhapatnam for ISPRL.
- Process Package for design of Vapor Recovery System of IREP Project of BPCL, Kochi based on in house development capabilities.

The Division has successfully executed the following major pre-commissioning & commissioning assignments during the year:

- SRU Train-I of MRPL Ph-III project.
- DCU/CHTU/Utilities and Offsite facilities of MRPL Ph-III project.
- Butene-1 Plant of GAIL Petrochemical-II project at Pata.

- Butadiene Extraction unit & Offsite facilities of IOCL, Panipat.
- PDA Revamp of HPCL, Mumbai.
- SPM and associated onshore and offshore facilities at Mangalore.
- Dabhol-Bangalore Phase-I Pipeline of GAIL.
- Vijaipur-Boreri loop section of Vijaipur-Kota pipeline of GAIL.
- Chainsa & Kailaras Compressor stations of Vijaipur-Dadri pipeline of GAIL.
- LNG Terminal at Dabhol of Ratnagiri Gas and Power Private Limited.
- Rich and Lean Gas Pipeline of Brahmaputra Cracker & Polymer Ltd., Duliajan.
- Augmentation of Kota – Piyala section of Mumbai-Brijwasan Pipeline.
- Vijaipur-Kota Pipeline of GAIL.
- Butene-1 plant of IOCL, Panipat.

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

- SRU Train-II/III of MRPL Ph-III project.
- PFCC of MRPL Ph-III project.
- Gas Cracker Project of Brahmaputra Cracker & Polymer Ltd. at Lepetkata.
- Gas Dehydration Unit of Brahmaputra Cracker & Polymer Ltd. at Duliajan.
- Onshore Gas Terminal of Gujarat State Petroleum Corporation at Kakinada.
- GAIL Petrochemical-II project at Pata and Vijaipur.
- DDW1 & PLQP of Gas Terminal of Gujarat State Petroleum Corporation at Kakinada.
- EPC-1/2/3 of Mangala Processing Terminal for Cairn Energy.
- LNG Terminal of SONATRACH, Algeria.
- Acid Gas Recovery Project of GASCO, Abu Dhabi.

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;

- Indian Oil Corporation Limited, Haldia Refinery.
- Hindustan Petroleum Corporation Limited, Vizag Refinery.
- Bharat Petroleum Corporation Limited, Kochi Refinery.
- Indian Oil Corporation Limited, Mathura Refinery.

Rapid Risk Analysis (RRA) for;

- M11 project of Indian Oil Corporation Limited, Mathura Refinery.
- Storage tanks at Calico Plot of Hindustan Petroleum Corporation Limited, Mumbai Refinery.



HAZOP studies were done for;

- Various units of Indian Oil Corporation Limited, Mathura Refinery.
- Slop cut system for Hindustan Petroleum Corporation Limited, Vizag Refinery.
- Flue Gas Duct-II Integration for Hindustan Petroleum Corporation Limited, Vizag Refinery.
- CDU-4 project of Bharat Petroleum Corporation Limited, Mumbai Refinery.
- All the units, offsite & utilities for Integrated Refinery Expansion Project (IREP) of Bharat Petroleum Corporation Limited, Kochi.
- Revalidation study for BAPCO Refinery, Bahrain.
- Consultancy services for ICS Scenarios Risk Modeling for BAPCO Refinery, Bahrain.
- Preparation of Training Module for LPG safety, SO₂ Risk, FLEXA Incidents and COMAH Safety case study for BAPCO Refinery, Bahrain.
- Pre Start up Safety Review of Coal Gasification Plant for Jindal Steel and Power Limited.
- Safety Audit of DRI unit of Jindal Steel and Power Limited.

New business initiatives like O&M services to industry are in progress:

- Upkeep and Maintenance of DFCU & AU plant of OPaL, Dahej.
- Technical Services Assistance for Skikda Refinery of SONATRACH, Algeria.

Environmental Engineering

In India, the regulatory requirements in terms of Environmental protection are quite stringent. By any benchmark, India has an extensive environmental management system with a comprehensive set of environmental laws, specific statutory mandates, regulatory instruments, and institutional frameworks to implement and enforce environmental policy objectives.

In line with its commitment to environment protection, EIL saw the deployment of state-of-the-art technologies in the field of effluent recycle/reuse leading to Zero Liquid Discharge (ZLD) requirements, control of volatile organic compounds, hazardous and solid waste management, technologies for 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 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 EIL in this arena.

EIL has been accredited by Quality Council of India (QCI) for carrying out EIA studies and preparation of Environmental Management Plan (EMP) for new projects in hydrocarbon and related sectors. A comprehensive and detailed EIA study helps in accurately predicting & assessing the environmental & socio-economical impacts of the proposed new facilities. EIL also carries out Environment Health Risk Assessment study for its clients, which helps in tracing the impact of various pollutants on health of the people in the vicinity of the plant.

The Company has taken some major steps for the enhancement of biodiversity in its R&D Complex at Gurgaon spreading over 21 acres. An in-house study was undertaken to assess and improve the existing biodiversity through plantation development. Moreover, an additional plantation drive of 22,500 individuals was carried out adding 42 new species to the present plant diversity.

EIL is dedicated to preserving the long-term health, function, and viability of the natural environments. Some of the major achievements of Environment Division include the following:

- Accreditation by Quality Council of India (QCI) for carrying out EIA studies in 11 sectors (Mining of minerals - Open Cast; Thermal Power Plant; Metallurgical Industry - Non-ferrous; Petroleum Refining Industry; Chemical Fertilizers; Petrochemical Complexes; Oil & Gas Transport Pipelines; Airports; Treatment, Storage and Disposal facility (TSDF); Ports and Harbours; Township and Area Development Projects).
- Commissioning of effluents recycle plant for MRPL Phase-III Expansion to reclaim water from refinery liquid effluents.
- Implementation of water block packages including effluent recycle concept for IREP Project of BPCL's Kochi Refinery.
- Consultancy services to Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB) for tertiary treatment of secondary treated municipal sewage and reuse as industrial water supply.
- Awarded consultancy services by Kuwait National Petroleum Company (KNPC) for selection of technically most viable process for installation of new oily sludge handling facilities at their Mina Al-Ahmadi Refinery, Kuwait.
- Adopted Ultra Filtration Membrane based raw water treatment plant for OPaL's Dahej Petrochemical Complex minimizing project execution time & cost.
- Received environmental clearance from Ministry of Environment & Forests (MoEF) for BPCL Mumbai Refinery's new CDU/VDU projects and Catalytic Cracking Reformer project. Additionally, carried out EIA studies for Indian Navy's Project Sea Bird Phase-II facilities, Expansion of BOREL refinery by debottlenecking project, Expansion of Mathura refinery of IOCL, new Dimer unit and GT-IV projects for IOCL Mathura Refinery, etc.
- PMC services for Nuclear Fuel Complex at Kota including management of both active and non-active liquid & solid waste from the complex.
- Estimation of carbon foot print for EIL's head office, branch office, regional offices, regional procurement offices and major site offices using in-house developed software.
- Development of knowhow in control of Volatile Organic Compounds (VOCs) and offering services to IREP Project of BPCL's Kochi Refinery.
- Development of knowhow in conservation and enhancement of biodiversity and offering services to OGT Complex of GSPC at Kakinada.

Over a period of time, the ambit of environment activities in EIL has widened. Strict environment norms, growing awareness about environment among people have given an impetus to environment

friendly technology and solutions. Today, our clients are looking for answers to environmental problems being faced not only during design phase but also during operation of the plants.

Research & Development

EIL has endeavored to foster the spirit of innovation and creativity in the organization to continuously better the quality of its services to the clients by providing value addition and leveraging technological advances. Research and Development (R&D) Division has played a significant role in achieving this objective by contributing in the consolidation of existing capabilities, development of new technologies & hardware and enhancement of the portfolio for special technology related services. R&D Division is pursuing developmental activities, both in house and in collaboration with academic institutes, other R&D organizations like IOCL-R&D, IIP, BPCL (R&D), and cooperating with small companies to promote the creative ideas generated by them.

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

Initiatives for strengthening technology tie-ups

- Renewal of membership of Process Science Technology Center (PSTC), an industry-academia collaborative research program initiated by University of Texas, USA.
- Renewal of membership of Fractionation Research Incorporated (FRI), a non-profit cooperative research organization based at Oklahoma, USA.
- Renewal of membership of Process Integration Research Consortium (PIRC) of University of Manchester, UK.
- 3-Year Maintenance contract for Computational Fluid Dynamics (CFD) facilities signed and latest version of the software ANSYS FLUENT release 15 installed on the dedicated workstations at R&D CFD facility.

Technology development projects

A number of projects were initiated for development of:

- High level oxygen enrichment process to enhance SRU capacity by 200%.
- Generic mathematical model of fluidized bed gasifier for processing coal, high ash coal and mixture of coal and petcoke for the purpose of validation of data to be generated in the pilot gasifier being setup at EIL-R&D.
- High capacity trays for enhancing capacity of existing column and aiming at reduced down time incorporating innovative construction features.
- Advanced versions of PARLPACK structured packing for improved performance. Three versions of packings are being tested.
- Desalter design technology in association with BPCL (R&D). The project is funded by Centre for High Technology (CHT).
- Improved hardware and process design for CFC based LPG treating units. The design will lead to increased throughput, better distribution and easy maintenance.

- Gas Membrane Technology for H₂ recovery from refinery off-gases.
- Gasifier pilot plant and operation of HPTGA and development of coal combustion kinetics under Coal To Liquid (CTL) Project.
- User interface for in-house developed software ARUSIM used for BTX extraction.
- CFD modelling services extended to Nuclear Power sector through a simulation for client NFC, Hyderabad. CFD modelling used in troubleshooting assignments for M/s NALCO & HPCL Vizag as also in the development of Feed Inlet Device jointly with M/s Kevin.

Technology commercialization

- Initiative taken for benchmarking of EIL technologies.
- Techno-commercial proposal submitted to NRL for Crude Distillation Unit (CDU) Preheat Train Optimization using Pinch technology. The proposal was accepted and job has been awarded to EIL-R&D.
- Based on the in-house capability developed, Company secured two jobs for minimization of fresh water usage and waste water generation using pinch technology at Gujarat and Guwahati refineries. Draft study report to Guwahati Refinery has been submitted and work is nearing completion for Gujarat Refinery.
- Based on Dynamic Simulation Capability Developed, a job has been secured to carry out Study for Up-gradation of Anti Surge Valve for Propane Compressor of Train 1 & 2 of ADGAS LNG plant at Das Island, Abu Dhabi.
- Co-operation Agreement with M/s Kevin Enterprises on joint development of High capacity trays and packings has started yielding positive outcomes and the following two orders have been received:
 - Supply of structured packings (PARLPACK) for application in Vacuum Column for IREP Project of BPCL Kochi.
 - Application of PARLPACK in Quench Column (65-C-301/401, 79-C-401) and Amine Absorber Column (65-C-02/402, 79-C-402) of TGTU of HPCL-Vizag.
- Development of process package for implementation of Tail Gas Treating process and Oxygenrich process at HPCL-Mumbai Refinery.
- Detailed feasibility report of Oxygenrich process at BORL-SRU for 135% capacity enhancement.
- EIL has continued to demonstrate the designing capabilities by successful commissioning of CFC technology - based LPG treating units. Three more LPG treating units (two units at MRPL, Mangalore and a unit at AOD, Digboi) have been commissioned based on this technology.
- Value engineering for reduction of cost of setting up demonstration unit at Guwahati Refinery for INDADEPT technology developed jointly by IOCL and EIL for deep desulphurization of gasoline.

Patents filed/granted

Based on innovative work done, the Division has filed one patent entitled "High level capacity enhancement of Sulphur recovery plant" while 3 other patents listed below and filed earlier have been granted:

- Device for measurement of flow rate of over flash liquid in crude distillation columns.
- An Adsorbent composition, a process for the preparation thereof and a process for removal of Hydrogen Sulphide impurities from a gaseous feed stock.
- Fluid Interface level measurement device.

Specialist Materials and Maintenance Services

Specialist Materials and Maintenance Services (SMMS) Division of EIL continued to provide specialist services to the various in-house projects and clients in Petroleum, Petrochemical, Metallurgical, Nuclear and Infrastructure sectors in India and abroad during the year. Some of the important activities are:

- Health Study of Cargo Service Pipeline at Jetty No. 4, Mumbai Port Trust, Jawahar Deep, Mumbai.
- Study of Impact of High CO₂ from BH Well on Mangla Facilities, Cairn Energy, Barmer.
- Refractory Consultancy Services for TA 2014, Mangalore Chemicals and Fertilizers Limited, Mangalore.
- Expert Services during Refractory Procurement and Repair, MCF, Mangalore.
- Expert Services during Refractory Procurement & Repair, Indo Gulf Fertilizer, Amethi.
- Expert services for refractory lining of Cracker Furnaces of GAIL Pata, by API 936 qualified refractory personnel to Petron Engg., Mumbai.
- PMC Services for Intelligent Pigging of Usargarh-Dabhol Section of DPPL, GAIL, Mumbai.
- Health Study of Five Pipelines from Pir Pau to Jawahar Deep, Mumbai Port Trust, Mumbai.
- Technical Advisory Services to HPCL Vizag, Numaligarh Refinery Limited and various refineries of IOCL.
- Material Selection for equipment, piping and pipelines for various on-going projects viz., Opal, BCPL, Nuclear Fuel Complex, GSPC, BPCL Mumbai and IREP of BPCL, Kochi.
- SMMS has been advising and specifying on the Corrosion Monitoring Systems, Inhibitor Injection Systems, Corrosion Protection Coatings, Cathodic Protection Systems for On-shore and Off-shore pipelines and Chemical Cleaning Systems for new plants.
- SMMS has been actively involved in evaluating newer materials, fabrication and inspection techniques for the benefit of industries and have also contributed to the National and International Standardization bodies like BIS and ISO.

Information Technology Services

Information Technology Services (ITS) Division of EIL continued to provide state-of-the-art IT enabled services to EIL's main stream activities by developing/implementing leading IT solutions with an aim to deliver better quality services with increased efficiency at reduced costs. Using new IT Technologies, various new initiatives were taken during the year and the details of which are as follows:

MSME implementation

Various Engineering and Procurement software systems have been customized to implement Public Procurement Policy-2012 of GOI for Micro and Small Enterprises.

Integrated Online system for General Civil Design and Engineering activities

Integrated online software GCEDS (General Civil Engineering Design Solution) for various General Civil Engineering activities has been developed and implemented. This system includes Dyke sizing of Tank-Farms (Pre-feasibility, Detailed engineering or Adequacy stage), Design of Rigid Pavement (Roads), Fire Water Demand Calculation, Process datasheet and MTO for various general civil standard items. The GCEDS software will also ensure uniformity in deliverables, reduction in efforts, elimination of errors, creation of a data bank, accuracy and increased reliability.

Integrated Online system for Structural Design and Engineering activities

Integrated on-line software STEDS (Structural Engineering Design Solution) for various Structural Engineering activities has been developed and implemented. This system includes Pipe Rack Load calculation (General, Wind and Seismic) and Base Plate Design (Fixed and Hinged type for 4/6/8" bolt configuration). The STEDS software will also ensure uniformity in deliverables, reduction in efforts, elimination of errors, creation of a data bank, accuracy and increased reliability.

Environment Services System (ESS)

An On-line system has been developed for Environment Division to facilitate collection of Effluent (Liquid) data and preparation of Effluent Summary of Plant, Generation of ETP process datasheet and Creation of Equipment List.

Concession and Deviation System

An On-line Concession Deviation system has been developed through which deviations sought by the Suppliers/Contractors shall be entered On-line and resolution will be provided On-line by EIL. The system is being used effectively for various current projects.

Intelligent Design Basis (IDB)

A collaborative web based system has been developed for preparing design basis of process and other engineering disciplines. The system facilitates multi disciplinary inputs and reviews by internal divisions of EIL and clients. Library of standard design basis helps to standardise the knowledge learnt from earlier projects and re-use it for the new projects. The software is currently being used to develop design basis for Dangote Refinery, Nigeria and Rajasthan Refinery, Barmer.

Enhancements in eDMS system : Supplier / Contractor Document Submission system

EIL has been using electronic Document Management System (eDMS) for effective management of its project documents. Based on the usage and feedback, various improvements have been made in the system during the year with primary focus being improvement of system for document exchange with its suppliers and contractors for reducing overall document review cycle time.

As a part of the improvements, a web based Help Desk has also been implemented for the suppliers/contractors, for obtaining support from EIL IT team in case of any difficulty in usage of the document exchange system. Training programs were conducted for the suppliers/contractors for effective usage of the system.

- **Online Supplier/Contractor Enlistment System**

Online Supplier/Contractor Enlistment System is a workflow based web application to facilitate suppliers/contractors to get them enlisted online with EIL. Suppliers/Contractors can also report enhancement and revalidation of their experience/capabilities in the enlisted items/trade categories and send online request along with supportive soft copy of documents. Applications from suppliers/contractors along with supporting documents are received by Procurement Development Department (PDD) through the system which are then forwarded to Engineering/Inspection Departments for further processing/verification and enlistment. The software provides online technical query management and email alerts to/from Suppliers/Contractors for clarifications.

- **Implementation of IT infrastructure and LAN system at new EIL complexes in Gurgaon and Chennai**

Presently, Local Area networks (LAN) are under implementation at EIL, Gurgaon (partly in operation) and EIL, Chennai. These LANs are being implemented in high-available configuration and using best-in-class equipments to provide uninterrupted high-speed network connectivity to more than 2000 employees.

As a part of the business continuity plan implementation, currently a state-of-the-art Data Centre is under construction at EIL, Chennai. This will act as the Disaster Recovery Data Centre for EIL and will ensure availability of IT facility to support continuance of EIL's business operation, in case of any disaster at its primary location.

- **System Automation**

- New web-based Vendor Accounting System featuring an array of facilities as per business needs has been implemented during the year.
- New features added in Client Billing System to generate auto email.
- Notification to Project Managers upon invoice raised and payment received from client. This shall ensure better monitoring/control of invoices/payments.
- Online payment system through NEFT for medical claims enhanced to include retired employees at ROs and construction sites, benefiting all retired employees across the country with faster claim reimbursement.
- Online Vigilance clearance and scrutiny of Immovable Property Returns (IPRs) facilitates HR Division for issuance of NOC online to concerned employee thereby, considerably reducing man efforts of HR, Legal and Vigilance departments.
- Online assessment of 1st half yearly & final appraisal of employees who are on probation as well as employees promoted to level 18, 19, 20. Auto generated mail as well as reminders are implemented through scheduler to concerned Appraiser, Reviewer & Acceptor.

- **Implementation of construction activities in Pre-commissioning Management System**

PCAMS (Pre-commissioning & Commissioning Activities Management System) has been further enhanced to enable Construction and Contractor engineers for monitoring the Mechanical Completion activities at site. This system helps in creating the Loop Identification and getting the online Mechanical Clearance, NDT, Support and Hydro Test work flow status. Currently PCAMS is fully operational at eight refineries / petrochemical complexes and ITS is providing project support to construction-sites / clients / SCT team members for doing pre-commissioning related activities at HO & sites.

- **Hold Management System**

On-line Hold Management System has been developed and implemented. The system is integrated with major software systems like PPMS, eDMS, PDS and PDMS and will provide a consolidated list of all the holds. This will lead to better monitoring, early resolution of holds, which will help in avoiding project delays.

- **Technical Audit System**

ETAS (Engineering Technical Audit System) has been developed and implemented. This systems facilitates to conduct Technical Audit & Construction Audit for various projects. Presently, system is being used by all Technical divisions i.e. Engineering, Process, POSD, R&D, SMMS, Environment and HMTD. Department specific check lists are incorporated in the system.

Sustainable Development

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. Our project designs support sustainability right from the concept stage to plant commissioning and subsequently during the commercial operation. Energy efficiency, resource optimization and safety of plant personnel & society at large are the cornerstones of our business operations and also ensure business continuity.

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

A separate Report on Sustainable Development is annexed to this Report.

Quality Management System

In EIL, Quality Management System (QMS) is aligned and focused with long term objective of the Company. Quality is inbuilt into our processes, workplace, deliverables and services.

The QMS in respect of Company's services has been reassessed this year as per the requirement of ISO 9001:2008 by the certification agency, who conducted the Surveillance 1 audit. 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 Certificate of Approval is valid up to 13.10.2015.

The important ingredients of our quality initiatives are effective & comprehensive internal audit process, planned customer perception surveys, analysis of feedbacks from stakeholders and regular directions from Management Review Committee (MRC) & Systems Committee. MRC is chaired by C&MD and all Directors are members of the committee. The Systems committee is chaired by senior Executive Director, and senior officials from all areas of operation & functions are members of the committee. Regular monitoring is done to analyze the data & feedbacks for recommending improvements in processes, deliverables and QMS to reduce costs, shorten cycle time, cross functional issues, improve visibility and credibility without affecting the environment. QMS implementation and its effectiveness have been further increased by computerization of certain processes through in-house developed software.

Quality Management System of EIL-UAE (Abu Dhabi) office was also independently audited and reassessed for certification by Certifying Agency, who conducted the renewal audit, for its conformance to the requirement of ISO-9001:2008, during this period. The certification agency after audit declared that the Quality Management System of the Company continues to conform to international standards and recommended for renewal of the ISO certificate. The renewed Certificate of Approval is valid up to 05.05.2016.

In addition, the Company participated as a prominent and active member in various committees for formulating products and quality system standards by M/s 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 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. To measure the adequacy, effectiveness and efficiency of these controls and action plans, the concept of Key Risk Indicators (KRIs) has been implemented. KRIs have been designed and are being implemented to measure presence, level, or trend of the risk.

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.

In order to cover all the elements of risks while identifying, nine categories have been defined by the management & risks in each have been identified at enterprise level. 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, CGM (ITS), GM (Inspection) & Company Secretary as members, with Head of Risk Group as member secretary. Risk audits are conducted regularly to test the compliance of controls and the same is reported 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 regulatory compliance.

Based on periodic reviews and implementations of recommendations resulting from review process, the ERM process is continuously improved and strengthened. Project Risk Management is being implemented for high value and important projects as per the criteria approved by RMC. A risk register is prepared by listing all possible risk events of every discipline associated with the project. Risk Management Team approves the first risk register & meets every month to update it and continuously focuses on the identified risks. The risks severities are categorized in critical, major, cautionary and minor based on the probability and overall impact. Project Risk Management helps in facilitating management towards risk mitigation for effective project implementation.

The risk identification & assessment processes have been automated by Enterprise Risk Management System (ERMS) software.

The communication is being done regularly, across the organization to spread awareness on risks, root causes and action plans through in-house risk management awareness programs, external trainings & seminars, certification program on Project Risk Management.

To create awareness & increase the involvement of employees, the quarterly news letter 'Risk Screen' was converted into a bi-monthly newsletter during this period. It is being shared with all the employees to inspire them to control risks in their work processes & areas.

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.

Vigilance

During the year, 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 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 & necessary measures 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 between CVO & Directors to resolve the pending issues. Details of vigilance activities were also presented to the Board.

Various 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 amongst the employees of the Company. A seminar was organized on this year's theme of Vigilance Awareness

Week-2013-'Promoting Good Governance-Practice to check corruption at work place' for senior level management officials. Dr. G. K. Goswami, Director (CBI Academy) graced the occasion and delivered talk along-with presentation on the topic, followed by an interactive session.

The inaugural issue of the Vigilance journal "JAGRITI...the Awakening" was released during the year as an effort towards spreading awareness as a part of preventive vigilance.

Some important features of Vigilance activities are given below:

- **Leveraging Technology**

Reverse auctioning, e-tendering, epayment, 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. BTS has provision for details about pendency of vendors' bills.

- **Complaint Handling Policy (CHP)**

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

- **Policy regarding recruitment of Ex-employees**

EIL has adopted a policy for hiring of Retired/Ex-employees as per practice followed by other PSUs. Vigilance has ensured that employees who have been penalized during service are not considered for re-employment.

- **Job Rotation**

Job rotation of sensitive posts is being done & reporting of the same is being made on monthly basis. Sensitive Posts have been revisited & revised list was implemented during the year.

- **Integrity Pact**

EIL is committed to higher ethical standards in contracts and procurement as well as transparency in all of its business dealings. EIL has adopted Integrity Pact Program & signed an MOU with Transparency International India and the same is applicable for all Contracts & Purchases on EIL's account for enquiries having threshold value of over ₹ 5 crore.

- **Online Vigilance Clearance & Scrutiny of IPRs**

System for online Vigilance Clearance & Scrutiny of IPRs on EIL Intranet has been implemented during the year.

Finance

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

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 are regularly submitted to the Management and the major findings to the Audit Committee of the Board.

Human Resource & Industrial Relations

EIL values its human resources and is committed to providing them with an enabling environment which motivates, facilitates their growth and rewards them for their contributions. Various welfare measures, employee-centric policies and development initiatives, drive its human resource to deliver their best thereby leading to enhanced productivity.

As of March 31 2014, we have 3357 employees, including 2968 technically and professionally qualified employees. Approximately 3.78 % of our employees are located outside India, and have experience of international work environments.

- **Talent Acquisition**

Our Talent Acquisition strategies are designed towards projecting EIL as a valued employer and diverse recruitment models are employed to meet the dynamic business needs with intake of fresh talent, domain specialists, short term hiring through outsourcing and taking onboard consultants/advisors.

- **Performance Management System**

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

- **Employee Welfare**

During the year efforts were made for aligning our welfare measures towards enhancement of quality of work life for our employees. Various employee welfare initiatives were taken ranging from creating forums for social interactions to providing effective medical services by empanelling more hospitals and extending medical facilities to dependent parents and children in case of death of employee.

- **Thrust on Sports**

To promote a spirit of sportsmanship and build a collaborative work environment, EIL encourages its employees to participate in various trekking expeditions, sports tournaments at regional and national levels and is an active member of Petroleum Sports Promotion Board (PSPB). EIL organized the PSPB Badminton Tournament during September 2013 at Siri Fort stadium where 8 teams from Oil & Gas sector including EIL participated.

- **Reward & Recognition Scheme**

With an objective to recognize individual contribution as well as team efforts and to sustain exemplary performance a new **reward & recognition scheme** was introduced. This scheme is more



inclusive and objective and would lead to enhanced engagement of employees across all levels.

- **Training & Development**

Significant interventions were made in the area of **training interventions** for our employees wherein focus was provided to development of Managerial/Behavioural Competencies as well as Technical and Domain related competencies. In addition to this, structured Management Development Programmes were organized through Management Institutes for senior and junior management levels and sixth batch of **Leadership Development Program- 'Aarohan'** was completed for senior executives. A year-long training structure was implemented for Management Trainees which is a blend of classroom as well as experiential and on-the-job learning. Adequate focus was also maintained on the health and fitness of the new recruits through yoga sessions for the MTs every morning. During 2013-14, the average training days per employee was 3.27.

- **Mentorship Development**

EIL supports Mentorship Development Program and allocates trained mentors in the ratio of 1:3 (Mentor : Mentee) for Management Trainees. In order to augment the mentoring process Mentorship Development programmes are organized on a continuous basis.

- **Leveraging IT in HR**

IT was leveraged in HR to make the current processes more robust, transparent and enhance ease of operability for internal as well as external customers. **EIL Connect** continued to provide an interactive environment to the employees and has proved to be a valuable communication forum for employees posted both within India and at overseas locations. More than 500 news items/reports were uploaded on EIL Connect and the portal had more than 18 lakh hits during the year.

- **HR Initiatives**

Formulation of the HR Vision, Mission and Objectives and its release on the 1st of January 2014 was another initiative which has further aligned the HR Services with the Organization's Vision, Mission and Core values and has resulted in creating a foundation for HR interventions.

An HR Agenda was drawn up for 2013-14 to channelize the efforts of the HR team and enhance the effectiveness of the HR function. The Agenda included the following items: Image Building, Corporate Social Responsibility, Professional Service, Improvement in Work Environment, Effective Collaboration & Team Building, HR Audit, Employee Nominations and HR Data Accuracy. Focused efforts were made on implementation of key action points of the HR Agenda during the year.

Various initiatives were taken during the year 2013-14 to meet the talent demands of the changing business environment and expectations/aspirations of the employees. Employee Engagement Survey 'Abhivyakti' was commissioned for obtaining an unbiased perception of the employees on various attributes. In our endeavour to obtain objective assessment of and chart clear

development plans Assessment Development Centers were organized for 60 nos. of senior management personnel. To provide a structured, objective and measurable framework for performance planning, monitoring and assessment the Balanced Scorecard was implemented in HR Directorate and Annual Performance Contracts were put in place for each division.

- **Implementation of Government Directives on SC/ST**

With a view to accelerate the pace of socio-economic development of the nation, EIL has been endeavoring towards safeguarding the interests of SC/ST employees. 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 facilitator in ensuring that due attention is paid to the issues of SC/ST employees. Management also encourages communication with the office bearers of the SC/ST Employee's Welfare Association by holding periodical meetings with the Association.

The percentage of employees belonging to Scheduled Caste & Scheduled Tribes category was 18.1% and 4.2% respectively of total staff strength of the company (as on March 31, 2014). Regular meetings were held with the representatives of SC/ST Welfare Association.

- **Women Development**

Women constitute approximately 12% of EIL's human resource, wherein more than 80% are in the officer cadre. To cater to the development needs of its women employees, EIL has constituted a Women Forum. The forum focuses on providing opportunities for development to women employees and identifies various training interventions especially in the areas of Managerial Skills and Leadership Development. The forum also facilitates participation of women employees in various conferences and seminars. Senior women executives of EIL have been rewarded at prestigious forums for their contributions.

- **Corporate Social Responsibility**

In EIL, CSR is the commitment to operate in an economically, socially and environmentally responsible manner to enhance the Company's overall contribution to society. The thrust areas for CSR activities/projects are education, healthcare, drinking water/sanitation, rural electrification, environment protection/sustainability, women empowerment, upliftment of underprivileged, community development, vocational training/skill centre and promotion of sports.

EIL's CSR activities are directed towards supporting the initiatives of local, State or Central Government with programs located in and around its project sites, regional offices and Head Office, with special focus on the backward areas and underprivileged sections of society.

The CSR Budget allocated for the FY 2013-14 was 2% of PAT of the previous financial year. The expenditure during the year was ₹ 648.49 lakhs. The full utilization of the CSR budget could not be achieved as the expenditure is based on project milestones which are spread over one or more years.

The CSR activities under various thrust areas during the year are listed below:

Education: Major projects under execution include construction/upgradation of infrastructure in various schools of Assam and construction of auditorium for girl students of A.P. Social Welfare Residential School/Junior College in association with District Authority of Prakasm in Andhra Pradesh. Another key on-going project is the adoption of 100 Ekal Vidyalayas(i. e. One Teacher School) in the rural villages of Dibrugarh, Assam for supporting basic informal education to poor children.

Health Care: EIL has supported free Health & Eye Check up camps in backward and slum areas of Delhi NCR and Dibrugarh, Assam through an NGO for cataract detection and operation and distribution of free medicines. The Company also supported acquisition of Phacoemulsification machine for a hospital for cataract operation of underprivileged people.

Other health care projects under execution include support for acquisition of a fully equipped Mobile Cancer Detection Van for screening & diagnosing cancer and spreading cancer awareness among poor people in Delhi. EIL has also supported medical equipments to Government General Hospital at Kakinada, Andhra Pradesh and provided Prosthesis and Medical bras to cancer survivors in Delhi NCR through a society.

Drinking Water/Sanitation: Under this, EIL has constructed a water treatment plant for augmenting potable water supply in the Kancheepuram District, Tamil Nadu. Projects under implementation are installation of RO Plants in six locations at Kakinada, Andhra Pradesh and renovation of sanitation facilities & internal sewerage pipeline of Janta Adarsh Andh Vidyalaya, Delhi.

EIL has also supported a major project for installation of 93 RO Systems along with water storage tank in 81 hostels/ educational institutions of Bapatla Town & Prakasm districts of Andhra Pradesh and construction of Drinking Water Filter Unit, Borewell, Water Filter Machinery Unit and associated facilities in 8 rural villages of Chikkaballapur, Karnataka.

Rural Electrification: Under Rural Electrification initiative, EIL is providing solar lighting for households in villages where grid power is inaccessible. A major project in rural electrification is the support for setting up of solar power plants in two remote villages of Kargil in association with the Kargil Renewable Energy Development Agency.

Environment Protection/Sustainability: In an effort to enhance awareness amongst school children & local population on environmental protection and sustainability of Ladakh region in Trans Himalayas, a social outreach program was supported by EIL. Another major ongoing project is the construction of green cremation systems in different locations of Delhi NCR through an NGO, which aims to reduce considerable amount of wood consumption besides minimizing air and water pollution.

Women Empowerment: Major projects under implementation include providing equipments for vocational training of deaf women and distribution of sewing machines for the training of underprivileged women & girls through NGOs.

Upliftment of underprivileged: Projects under implementation are providing washing machine, school uniforms, Braille sheets and cooker for the underprivileged women and visually challenged children

through a Trust for the Blind at Bangalore, construction of multi-purpose hall for the old age home in Mirzapur, U.P. and providing support to an NGO for construction of Girls Block and additional facilities in the Community Care Centre to accommodate abandoned HIV/AIDS infected & affected women and children at Kancheepuram District. EIL is also providing support to an NGO for construction of one block of an Old Age home in Garhmukteshwar, U.P.

Community Development: Projects under implementation for community development include construction of Panchayat building with community hall and water supply pipeline work from overhead tank to individual houses of Padur Village in Manipal and construction of road & drain facilities at Yanam in association with District Administration - Government of Puducherry.

Vocational Training/Skill Centre: EIL has provided sewing machines for training programmes to artisans in rural villages of Andhra Pradesh to a skill centre run by an NGO. Another major project under implementation is the construction of ground floor of BGS Vocational Training Centre at SJGIT, Chikkaballapur, Karnataka through a trust to promote entrepreneurship and employability skills of youth.

Contribution to Emergency Needs: EIL has provided contribution to Chief Minister's Relief Fund to support the victims of devastating natural calamity caused by cloud bursts and floods in Uttarakhand.

Official Language

To propagate and enhance usage of Official Language in communication various initiatives like facilitation of Regular Classes & Correspondence Courses for employees not conversant with Hindi, Hindi workshops and celebration of Hindi Fortnight were undertaken.

EIL also participated in Rajbhasha Sammelan organized by Ministry of Petroleum and Natural Gas. Town Official Language Implementation Committee (TOLIC) of Delhi honored EIL for organizing the conference for Delhi based undertakings to impart training for filling of online Hindi quarterly report as per request made by Rajbhasha Vibhag, Ministry of Home Affairs.

During the year the Committee of Parliament on Official Language conducted the inspection of Official Language at our Mangalore office and the committee expressed its satisfaction on the implementation of official language policy. Rajbhasha Vibhag of EIL also carried out regular inspections at its Division/ Departments and Regional/ Field/ Procurement offices during the year in accordance with the official language policy.

Awards and Accolades

- Commendation Certificate for SCOPE Meritorious Award in Specialized Fields 2011-12 for R&D, Technology Development and Innovation. Shri A. K. Purwaha, C&MD, EIL received the award from the Hon'ble President of India Shri Pranab Mukherjee.
- Petrofed Award-2012 for Innovator of the Year Team – Special Commendation Award to EIL & Indian Oil and 22 member team of EIL and Indian Oil.
- Petrofed Award-2012 for Innovator of the Year Team – Special Commendation Award to EIL & CPCL and 8 member team lead



by Shri Ajay N. Deshpande, Director (Technical), EIL.

- 12th ICSI National Award-2012 for Excellence in Corporate Governance.
- PSU Award 2013 – runner up trophy in the 'Asset Utilization' category by Governance Now magazine.
- ICAI Award-2012 for Excellence in Cost Management Practices for the Year-1st prize in the category of Public - Service Sector – Large.
- ICC PSE Excellence Award-2013 for R&D, Technology Development & Innovation
- SKOCH Order of Merit Award for Innovative Technology on 'Oxygenrich Process for Capacity Enhancement & Trouble Free Operation of Claus Sulphur Plant'.
- Best Performance Award for 2012-13 from GAIL for Project Management Consultancy Services for Dabhol–Bangalore Pipeline Phase-1 Project of GAIL.
- FICCI Chemical and Petrochemical Awards 2013 for “The Process Innovator of the Year in Petrochemicals” for 'Food Grade Hexane (FGH)' Technology jointly developed by EIL & IOCL and Best Contribution to Academia for 'Wet Air Oxidation (WAO)' Technology jointly developed by EIL & IIT Roorkee.
- CIDC Award for BCPL Project at Dibrugarh under the category of Construction Health, Safety & Environment.
- Award for Green Building with 4 Star GRIHA Rating for Administrative Building project at GAIL Compressor Station Complex at Chainsa (Haryana).
- Golden Peacock Award for Sustainability for the year 2013 instituted by Institute of Directors (IOD).
- Golden Peacock Award for Corporate Social Responsibility (CSR) for the year 2013 in recognition of the Company's unique initiatives in CSR and execution of projects for the betterment of underprivileged sections of society by Institute of Directors.
- IPE Best Innovation Award and Best Overall Corporate Social Responsibility Performance Award.
- Award for Best Social Responsibility Practices by World CSR Congress.
- Award for Talent Management by World HRD Congress.
- Business Today Best CFO Award – 2013 to Shri Ram Singh, Director (Finance), EIL.
- IPE Best CEO with HR Orientation Award 2013 to Shri A. K. Purwaha, C&MD, EIL.
- CEO with HR Orientation Award to Shri A. K. Purwaha, C&MD by World HRD Congress.
- IPE HR Leadership Award to Ms. Veena Swarup, Director (HR), EIL and citation for her inclusion in '30 Most Talented HR Leaders in PSUs'.
- Dainik Bhaskar India Pride Award-2013 to Shri D. Moudgil, Director (Projects), EIL for Excellence as Head of Department – Projects.

- “Leadership Excellence” Award to Shri A.K. Purwaha, C&MD for evincing remarkable leadership and leading the organization on the success path of growth and prosperity by TOP RANKERS, Management Consultants
- World Women Leadership Award to Ms. Veena Swarup, Director (HR) by World Women Leadership Congress.
- HR Leadership Award to Ms. Veena Swarup, Director (HR) by Asia Oil and Gas Congress.
- Petrofed Woman Executive of the Year Award-2012 – Special Commendation to Ms. Jayati Ghosh, DGM (Process Design & Dev.), EIL.

Joint Ventures

Jabal EIL IOT Company Limited

EIL's Joint Venture Company Jabal EIL IOT, which was set up on July 5, 2011, has been pursuing prequalification with all important clients in Saudi Arabia like, Saudi Aramco, SABIC etc. It has already been prequalified by Saudi Aramco for In-plant projects and the application of registration as In Kingdom EPC Contractor is under evaluation of Saudi Aramco.

TEIL Projects Limited

TEIL Projects Ltd., the Joint Venture Company with Tata Projects Limited, is executing consultancy projects in City Gas Distribution, CNG, Oil, Gas and Refinery sectors.

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, SMC, GSPL, RUDA, BPCL, various State Governments and others, notable among these being :

- ONGC – Certification services for HRD Process Platform Project, HRDP-II PP, Addnl. Pipeline Project, B-127 Cluster Pipeline Project and SPCON Project.
- VMSS, RUDA & SMC- TPI for various Infrastructure Projects
- GSPL- TPI for various Pipeline Projects
- BPCL - TPI for Mumbai, Kochi and Numaligarh Refineries.

Apart from these, CEIL secured many Third Party Inspection assignments from clients like Fabtech, Reliance Industries, L&T Abu Dhabi, Heurtey Petrochem, ERDMP & statutory audit assignments from GAIL, IOCL etc.

The Board of Directors of the Company has recommended for the financial year 2013-14, a final dividend of ₹ 200/- per share (of face value of ₹ 100/- each) in addition to ₹ 200/- per share interim dividend already paid during the year. With this the total dividend for the year 2013-14 works out to ₹ 400/- per share. The payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

EIL Asia Pacific Sdn. Bhd.

EIL Asia Pacific Sdn. Bhd. (EILAP) was incorporated on February 21, 1994 under the Malaysian Companies Act, 1965. EILAP is primarily engaged in the business of providing technical services for projects in oil and 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. Between April 1st, 2013 and March 31st, 2014, a total of 137 applications were received by the Company and all of them were disposed off as per rules. Apart from RTI applications, the Company also received 17 appeals against the decision of CPIO, which too were duly attended to and appropriately disposed off by the First Appellate Authority. It is heartening to note that not even once the Central Information Commission passed any adverse order against the CPIO/FAA.

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 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. Verma & Associates, Chartered Accountants were appointed as Auditors of the Company for the financial year 2013-14 by the Office of Comptroller & Auditor General of India.

Bankers

Bankers of the Company include State Bank of India, Indian Overseas Bank, 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, 1956 read with Companies (Particulars of Employees) Rules, 1976, as amended is given as Annexure to this Report.

Directors

After the date of last Directors' Report i.e. 5.07.2013, Dr. (Prof.) KDP Nigam, Non-official (Part-time) Independent Director ceased to be Director of the Company w.e.f. 9.07.2013.

Dr. Christy Fernandez was appointed as Additional Director {Non-official (Part-time) Independent} on the Board of the Company w.e.f. 26.09.2013. Shri Adit Jain, Non-official (Part-time) Independent Director ceased to be Director of the company w.e.f. 27.09.2013. However, he was again appointed as Additional Director {Non-official (Part-time) Independent} w.e.f. 27.09.2013.

Dr. V. Vizia Saradhi and Shri D.R. Meena were appointed as Additional Directors {Non-official (Part-time) Independent} w.e.f. 13.11.2013.

Shri R.N. Choubey, Director (Government Nominee) ceased to be Director of the Company w.e.f. 6.12.2013.

Dr. Christy Fernandez, Non-official (Part-time) Independent Director ceased to be Director of the Company w.e.f. 28.02.2014.

The Board placed on record its sincere appreciation for the valuable



services rendered and contributions made by Dr. (Prof.) KDP Nigam, Dr. Christy Fernandez, Non-official (Part-time) Independent Directors and Shri R.N. Choubey, Director (Government Nominee) of the Company.

In accordance with the provisions of the Articles of Association of the Company, Shri Ram Singh, Director (Finance) and Ms. Veena Swarup, Director (HR) 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, 2013, Shri Adit Jain, Shri D.R. Meena and Dr. V. Vizla Saradhi who were appointed as Additional Directors after the date of last Directors' report, shall vacate their offices at the ensuing Annual General Meeting.

Brief resume of the Directors seeking 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 Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance are given in the Annexure to Notice of 49th 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 21, 2014

Report on Sustainable Development

Introduction

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

Sustainability for us at EIL implies:

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

Our project designs support sustainability right from the concept stage to plant commissioning and subsequently during the commercial operation. Energy efficiency, resource optimization and safety of plant personnel & society at large are the cornerstones of our business operations and also ensure business continuity.

Our R&D initiatives are focused on offering technologies to our clients, which reduce carbon footprint and increase plant yield. These technology initiatives include coal gasification, coal to liquid, CO₂ removal from natural gas and DHDT.

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

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

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

We continue to reinforce our social commitment through various programs organized at construction sites to develop artisans amongst the local community for their contribution during plant construction and to prepare them with the necessary skill sets to exploit various available employment opportunities in the long run. Our business operations support developing local manufacturers and suppliers as our partners.

During the year 2013-14, our CSR expenditure stood at ₹ 648.49 Lakh. Our CSR activities include education, health care, drinking water/sanitation, rural electrification, environment protection, women empowerment, upliftment of underprivileged, community development, vocational training, contribution to emergency needs and community development in the society.

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

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

Organization's Key Impacts on Sustainability

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

For promotion of Sustainable Development, EIL is committed to:

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

Majority of EIL's revenues today and in near mid-term shall continue to flow from Indian region, especially the Hydrocarbon and Petrochemicals segment. Sustainable growth of EIL in near to mid-term shall be closely associated to the socio-political environment,



economic growth and prospects of sustainable development and energy security in India.

EIL's R&D Capability for Sustainable Technologies

EIL's R&D is engaged in developing innovative solutions in hydrocarbon industry ever since 1970s. In the national market, EIL's designing capability can be judged from the fact that their designed refinery units refine more number of barrels of crude than anybody else in the market. Today, EIL through their R&D have been awarded 22 technology patents and more than 15 other patent applications under evaluation.

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

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

Meeting environmental quality standards by TGTU for Sulfur removal

Claus Tail Gas Treating (TGTU) process has been developed by EIL R&D to effectively remove Sulfur by recycling unresponsive Sulfur components like H_2S , SO_2 , COS, Sulfur, as H_2S to Claus section after Hydrogenation. Claus process integrated with tail gas treating unit can result in 99.9% removal of sulfur from acid & sour gases coming from amine regeneration & sour water stripper units in the refinery. With environmental quality standards getting stringent especially in terms of sulfur components, tail gas treating unit is need of the hour. A grass root 10 TPD SRU having an integrated Claus section & TGTU has been successfully implemented by EIL.

Cleaner atmosphere with CO_2 Removal process (COR) from flue gas by IIP-EIL Process

CO_2 Removal Process (COR Process) jointly developed by Indian Institute of Petroleum (IIP), Dehradun and EIL uses highly selective amine-based solvent to capture CO_2 from flue gases. High CO_2 loading makes the process economically attractive. The CO_2 removal efficiency of COR Process ranges from 75%-90%. Highly pure CO_2 produced by this process, can be used for production of urea in fertilizer industry. EIL provides total design solution for grass root COR Plant along with ancillary equipment including water removal tower, blower, absorber & regenerator.

Cleaner atmosphere with SO_2 Removal Process (SOR)

SO_2 Removal Process (SOR) has been jointly developed by Indian Institute of Petroleum (IIP) & EIL for flue gas desulfurization. The process can handle SO_2 concentrations varying from 2000 ppmv to as high as 20 vol%, and produces a treated gas stream with less than 500 ppmv SO_2 concentration. Process is economical as it is regenerative in nature and is also highly energy efficient. The process can very well be integrated with a Claus unit where SO_2 can be used to enhance capacity of SRU. EIL provides total design solution for SOR Process.

Cleaner future with Ammonia treating process (ATP) technology

Ammonia Treating Process (ATP) is developed by EIL to separate and process ammonia from sour water stripper (SWS) gas. This technology offers multifold advantages in the form of enhanced capacity & less backpressure to SRU unit ensuring smooth and trouble free operation.

Reduction in NO_x formation helps keep the total emissions in check. In addition, a value added product in the form of ammonium sulfate is recovered which can be used as fertilizer. EIL has done rigorous experiments on bench scale level and has a comprehensive set of data available. EIL with its experience as SRU licensor has potential to offer ammonia treating process in refineries.

Vapor recovery and VOC capture technologies

EIL has developed an efficient technology to capture and recover hydrocarbon vapors using activated carbon. The vapor recovery units have been designed for all types of hydrocarbons including benzene. EIL's vapor recovery units safely prevent harmful volatile organic compounds (VOCs) from being released into the atmosphere during operations that involves transfer of evaporative hydrocarbons. The recovery of hydrocarbons that would otherwise be wasted via a combustion process, delivers a significant return on investment while meeting any known worldwide emission standards. The units have been designed considering absorption and recovery efficiency, safety and cost to the client. The designs are available in both skid and non-skid versions.

Spent Caustic Treatment

EIL designs these units with distinct features, to handle high sulfide concentration in the feed. The overall conversion achieved at the outlet of oxidation reactor is as high as 99.8%. The process used is found to be economical and environment friendly when compared with other technologies using chemical oxidation with H_2O_2 or wet air oxidation using patented process. The installed capacities include a unit of 5 m³/h.

Environment Performance

Environmental Services to Industries

EIL is a leading consultant in India in carrying out Environmental Impact Assessment (EIA) studies and preparation of Environmental Management Plan (EMP) for new projects. A comprehensive and detailed EIA study helps in accurately predicting & assessing the environmental & socio-economical impacts of the proposed new facilities.

Having accurately predicted the impacts, EIL ensures that all negative impacts are properly addressed and all mitigations measures are taken to ensure the sustainability of environment in the region. EIL also carries out Environment Health Risk Assessment study for its clients, which helps in tracing the impact of various pollutants on health of the people in the vicinity of the plant.

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

Green Initiatives

EIL has installed 90kWp Solar Photovoltaic (SPV) rooftop system-grid connected without battery in compliant with Ministry of New & Renewable Energy (MNRE) guidelines in its EIL Gurgaon building complex in December 2013. The SPV system has been generating power immediately after commissioning since January 2014. The SPV system has generated approximately 46,000 kWh of energy till 15th May 2014 with a daily generation of above 300kWh on an average sunny

day. The maximum daily generation of 529kWh of energy was observed on 13th March 2014. With the provision of SPV system, the demand of electricity from the state electricity grid has reduced. During disruption of Grid power supply to the complex, the in house diesel generation (DG) set provides the power. Simultaneously the SPV system augments the in house diesel generator set.

Green Technologies

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

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

Water Conservation

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

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

Water is primarily consumed in EIL offices for drinking, cleaning, washing, cooling, plantation/horticulture etc. The consumption of water at EIL Head Office at New Delhi is about 400 KL/day whereas at EIL Gurgaon office it is about 100 KL/day. Water is sourced from the ground water for both New Delhi & Gurgaon offices. The water consumption varies from 1000 to 2000 m³/annum at different offices of EIL at Mumbai, Chennai, Kolkata and Vadodara which includes sourcing partly from ground water and partly from municipality supplied water. Although the water is sourced both from ground water and municipalities (which further source it from surface water bodies), there is no significant impact of withdrawal on water sources in view of very minimal quantity of water withdrawn. There is an increasing awareness in the organization in managing water resources. Fourteen number of water recharge wells have been installed in and around EIL's Gurgaon campus for recharging ground water. These will store 50000 m³ of surface run-off on their ground aquifer considering the yearly rain intensity of 600 mm. The usage of water in the company is in two categories.

(i) At Delhi and Gurgaon, where we have large office complexes, the water is used for domestic services. Sourcing of water at both the places is -from ground water. At the moment there is no metrics to indicate water usage in per capita terms in the offices. However, state of the art MBR based sewage treatment plant is present to treat the discharge from office in Gurgaon Complex. The entire sewage generated at EIL's Gurgaon complex is treated in the STP within the premises and then fully recycled for use in horticulture within the premises.

(ii) The other category relates to providing design services to clients for usage of water in their commercial plants. Different solutions for diverse technologies are worked out for clients and company has now formulated policy for Zero Discharge for future implementation.

- **Zero Liquid Discharge Concept:** This involves treatment of liquid effluent/waste water to produce fresh water or de-mineralized water from effluent.

- **Water Pinch:** This involves applying the concepts of Pinch Analysis to improve the water utilization and treatment system together. This helps us in allocating and reusing different water sources effectively for various demands and thereby achieves the target of zero liquid discharge.

Effluent Management & Zero Liquid Discharge

In India, the regulatory requirements in terms of Environmental protection are quite stringent. By any benchmark, India has an extensive environmental management system with a comprehensive set of environmental laws, specific statutory mandates, regulatory instruments, and institutional frameworks to implement and enforce environmental policy objectives.

Various technologies & treatment processes were studied with respect to their merits & demerits for being adopted as potential technology/process for effluent treatment & recycle. Pilot plants were put up in association with the clients and the system suppliers to evaluate the performance of various treatment options in effluent recycle.

Prominent pilot plants include an enhanced chemical oxidation process using hydrogen peroxide in presence of UV rays at MRPL-Mangalore Refinery and a high efficiency reverse osmosis plant at IOCL-Panipat Refinery. After a comprehensive study and zeroing down on the treatment processes, the first full-scale effluents recycle plant to produce D.M. water from refinery effluent was put up at IOCL for their Panipat Refinery Expansion Project (PREP), which was successfully commissioned in the year 2006. This was a unique milestone in the history of effluent recycle and the concept of zero liquid discharge in hydrocarbon industry in India. The success of effluent recycle plant at IOCL-PREP prompted the hydrocarbon industry in India to increasingly implement such concepts in order to meet the zero liquid discharge requirements stipulated by the regulatory authorities.

Some of the other effluent recycle plants which either have been commissioned or are under construction include IOCL - Panipat Naphtha Cracker Project (PNCP), HPCL Mumbai - Integrated Effluent Treatment Plant (IETP), BORL - Bina Refinery, HMEL - Bhatinda Refinery, MRPL - Phase III Expansion project and OPaL-Dahej Petrochemical Complex.

Solid Waste Management

Due to the nature of our business, solid waste generation is also fairly limited in EIL offices and restricted primarily to municipal solid waste



(MSW). A major component of the solid waste generated is paper waste which is sent for recycling. Other wastes include e-waste and a small proportion of wastes like batteries, electrical waste, waste lube oil, etc. Our waste management practices seek to reduce the environmental impact of this limited waste to the extent possible by reduction in generation, segregation at source and proper management including recycling and disposal through authorized recyclers. Other mixed dry waste is sent to scrap dealers or municipal disposal.

EIL also recognized the importance of contributing to the protection of our environment by minimizing use of paper that comes from well-managed forests or other controlled sources. Today's information and communication technologies provide many opportunities for businesses to function with far less paper. Electronic mail, Intranets, IP transfer, Internet and document scanner can radically reduce paper use, while also save time and money. EIL's print/paper reduction program continues to expand across the board in the organization. Our goals remain the same: - continue to reduce overall print volume, increase duplex usage, and remove non-sustainable devices from use in the company. Duplexing along with the reduction in overall printing has allowed us to eliminate many non-committed print jobs and has grown our sustainability-related cost savings. In the area of print management, our adoption of new practices and instigation of behavioral changes in our users has made a significant impact in our company.

EIL also offers its services to industries and municipalities to develop and implement scientific & sustainable methods for Solid & Hazardous Waste Management comprising of segregation, storage, collection, transportation, treatment and disposal of waste by proper utilization of resources (men, money and materials) and as per the applicable provisions of The Municipal Solid Wastes (Management and Handling) Rules, 2000; E-waste Management and Handling Rules, 2011; Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008; and other applicable rules, regulations and statutory provisions.

Social Performance

Human Resources & Human Rights

Human resources along with technology are the two prime resources of consulting organizations like EIL. Over the years, EIL has earned the reputation of being a veritable treasure of technical knowledge, skills and professional competence.

Programs such as skills management and lifelong learning support the continued employability of employees and assist them in managing career endings including HSE and Sustainability activities.

Labour Practices Strategies

Finding and retaining right people has always been a challenge for the high end consultancy companies as we require a flexible and highly skilled global workforce to deliver in often very demanding environments.

We have two types of work force, one working at HO in design areas and the other working on field in execution of the projects. Additionally, Contractors account for approximately three quarters of the hours worked by our workforce on projects. It is therefore especially important that these contractor personnel understand and reflect our values and are aligned with our culture.

The industry is experiencing a shortage of skilled and experienced contractors in technical disciplines and it is expected that this trend will continue. Therefore we are conscious of the need to ensure that contractors working for us meet and maintain our standards.

People working in field are trained on labour related policies of the organization to maintain standards in services with regard to implementation of managing contractor's personnel.

We have firm policies in place to select contractor, ensure they are accountable, monitor and audit them and report on their performance. We have also firm plans to focus on improving the quality of contractor personnel and the way to manage them.

Social Strategy and Management approach (Anti-Corruption strategies)

EIL Vigilance Department under the leadership of Chief Vigilance Officer (CVO) consistently works towards achieving a transparent and impartial working environment in the company and spreading vigilance awareness to all employees to eradicate corruption in all its forms. CVO acts as a link between the company and Govt., CVC, CBI, etc.

Vigilance Department undertake activities such as Intensive Examination of EIL's own jobs on LSTK/OBE basis, random surprise inspection of in-house Contracts/Purchases, scrutiny of Immovable Property Returns, investigation of complaints etc. with the focused objective of ensuring conformity to the company procedures and Government guidelines. For systemizing the work, various rules, regulations and procedures of the company are reviewed and scrutinized from time to time. The observations reported by Central Vigilance Commission (CVC) are examined and necessary actions are taken. System improvements are suggested to the Management wherever found necessary and compliance of the same are pursued for improvement.

As per CVC guideline 'Structured Meetings' are held between CVO, C&MD and Directors in every quarter and the MOMs are forwarded to CVC and Ministry of Petroleum & Natural Gas. Inter-directorate meetings are also held periodically between CVO & Directors to resolve the pending issues. Vigilance activities are also presented to the Board of Directors on half yearly basis.

Vigilance workshops, interactive sessions, seminars, debates, Vigilance Awareness Week etc. are organized in HO, Regional, Branch, Procurement and site offices of EIL for spreading vigilance awareness and encouraging "Participative Vigilance" amongst the employees of EIL.

Product Responsibility (Quality Assurance)

Our organization is ISO 9001:2008 certified for Quality Management Systems and current certificate is valid up to 13.10.2015.

The certificate for conformance was originally awarded & issued on 26.09.1994 and since last 20 years we are continuously maintaining this certification. The renewal certification Audit has been successfully completed on 29.08.2012 and auditors have recommended for certificate of conformance for further period of 3 years.

Our organization does have a mechanism for monitoring and collecting feedback/perception of our customers. It is our basic policy in EIL to meet or exceed the customer needs and expectations and pursue excellence in delivery of our services. To serve our customer's needs / expectations in the best possible manner, we take customer feedback and suggestions about the services provided by EIL for various Projects. This gives us pertinent information and an opportunity to evaluate our

services/deliverables critically and bring further improvement in our systems and processes on a continuous basis.

Product Responsibility (Health & Safety)

EIL's commitment to HSE requires that their operations be conducted in such a way as to preserve the health and safety of their employees, client official, contractors, vendors, and other stake holders associated with EIL working and to give due regard to the protection of the environment.

The highest standards in health, safety and environmental preservation and protection can only be achieved through a systematic approach to the establishment, implementation and maintenance of an HSE Management System designed to ensure, as a minimum, compliance with the laws and project requirements and to achieve continuous performance improvements.

EIL has therefore evolved its safety management system which ensures that due attention is paid to every aspect of safety in design and, at the same time, is flexible enough to adapt to the customer's special requirements. It is the conscious effort of project management that such safety enhancement activities are carried out in a manner that does not affect the schedule and quality of works.

The HSE services that EIL provides to its clients are continually assessed for improvements and enhancements.

Various safety studies are undertaken by EIL at various stages of the project to ensure Plant safety. These are as under:

- Rapid Risk Analysis
- Safe Design Procedures
- Hazard And Operability Study
- Safety Integrity Level (SIL)
- Quantitative Risk Analysis Study (QRA)
- Hazard Identification Study (HAZID)
- Gas dispersion Study (Flammable & Toxic Gas)
- Vent Radiation Study
- Consequence Analysis
- Fire Safety Assessment
- Safety Layouts
- F&G Layouts and Cause/ Effect Matrix
- Qualitative Risk Analysis study
- Disaster Control and Management Plan
- Escape Evacuation and Rescue Assessment
- Escape Route layouts
- Flare Radiation and Dispersion Study

HSE activities (Construction)

Construction division has an impressive track record of achievements and client satisfaction. The division during the five decades of its functioning has provided construction management services for construction of more than 250 major projects besides numerous small ones within the country and overseas.

Presently there are more than 40 construction sites spread all over India and overseas projects are being executed at Abu Dhabi, Algeria, Nigeria and Bangladesh.

EIL Construction on an average renders supervision for more than 150 million man hours annually at sites. Construction team has been credited with many accolades and landmarks in HSE aspects. Some of the notable achievements are as under:-

- 81.86 million man hours without any LTA (PREP project, Panipat)
- 80 million man hours without any LTA (PNCP project, Panipat)
- 60 million man hours without any LTA (Rehabilitation & Adaptation of Skidda Refinery Project, Algeria)
- 50 Million man hours without any LTA (OPAL Dahej Gujarat)
- 36.29 million man hours without any LTA (PTA project, Panipat)
- 48.3 million man hours without any LTA (MRPL Phase- III Mangalore)
- 50 million man hours without any LTA (BCPL Lepetkata Assam project)
- 18.04 million man hours without any LTA (DBPL project, Bangalore)
- 14 million man hours without any LTA (SSP, Padur Karnataka)
- 12.4 million man hours without any LTA (GAIL Pata, Petrochemical Complex)

EIL is also a member of British Safety Council (Membership No: 104420) and National Safety Council (CMDLI-225) for keeping abreast with latest trends and development in HSE matters. Further external training is also being arranged through the institutions to employees.

Following actions has been taken by Construction division under SD plan:

- Waste management and environmental aspects have been introduced in HSE specifications of recently awarded MBPL and MBBVPL projects of GSPC.
- Separate contract has been awarded in GSPC Kakinada for disposal of empty cable drums.
- Separate housekeeping contracts are being introduced at all major project sites.

Sustainable Development Initiatives by EIL

Sustainable Development has become a necessity and a reality. EIL's commitment to sustainability has been strong and enduring and our ability to evolve and grow defines what EIL stands for today.

EIL has endeavoured into sustainability by constituting following Sustainable Development Initiative Projects under Technical Directorate:

- Implementation of Recommendations of Energy Management Report of EIL Offices at Delhi
- Further Improvement on Bio-diversity Conservation at one EIL Project Site
- Carbon footprint of EIL Offices Methodology for Estimation and Reduction Measures

Energy Management

A report on Energy Management of EIL at Delhi & Gurgaon was prepared in the year 2012-13 as a Sustainable Development project. The report includes specific recommendations on Energy Conserving opportunities (ECOs) for reducing energy wastage to minimum separately for EIB, EIA buildings at New Delhi and R&D Centre building at Gurgaon.

Each recommendation of the Energy Management report submitted during FY 2012-13 for EIB & EIA buildings is reviewed in detail considering Operational requirements, Implementation within one year, Capital expenditure/ Budget, Policy decisions & other reasons.

Based on the review, the following recommendations are short listed and adopted for implementation in EIA & EIB Building as part of sustainable development project for FY 2013-14:

- De-energisation of 1 No. Transformer to save no load losses.
- Replacement of 40W T8 tube light Lamps with 17 W Tube light LED Lamps in existing lighting fixtures.
- Installation of occupancy sensors in conference halls and cabins.
- Replacement of inefficient window/split A/Cs with five star rated window A/Cs and inverter based split A/Cs.

Total 700 nos. existing 36/40W T8 tube light lamps in lighting fixtures in various rooms of EIB and EIA buildings are replaced with 17W LED tube light lamp. Total 35 Nos. of Occupancy sensors (movement type) of Crompton Greaves Limited make, model no. K5015 are provided in Conference rooms and cabins in EIB & EIA buildings to automatically switch ON & OFF Lights based on occupancy. Replacement of 15 nos. five star A/Cs (window) & 34 nos. inverter based A/Cs (split) with buy back of existing 15 nos. window ACs & 27 nos. split ACs are also carried out in EIA & EIB.

Bio-diversity Conservation

Bio-diversity is the variety and variability of life on Earth. This includes all the plants and animals that live and grow on the Earth, all the habitats in which they survive, and all the natural processes of which they are a part. The earth supports an incredible array of bio-diversity. Unfortunately, the earth's bio-diversity is disappearing, with an estimated 1,000 species per year becoming extinct. Conserving bio-diversity is especially crucial in developing countries where people's livelihoods are directly dependent on natural resources such as forests, fisheries and wildlife. With the increasing pressure and demand for land and unplanned land use of various landscapes, for majority of the bio-diversity has become the main abode for survival.

As emphasized by the Convention on Biological Diversity, any strategy to slow the loss of bio-diversity and to enhance its contribution to sustainable development must integrate three essential elements: conservation of bio-diversity, sustainable use of its components and the equitable sharing of benefits.

The Research and Development campus of Engineers India Limited spread over 33 acre at Gurgaon is under rapid changes because of construction of buildings. The vegetation of the campus is highly fragmented and very little wild population of plants is left out. In the present scenario, the systematic exploration and documentation of flora and fauna in each season will provide a complete picture of current bio-diversity in a stepwise and usual manner. Moreover, an additional plantation program carried out during the present exploration study which adds few numbers of species to the present plant diversity. Exploration of species season wise within the campus area and addition of plant species through plantation programme in gap areas will give a result of improvement in bio-diversity.

A total of 262 species were enumerated and identified in the R & D complex area in 2013-14. Sixty more plant species are added to the species enumerated in 2012-13 through continuous enumeration and plantation activity. Based on habit types, herbaceous plants were dominant in the study area and represented with 139 species, followed

by trees (74 species), shrubs (36 species) and climbers/stragglers with 13 species. The diversity index for herbaceous species was calculated and found 1.9 for 2013-14. A total of 22500 individuals of 42 different species were planted in the campus to improve the diversity in 2013-14.

A total of 52 species of birds were observed during survey carried out in the R & D Complex followed by 19 species of butterflies, 3 species of dragonflies, 3 species of reptiles and 4 species of mammals. Three striped palm squirrel, Common Indian Mongoose, Common Rat, and Bonnet Macaque Monkey are some of the major mammals sited in the complex.

In order to sustain the rich bio-diversity on the campus, a system of monitoring the critical habitats and indicator species has to be evolved. Practical guidelines and tools for bio-diversity monitoring can be easily devised. Development is a necessary evil and will take place with time but one needs to recognize the potential of the campus as a green lung and carbon sink; if absolutely needed sustainability of the natural wealth should be given due consideration.

Carbon Footprint

Climate change has become an important matter for the Indian corporate sector. Engineers India Limited (EIL) promulgated its carbon policy and initiated its role towards sustainable development. In this regard, Carbon Foot Print estimation and reduction was carried out for financial year 2012-2013 for EIL Head Office, New Delhi & R&D Complex, Gurgaon. The same is extended to EIL's Regional Offices, Branch Office, Regional Procurement Offices and Site Offices for the financial year 2013-2014. Therefore, all offices of EIL are covered for carbon foot print estimation and further reduction measures. The data collection and results for carbon foot print are considered for April 2013 to February 2014.

The scope includes estimation of carbon foot print for EIL Offices and providing reduction measures. The components considered for computation of carbon foot print are Employee Transportation, products (courier), DG Sets, and Electricity. The month wise input data is collected through different systems and online manual data entry for different locations. The month wise carbon footprint is computed for each location and over all EIL offices for the period April 2013 - February 2014 and the summary of result is provided.

Total carbon-di-oxide equivalent emission of EIL from April 2013 to February 2014 is 6821 tonnes. The Electricity is the major contributor for the (CO₂)eq. emission in EIL's New Delhi, Gurgaon Complex, ROs, BO and other Offices. The Carbon emission contributed due to electricity is 5152 tonnes followed by Petrol 508 tonnes and Diesel 704 tonnes respectively. CNG remains the lowest emitted fuel in EIL because of its lower consumption as well as lower emission factor.

Efficient Energy management programs are under implementation in EIL for optimum utilization of electricity which will reduce further Carbon footprint. We are in the process of increasing the awareness among all employees to reduce Carbon footprint due to employee transportation. Our effort will be towards reducing the emissions in a holistic approach.

External Evaluation of SD Projects

As per SD guidelines, all projects must be evaluated by a specialist external auditor. Prof. I.M. Mishra from Chemical Engineering Department, Indian Institute of Technology, Roorke has evaluated all projects of EIL on February 28, 2014 and rated excellent for its rational methodology adopted and target time-line achievement for each of the project.

Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2013-14 and the business outlook for this year:

1. Business Overview

For the year 2013-14, the Company secured business worth ₹ 1154.72 Crores with segment-wise breakup as follows:-

Domestic Consultancy	:	₹ 407.25 Crores
Domestic Turnkey	:	₹ 677.92 Crores
Overseas	:	₹ 69.55 Crores

Major contribution in our order inflows continues to be from Hydrocarbon and Petrochemical businesses.

In the upstream segments, EIL was awarded Consultancy Services for Revamping of Unmanned Platform Phase-II for ONGC, Mumbai and engineering assignments from Cairn India including "Front End Engineering Design for Sulphate Removal" of Thumbli Saline Aquifer Water Project.

Major consulting orders secured in the Refining sector include Coke Chamber Replacement and Allied Modernization in Coker at Barauni Refinery for IOCL, licensor selection & initial Project activities for Rajasthan Refinery, Detailed Feasibility Report (DFR) for Numaligarh Refinery Expansion Project and for Gujarat Refinery Expansion Project of IOCL.

The Company's efforts towards augmenting its foray into the LNG sector resulted in award of PMC services for Dahej expansion –Phase-III A for Petronet LNG Limited. EIL has also bagged PMC Services for Kochi-Coimbatore-Erode-Salem LPG Pipeline Project and Irugur-Devangonthi Pipeline Project for BPCL, Kochi.

In the Infrastructure field, EIL was awarded Projects from Gujarat Housing Board for Project Management Services for their Housing Projects.

In LSTK domain, EIL was successful in securing the job for executing Coker Block of Resid Upgradation Project for CPCL, Chennai against stiff competition.

During the fiscal, your company's intense focus on augmenting

international business met with considerable success. The company was successful in expanding its footprints in new territories of Indonesia, Turkey, Angola and Nigeria. Upcoming business opportunities for large scale projects are also envisaged in Algeria, Oman and Bahrain. In UAE, EIL was successful in signing long term General Engineering Services Agreement with the state owned company M/s GASCO. The Company's General Engineering Services Agreement with Equate of Kuwait and BAPCO of Bahrain were extended for 2 years.

During the year we initialed a contract worth US\$139 Million with Dangote Oil Refining Company of Nigeria for implementing a grassroot 20 MMTPA Petroleum Refinery and 600,000 TPA Polypropylene Plant in Nigeria. This is the largest ever single consultancy assignment for EIL. The contract is now signed and will be part of order book for FY2014-15.

2. Business Environment & Future Outlook

As per World Economic Output reports, global activity strengthened during the second half of 2013 and is expected to improve further in 2014–15, largely on account of recovery in the developed economies. The global economic growth is projected to be slightly higher in 2014, at around 3.7 percent, rising to 3.9 percent in 2015. Construction and service companies will benefit from increased oil and gas investments in Middle East markets owing to demand recovery. However, prevalent instability in the region due to political strife and unrest in countries like Egypt, Iran, Iraq, Libya and Syria may inhibit immediate upturn of the sector.

Indian GDP growth is estimated to have moderated to 4.8% in the year 2013-14 from 5% in the previous year and was significantly below the 8% average growth achieved during the past decade. However, the economic survey 2014-15 has projected GDP growth for FY2015 between 5.4-5.9%.

The Company is hopeful that with stable government at centre, there will be a renewed focus on revival of investment climate both in energy and infrastructure sectors which can provide incremental growth opportunities for us and the diversified segments of renewable, water & waste water management and fertilizers that have strong potential for future growth will continue to be the focus area. In renewable space, your company is entering into an SPV with other Oil majors for setting up solar power projects in India. We also plan to capitalize on the current success from overseas markets and build on the credentials for PMC and FEED services for green field and brown field expansion projects in hydrocarbons.



3. Financial Performance

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

(Figures in ₹ Lakhs)

No.	Description	2013-14	2012-13
A (i)	INCOME FROM SERVICES RENDERED	182359	250597
A (ii)	OTHER INCOME	33600	31642
	TOTAL INCOME	215959	282239
B.	EXPENDITURE		
i)	Cost of rendering services	144702	192058
ii)	Depreciation	1454	1087
	TOTAL	146156	193145
C	PROFIT BEFORE TAX (A-B)	69803	89094
D	Provision for Current tax	21375	28446
E	Provision for Deferred Tax	550	(2230)
F	Prior Period Tax Adjustments, Short/(Excess)	(98)	20
G	PROFIT AFTER TAX (C-D-E-F)	47976	62858
H	Dividend	21900	20216
I	Tax on Dividend	3654	3291
J	CSR Activity Reserve	609	2212
K	Retained Profits	21813	37139
L	RESERVES & SURPLUS	229329	206908
M	NET WORTH	246176	223755

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 31.03.2014	Year ended 31.03.2013
Segment Revenue		
Consultancy & Engineering Projects	110907	123424
Turnkey Projects	71452	127173
Total	182359	250597
Segment Profit From Operations		
Consultancy & Engineering Projects	38805	52705
Turnkey Projects	4033	11048
Total (A)	42838	63753
Prior period adjustment	277	428
Interest	6	---
Other un-allocable expenditure	6352	5873
Total (B)	6635	6301
Other Income (C)	33600	31642
Profit Before Tax (A-B+C)	69803	89094
Capital Employed (*)	246176	223755

(*) 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

The Company has registered an operating turnover of ₹ 182359 Lakhs in FY2013-14, as stated in the audited financial statement. The revenue from consultancy business is ₹ 110907 Lakhs and from Turnkey Project was ₹ 71452 Lakhs.

The Company has recommended a final dividend of ₹ 3/- per share (Face value ₹ 5/- per share) in addition to interim dividend of ₹ 3.50/- per share paid during the year.

4. Risk & Concerns

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. To measure the adequacy, effectiveness and efficiency of these controls and action plans, the concept of Key Risk Indicators (KRIs) has been implemented.

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.

In order to cover all the elements of risks, nine categories have been defined by the management & risks in each have been identified at enterprise level. 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) headed by Director (Finance). Risk audits are conducted regularly to test the compliance of controls and the same is reported to RMC.

Based on periodic reviews and implementations of recommendations resulting from review process, the Enterprise Risk Management (ERM) process is continuously improved and strengthened. Project Risk Management is being implemented for high value and important projects as per the criteria approved by RMC. The risks severities are categorized as critical, major, cautionary and minor based on the probability and overall impact. Project Risk Management helps in facilitating management towards risk mitigation for effective project implementation.



The risk identification & assessment processes have been automated by Enterprise Risk Management System (ERMS) software.

The communication is being done regularly, across the organization to spread awareness on risks, root causes and action plans through in-house risk management awareness programs, external trainings & seminars, certification program on Project Risk Management.

To create awareness & increase the involvement of employees, the quarterly news letter 'Risk Screen' was converted into bi-monthly newsletter during this period. It is being shared with all the employees to create awareness among them to control risks in their work processes & areas. The Management is committed to further strengthen its risk management capabilities. Continuous efforts in creating new opportunities, improving competencies/ knowledge in various areas leading to improved performance and leveraging existing knowledge resources, in line with the risk appetite of the company has enabled the company to protect the shareholders interests.

5. Internal Control Systems

The Company has in place adequate systems of internal controls and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy & efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial & 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 signed an MoU with Ministry of Petroleum & Natural Gas (MoP&NG) for the year 2014-15 with targets for turnover and gross operating margin rate along with initiatives for Human Resource Management, R&D, Productivity & Internal Processes, Technology upgradation and CSR & Sustainability projects.

7. Significant Initiatives

In the current refining scenario, the Gross refining Margins (GRMs) of vintage refineries with small capacities and low complexity are

under stress. EIL has therefore, in order to maintain leadership position and consolidate business in the core area, made significant suo-moto initiatives to offer prospective clients with opportunities for improving performance by means of energy optimization, yield improvement, refinery petrochemical integration, pet-coke gasification for refinery-fertilizer integration, bottoms upgradation etc.

Focus on internationalization has also been given significant thrust by means of plans to ramp-up the presence in Middle East and focus on South East Asia as geography for leveraging our technological competence in the core sectors. Africa as a sunrise sector and USA as a strategic area are also under focus.

7.1 Human Resources

The Human Resource function at EIL focuses on alignment of the HR practices to changing employee expectations and business needs to enable our people to deliver their best.

The year gone by has witnessed many positive changes that have reinforced the positioning of the HR function as a strategic partner in business. The focus during the year has also been strengthening of the HR systems by building in greater transparency and authenticity and facilitating in creation of an environment of trust and collaboration through various policies and initiatives. The foundation for this was laid through restructuring of the HR Directorate which has resulted in increased transparency, greater ease of functioning, enhanced customer service and enabling higher responsiveness to our employees. In an effort to refine the HR service delivery models as well as to understand the pulse of the organization an organization wide Employee Engagement Survey-'Abhivvyakti' was commissioned and based on the findings Action Planning has been done. HR Meets and HOD Meet-Vicharavesh were organized to establish stronger communication and knowledge sharing forums. In order to meet the expectations and aspirations of employees, policies like Foreign Allowance, Reward & Recognition, Employee Benefits and entitlements etc were revised and made more employee-centric. Moreover, with a view to increase the efficacy of HR services, a multipronged approach was adopted during the year by conducting HR Audit of selected areas to ensure process compliance and suggest improvements. In addition to this a systematic process was adopted to ensure HR Data accuracy through verification of statutory declarations, general nominations and employee certificates pertaining to career & experience profile. Efforts were also undertaken to ensure availability of real time data w.r.t. employee's current assignment. Extensive efforts were made during the year for image building for both the external as well as internal customers. The initiatives included providing a new-look to the corporate website, launch of 'Golden Jubilee Film', press releases, media meet and extensive advertising campaigns on the occasion of FPO & Company's 50th Foundation Day.

7.2 Marketing

EIL has been successful in expanding its client base further with addition of new clients in existing and diversified business segments. New overseas clients added in the year were M/s PAU, Indonesia; M/s Gulf Petrochem, Sharjah; M/s Sonangol, Angola; M/s PIC Kuwait and TPAO, Turkey.

The Company has strengthened its credentials in the fertilizer sector by securing another prestigious PMC assignment this year for setting up a 1900 TPD Ammonia Plant at Central Sulawesi, Indonesia from M/s PAU Indonesia.

The Company has continued to build further on its strengths in the hydrocarbon business in Middle East. In Bahrain, EIL has been pre qualified by M/s BAPCO for providing PMC services for its refinery expansion project. EIL has bid for the project which is currently under evaluation. In Oman, EIL submitted its competitive bid for PMC services for Liwa Plastics Project of M/s ORPIC against which US\$ 43 Million contract has been awarded in Q1 FY14-15.

The recent bidding performance in large scale projects viz. Dangote Refinery, ORPIC Petrochemicals and ensuing BAPCO Project has increased our acceptability and we are hopeful to receive further inquiries for large scale expansion projects from MENA region.

The newer geographies of Indonesia, Nigeria and Bangladesh, where EIL has recently succeeded, are being explored further to increase the client base and secure more assignments.

7.3 Diversification

With the objective of sustained business for the organization and brand building, company plans to diversify into related high growth industries where the core technological strengths can be leveraged such as Power (including solar, nuclear, thermal, wind etc.) and Water & Waste Water. Company also plans to expand its EPC business and enter Design, Build and Operate business by entering into strategic tie-ups with equipment manufacturers and construction agencies.

Other focus areas of diversification being evaluated by EIL include strategic asset ownership in fertilizer/solar power sectors, Operation and Maintenance (O&M) services, Technical Risk Advisory Services, Technical Training etc.

7.4 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) for this purpose is being utilized for live projects effectively.

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 is aligned with the national accent on inclusive growth and the DPE Guidelines on CSR. The corporate systems and processes were strengthened with the periodic review and direction provided by CSR Committee of the Board.

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.



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. Further as per these DPE Guidelines, at least one third of the directors on the Board of a CPSE should be Non-official Directors. Since the Government of India appoints the Directors of the Company, the Company is constantly pursuing for appointment of requisite number of Independent directors on the Board of the Company.

b) Number of Board Meetings

The Board of Directors met 8 times during the financial year 2013-14. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	May 28, 2013	New Delhi	13	12
2.	July 10, 2013	New Delhi	12	9
3.	August 5, 2013	New Delhi	12	11
4.	October 25, 2013	Gurgaon, Haryana	13	12
5.	November 11, 2013	New Delhi	13	12
6.	December 11, 2013	New Delhi	14	13
7.	January 24, 2014	New Delhi	14	13
8.	March 15, 2014	New Delhi	14	11

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

Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the financial year 2013-2014 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 23/08/2013	Other Directorships	Committee Memberships**	Committee Chairmanships**
A) Chairman and Managing Director (Executive)					
Shri A.K. Purwaha	8	Yes	4	-	-
B) Whole-time Directors (Executive)					
I) Present Directors					
Shri Ram Singh	8	Yes	1	-	-
Shri D. Moudgil	8	Yes	-	-	-
Shri Sanjay Gupta	8	Yes	5	2	-
Ms. Veena Swarup	8	Yes	-	-	-
Shri Ajay N. Deshpande* ⁻¹	8	Yes	-	-	-

C) Non-Executive Directors					
I) Present Directors					
Dr. Archana S. Mathur	7	Yes	-	-	-
Shri Adit Jain ^{*-2}	4	Yes	5	-	1
Shri Bijoy Chatterjee	7	-	-	-	-
Dr. J.P. Gupta	6	Yes	1	1	-
Dr. R.K. Shevgaonkar	8	Yes	-	-	-
Shri D.R. Meena ^{*-3}	3	-	-	-	-
Dr. V. Vizia Saradhi ^{*-4}	3	-	-	-	-
II) Directors Retired/Resigned					
Ms. Sushma Taishete ^{*-5}	-	-	-	-	-
Dr. (Prof.) KDP Nigam ^{*-6}	-	-	-	-	-
Shri R. N. Choubey ^{*-7}	4	-	-	-	-
Dr. Christy Fernandez ^{*-8}	3	-	-	-	-

Remarks:

- ^{*-1} Shri Ajay N. Deshpande was appointed as additional Director in the capacity of Director (Technical) w.e.f. 1.04.2013.
- ^{*-2} Shri Adit Jain ceased to be Non-official (part-time) Independent Director w.e.f. 27.09.2013. He was appointed as additional Director, Non-official (part-time) Independent w.e.f. 27.09.2013.
- ^{*-3} Shri D.R. Meena was appointed as additional Director, Non-official (part-time) Independent w.e.f. 13.11.2013.
- ^{*-4} Dr. V. Vizia Saradhi was appointed as additional Director, Non-official (part-time) Independent w.e.f. 13.11.2013.
- ^{*-5} Ms. Sushma Taishete, Director (Government Nominee) ceased to be Director w.e.f. 10.04.2013 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter No. C-31033/1/2012-CA dated 10.04.2013 and her resignation of the same date.
- ^{*-6} Dr. (Prof.) KDP Nigam ceased to be the Director due to resignation w.e.f. 9.07.2013.
- ^{*-7} Shri R.N. Choubey was appointed as additional Director (Government Nominee) w.e.f. 10.4.2013. He ceased to be the Director (Government Nominee) w.e.f. 6.12.2013 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter No. C-31018/9/2013-CA dated 6.12.2013 and his resignation of the same date.
- ^{*-8} Dr. Christy Fernandez was appointed as additional Director, Non-official (part-time) Independent w.e.f. 26.09.2013. He ceased to be the Director due to resignation w.e.f. 28.02.2014.
- **** 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. Action Taken Reports are put up to the Board periodically. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

e) Code of Conduct

The Board of Directors has laid down the code of conduct for all Board Members and Senior Management of the Company. The same has also been posted on the Website of the Company.

Declaration as required under Clause 49 of the Listing Agreement, DPE Guidelines on Corporate Governance for CPSEs and Companies Act, 2013.

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the Financial year ended on March 31, 2014.

Date: May 23, 2014

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 four Independent Directors viz. Shri Adit Jain as the Chairman, Shri Bijoy Chatterjee, Dr. R.K. Shevgaonkar and Shri D.R. Meena as the members. The Audit Committee was reconstituted during the year due to the following:-

- Dr. (Prof.) KDP Nigam ceased to be member w.e.f. 9.07.2013.
- Dr. J.P. Gupta ceased to be Member w.e.f. 25.10.2013.
- Dr. Christy Fernandez was inducted as member w.e.f. 11.11.2013.
- Shri D. R. Meena was inducted as member w.e.f. 11.12.2013.
- Dr. Christy Fernandez ceased to be Member w.e.f. 28.02.2014.

The Composition of Audit Committee meets the statutory requirements including DPE Guidelines on Corporate Governance for CPSEs. The details of meetings held during the financial year 2013-14 and the attendance of the Members is given below:

S.No	Date of the Meeting	Name of the Members	Category	Attendance
1.	28.05.2013	Shri Adit Jain	Non-Executive(Independent)-Chairman	Present
		Dr. (Prof.) KDP Nigam	Non-Executive (Independent)	Not Present
		Shri Bijoy Chatterjee	Non-Executive (Independent)	Present
		Dr. J.P. Gupta	Non-Executive (Independent)	Present
		Dr. R.K. Shevgaonkar	Non-Executive (Independent)	Present
2.	5.08.2013	Shri Adit Jain	Non-Executive(Independent)-Chairman	Present
		Shri Bijoy Chatterjee	Non-Executive (Independent)	Not Present
		Dr. J.P. Gupta	Non-Executive (Independent)	Present
		Dr. R.K. Shevgaonkar	Non-Executive (Independent)	Present
3.	11.11.2013	Shri Adit Jain	Non-Executive(Independent)-Chairman	Present
		Shri Bijoy Chatterjee	Non-Executive (Independent)	Present
		Dr. R.K. Shevgaonkar	Non-Executive (Independent)	Not Present
4.	24.01.2014	Shri Adit Jain	Non-Executive(Independent)-Chairman	Present
		Shri Bijoy Chatterjee	Non-Executive (Independent)	Present
		Dr. R.K. Shevgaonkar	Non-Executive (Independent)	Present
		Dr. Christy Fernandez	Non-Executive (Independent)	Not Present
		Shri D.R. Meena	Non-Executive (Independent)	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.

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 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 ₹ 15,000/- per meeting of the Board and Committees thereof attended by them as fixed by the Board of Directors in their 301st meeting held on 25.10.2013. 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, the Remuneration Committee comprises of six Directors viz. Shri Bijoy Chatterjee as Chairman, Shri Adit Jain, Dr. J.P. Gupta, Dr. V. Vizia Saradhi, Shri D.R. Meena and Ms. Veena Swarup, Director (HR) as the members of the committee. The Remuneration Committee was reconstituted during the year due to the following:-

- Dr. R.K. Shevgaonkar ceased to be member w.e.f. 11.12.2013.
- Dr. V. Vizia Saradhi and Shri D.R. Meena were inducted as members w.e.f. 11.12.2013.



The details of meetings held during the financial year 2013-14 and the attendance of the Members is given below:

S. No	Date of the Meeting	Name of the Members	Category	Attendance
1.	28.05.2013	Shri Bijoy Chatterjee	Non-Executive(Independent)-Chairman	Present
		Shri Adit Jain	Non-Executive (Independent)	Present
		Dr. J.P. Gupta	Non-Executive (Independent)	Present
		Dr. R. K. Shevgaonkar	Non-Executive (Independent)	Present
		Ms. Veena Swarup	Director (HR)	Present
2.	25.10.2013	Shri Bijoy Chatterjee	Non-Executive(Independent)-Chairman	Present
		Shri Adit Jain	Non-Executive (Independent)	Not Present
		Dr. J.P. Gupta	Non-Executive (Independent)	Present
		Dr. R. K. Shevgaonkar	Non-Executive (Independent)	Present
		Ms. Veena Swarup	Director (HR)	Present

The details of remuneration paid to the whole-time Functional Directors during the financial year ended March 31, 2014 are as under:

(Amount in Rupees)

S. No	Name of Director	Gross Salary	Other Benefits	Performance Related Pay/ Productivity Linked Reward	Stock Options during the financial year 2013-14	Total
1.	Shri A.K. Purwaha	2504346	508907	596902	Nil	3610155
2.	Shri Ram Singh	2325428	677523	415975	Nil	3418926
3.	Shri D. Moudgil	2464295	1173016	411365	Nil	4048676
4.	Shri Sanjay Gupta	2288250	1146576	360450	Nil	3795276
5.	Ms. Veena Swarup	2402633	441002	190199	Nil	3033834
6.	Shri Ajay N. Deshpande	2589898	443898	234110	Nil	3267906
7.	P. Mahajan	2817010	32191	396255	Nil	3245456
	Total	17391860	4423113	2605256	Nil	24420229

Details of payments towards sitting fees to Independent Directors during the financial year 2013-14 are given below:-

(Amount in Rupees)

Name of Non-official (Part-time) Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Shri Adit Jain	50000	70000	120000
Shri Bijoy Chatterjee	95000	95000	190000
Dr. J.P. Gupta	80000	75000	155000
Dr. R.K. Shevgaonkar	105000	90000	195000
Shri D.R. Meena	45000	30000	75000
Dr. V. Vizia Saradhi	45000	-	45000
Dr. Christy Fernandez	45000	-	45000
Total	465000	360000	825000

*Gross Fees excluding taxes 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. To measure the adequacy, effectiveness and efficiency of these controls and action plans has been made to implement the concept of Key Risk Indicators (KRI's). KRI's have been designed and are being implemented to measure presence, level, or trend of the risk. 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.

In order to cover all the elements of risks while identifying, nine categories have been defined by the management & risks in each have been identified at enterprise level. 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, CGM (ITS), GM (Inspection) & Company Secretary as members, with Head of Risk Group as member secretary. Risk audits are conducted regularly to test the compliance of controls and the same is reported 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 regulatory compliance.

Based on periodic reviews and implementations of recommendations resulting from review process, the ERM process is continuously improved and strengthened. Project Risk Management is being implemented for high value and important projects as per the criteria approved by RMC. A risk register is prepared by listing all possible risk events of every discipline associated with the project. Risk Management Team approves the first risk register & meets every month to update it and continuously focuses on the identified risks. The risks severities are categorized in critical, major, cautionary and minor based on the probability and overall impact. Project Risk Management helps in facilitating management towards risk mitigation for effective project implementation.

The risk identification & assessment processes have been automated by Enterprise Risk Management System (ERMS) software.

The communication is being done regularly, across the organization to spread awareness on risks, root causes and action plans through in-house risk management awareness programs, external trainings & seminars, certification program on Project Risk Management.

To create awareness & increase the involvement of employees, the quarterly news letter 'Risk Screen' was converted into bi-monthly newsletter during this period. It is being shared with all the employees to create desires among them to control risks in their work processes & areas. The winners of 'Risk Quiz', which is a part of Risk Screen, are also being presented with appreciation letter by Director (Fin.).

The management is committed to further strengthen its risk management capabilities in order to protect and enhance shareholder value by improving its business performance. Continuous efforts in creating new opportunities, improving competencies/knowledge in various areas leading to improved performance and leveraging existing knowledge resources, in line with the risk appetite of the company, has enabled the company to protect the shareholders interests.

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

The company has not raised any money through Public Issue, Right Issues or any Preferential Issues. However, the Government of India divested 10% of paid-up equity capital of Engineers India Limited out of Government's Shareholding of 80.401% by way of "Further Public Offering (FPO)" of equity shares, aggregating 3,36,93,660 shares of the face value of ₹ 5/- each without raising any fresh equity from the primary market. After the disinvestment, the shareholding of the Government of India was 70.401% of the paid up equity share capital of the company comprising of 27,09,00,540 equity shares of ₹ 5/- each. The Shareholding of Government of India was further reduced to 69.37% of the paid up equity share capital of the company comprising of 23,37,27,299 equity shares of ₹ 5/- each due to off Market transaction for CPSE Exchange Traded Fund done by Government of India.

9. Shareholders

A) The brief resume of the Directors seeking 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 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 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, Mumbai) in Gujarati.
Displayed on Website	www.engineersindia.com and simultaneously posted on the Corporate Filing and Dissemination System website namely www.corpfiling.co.in., NSE Electronic Application Processing System website namely www.connect2nse.com and listing.bseindia.com
Whether it displays official news, releases and presentations made to media, analyst, institutional investors, etc.	Yes
Exclusive email id for redressal of investors' complaints	company.secretary@eil.co.in
Exclusive email id for registering/updating e-mail ids in terms of MCA circular issued regarding Green Initiative in Corporate Governance and provisions of Companies Act, 2013	eil.annualreport@eil.co.in eil.ar@eil.co.in

C) Shareholders'/Investors' Grievance Committee of the Board

The Company is having a Shareholders'/Investors' Grievance Committee. Presently, the Shareholders'/Investors' Grievance Committee comprises of four Directors viz. Shri Bijoy Chatterjee as Chairman, Shri D.R. Meena, Shri Ram Singh, Director (Finance) and Ms. Veena Swarup, Director (HR) as the members of the Committee. The committee was reconstituted during the year since Dr. (Prof.) KDP Nigam ceased to be the Director of the company w.e.f. 9.07.2013 and hence ceased to be the chairman of the committee with effect from the same date. Shri Bijoy Chatterjee, existing member was appointed as Chairman of the Committee w.e.f. 9.07.2013. Shri D.R. Meena, Director of the Company was inducted as member w.e.f. 11.12.2013 and Dr. Christy Fernandez was appointed as Chairman of the Committee w.e.f. 11.12.2013 in place of Shri Bijoy Chatterjee. Dr. Christy Fernandez ceased to be the Director of the Company w.e.f. 28.02.2014 and hence ceased to be the chairman of the committee with effect from the same date. Shri Bijoy Chatterjee, existing member was appointed as Chairman of the Committee w.e.f. 15.03.2014. The Committee met 4 times during the year on 28.05.2013, 5.08.2013, 11.11.2013 and 24.01.2014.

D) Share Transfer Committee of the Board

The Company has a Share Transfer Committee in place. Presently, the Share Transfer Committee comprises of three Directors viz. Shri Ram Singh, Director (Finance) as Chairman, Shri D. Moudgil, Director (Projects) and Shri Ajay N. Deshpande, Director (Technical) as the members of the Committee. M/s Karvy Computershare Pvt. Limited has been appointed as Registrar and Share Transfer Agent to register share transfers, coordinate with the Depositories and to look after the redressal of shareholders' and investors' complaints. The complaints received from investors relating to transfer of shares, non-receipt of balance - sheets, dividends etc. and also the complaints received through SEBI, Ministry of Corporate Affairs and the Stock Exchanges are being attended by the Transfer Agent on priority basis. 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 52 times during the financial year 2013-14 to transact all business concerning to transfer of shares and related issues.

E) Investment Committee of the Board

The Investment Committee has been constituted to examine the proposals relating to Investments of surplus funds of the Company and recommend the same to the Board for its approval. Presently, the Investment Committee comprises of three Directors viz. Shri Adit Jain as Chairman, Dr. R.K. Shevgaonkar and Shri Ram Singh, Director (Finance) as the members of the committee. The committee was reconstituted during the year due to cessation of Dr. (Prof.) KDP Nigam as Director of the Company w.e.f. 9.07.2013 and as member of the Committee with effect from the same date.

F) HR Committee of the Board

The HR Committee has been constituted to deal with some specific HR issues including revision in HR Policies and Rules. Presently, the HR Committee comprises of nine Directors viz. all Functional Directors including C&MD of EIL, Shri Adit Jain, Shri Bijoy Chatterjee and Dr. V. Vizia Saradhi as the members of the Committee. Shri A.K. Purwaha, C&MD is acting as Chairman of the committee. The committee met once during the year on 5.08.2013. The committee was reconstituted during the year due to the following:-

- Dr. (Prof.) KDP Nigam ceased to be the member w.e.f. 9.07.2013.
- Dr. V. Vizia Saradhi was inducted as member w.e.f. 11.12.2013.

G) CSR Committee of the Board

The CSR Committee has been constituted 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. Presently, the CSR Committee comprises of six Directors viz. Shri A.K. Purwaha, C&MD as Chairman, Dr. Archana S. Mathur, Dr. J.P. Gupta, Dr. R.K. Shevgaonkar, Dr. V. Vizia Saradhi and Ms. Veena Swarup, Director (HR) as members of the committee. Director (HR) is also the convener of this committee. The committee met once during the year on 25.10.2013. The Committee was reconstituted during the year due to the following:

- Dr. (Prof.) KDP Nigam ceased to be the member w.e.f. 9.7.2013.
- Dr. Archana S. Mathur was inducted as member w.e.f. 5.08.2013.
- Dr. V. Vizia Saradhi was inducted as member w.e.f. 11.12.2013.

H) SD Committee of the Board

The Sustainable Development Committee has been constituted 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, the Sustainable Development Committee comprises of five Directors viz. Dr. R. K. Shevgaonkar as Chairman, Dr. J.P. Gupta, Shri Ram Singh, Director (Finance), Ms. Veena Swarup, Director (HR) and Shri Ajay N. Deshpande, Director (Technical) as the members of the committee. Director (Technical) is also the convener of this committee. The committee met once during the year on 25.10.2013. The Committee was reconstituted during the year due to the following:

- Dr. (Prof.) KDP Nigam, Director ceased to be the chairman w.e.f. 9.07.2013.
- Dr. R.K. Shevgaonkar was inducted as member and Chairman of the committee w.e.f. 9.07.2013.

I) Committee of the Board for equity participation in new ventures by EIL

The Committee of the Board for equity participation in new ventures by EIL has been constituted to closely evaluate and consider the proposals in this regard and approve the same. Presently, this committee comprises of eight Directors viz. Shri Adit Jain as Chairman, Dr. Archana S. Mathur, Shri Bijoy Chatterjee, Dr. R.K. Shevgaonkar, Shri Ram Singh, Director (Finance), Shri Ajay N. Deshpande, Director (Technical), Shri D. Moudgil, Director (Projects) and Shri Sanjay Gupta, Director (Commercial) as members of the committee.

J) Committee of Functional Directors

The Board of Directors has constituted the Committee of Functional Directors of the Company to deliberate and decide on the matters as per defined scope of the committee. The committee consists of all Functional Directors and C&MD is the Chairman of the Committee. The committee met 23 times during the year.

K) Committee for Further Public Offering of Equity Shares

The Board of Directors, in its meeting held on 28th May, 2013 constituted the Committee for Further Public offering of Equity Shares for the purpose of Disinvestment of 10% of paid up share Capital of Engineers India Limited by Government of India through "Further Public Offering (FPO)".

Presently, the committee comprises of four Directors viz. Shri A.K. Purwaha, C&MD as Chairman, Shri Ram Singh, Director (Finance), Shri D. Moudgil, Directors (Projects) and Shri Sanjay Gupta, Director (Commercial) as members of the committee. The committee was reconstituted during the year due to induction of Shri Sanjay Gupta, Director (Commercial) as member of the committee w.e.f. 11.12.2013. The committee met seven times during the financial year on 9.07.2013, 12.07.2013, 24.01.2014, 30.01.2014, 13.02.2014, 19.02.2014 and 22.02.2014. With the completion of FPO, the committee ceased to exist as decided by the Board of Directors in its meeting held on 28.05.2013.

L) Compliance Officer

Shri Rajan Kapur, Company Secretary is the Compliance officer. The Company Secretary also acts as the Secretary to the various empowered committees of the Board.

M) Status of Investor Complaints

Complaints pending on 01.04.2013	NIL
Complaints received during the financial year 2013-14	414
Complaints disposed off during the financial year 2013-14	414
Complaints pending as on 31.03.2014	NIL

As on 31st March, 2014, 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
46 th	2011-2012	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	7.09.2011	10.00 AM
47 th	2012-2013	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi - 110 010	30.08.2012	10.00 AM
48 th	2013-2014	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi - 110 010	23.08.2013	10.30 AM

ii) Details of Special Resolutions passed at last three AGMs

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

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

iii) No Extra-ordinary General Meeting of the members was held during the financial year 2013-14.

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 2013-2014 are given in Point no. 2.36 of the Notes to the Annual Accounts for the year ended 31st March, 2014. 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.
- 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 Directors. The Company has already taken up the matter with the MOP&NG, Government of India for the appointment of sufficient number of Independent Directors on the Board of the Company.
- v) During the last three years, there were no Presidential Directives received by the Company.
- vi) Director(s) are nominated on training programmes and they have also attended various seminars/conferences from time to time.
- vii) No Expenditures were debited in the Books of Accounts during the financial year 2013-14 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 5.55% of the total expenses in the Financial year 2013-14 as against 3.81% during the Financial year 2012-13.
- x) It is always Company's endeavour to present unqualified financial statements.
- xi) None of the Directors of the Company are inter-se related as on 31st March, 2014.
- xii) None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2014.

13. General Information**i) 49th Annual General Meeting**

Date	August 28, 2014
Time	10.30 A.M.
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

Tuesday, August 19, 2014 to Thursday, August 28, 2014 (both days inclusive).

iv) Dividend

The Board of Directors of the company have recommended payment of Final Dividend of ₹ 3.00 per share (on the face value of ₹ 5/- each) for the Financial Year ended 31st March, 2014 subject to approval of the shareholders in the ensuing AGM. This was in addition to the Interim Dividend of ₹ 3.50 per share (on the face value of ₹ 5/- each) paid in March, 2014.

The Record Date and Dividend Payment for Final Dividend for the financial year ended 31st March, 2014 are Monday, August 18, 2014 and Tuesday, September 2, 2014 respectively. The dividend warrants would be posted on or after September 2, 2014 and within the stipulated period as per the statutory requirements.

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, 5th floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.

The Company has paid Listing fees for the Financial Year 2013-14 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 2013-14.

vi) Stock Code

ISIN INE510A01028

Scrip Code 532178

Scrip Symbol ENGINEERSIN

vii) Monthly Share Price Data

(Amount in Rupees)

Month & Year	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2013	197.40	150.05	198.00	152.00
May, 2013	191.95	160.80	193.00	160.00
June, 2013	164.75	140.60	165.10	140.40
July, 2013	150.60	135.05	153.00	135.00
August, 2013	147.00	121.15	147.00	121.70
September, 2013	189.40	129.60	189.00	129.50
October, 2013	183.20	169.05	183.00	167.00
November, 2013	189.35	153.75	189.00	153.10
December, 2013	175.80	155.25	175.80	153.80
January, 2014	169.20	145.05	169.40	145.00
February, 2014	159.30	142.10	159.60	142.50
March, 2014	234.90	147.45	235.10	147.55



viii) Performance of EIL's Share price in comparison to NIFTY Index during the financial year 2013-14.



ix) Liquidity

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

x) Dematerialization/Rematerialization of Shares

Shareholding in Demat Mode as on 31.03.2014.

Depository	No. of Shares	Percentage
NSDL	96736342	28.710
CDSL	239781818	71.165
Total	336518160	99.875

President of India has held 69.37% of the total shares, all in dematerialised form. Out of the balance 30.63% shares held by others, 0.125% have been held in dematerialised form as on March 31, 2014. The trading in the equity shares of the Company is compulsory in dematerialised segment as per Notification issued by the Securities and Exchange Board of India.

Dematerialised/Rematerialised for the period from 01.04.2013 to 31.03.2014.

	NSDL		CDSL	
	No. of Shares	Percentage	No. of Shares	Percentage
Dematerialised	7200	0.002	403200	0.120
Rematerialised	2692	0.000	1706	0.000

xi) Distribution of Shareholding as on March 31, 2014.

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2014 is presented hereunder:

a) Shareholding Pattern

Category of Shareholders	No. of Shares held	% of Total
President of India	233727299	69.37
Mutual Funds	12979837	3.85
Banks, Financial Institutions and Insurance Companies	29281854	8.69
Private Corporate Bodies	7235142	2.15
Foreign Institutional Investors	28509155	8.46
NRIs/OCBs/Trust	1911157	0.57
Indian Public	23292156	6.91
Total	336936600	100.00

b) Distribution Schedule

S.No.	Category	No. of Shareholders	% to Total	Amount (₹)	% of Total Amount
1	Upto 5000	135756	97.70	73748485	4.38
2	5001 to 10000	1677	1.21	12129460	0.72
3	10001 to 20000	913	0.66	13693940	0.81
4	20001 to 30000	187	0.13	4682995	0.28
5	30001 to 40000	80	0.06	2768765	0.16
6	40001 to 50000	62	0.04	2871390	0.17
7	50001 to 100000	88	0.06	6511990	0.39
8	100001 and above	195	0.14	1568275975	93.09
	Total	138958	100.00	1684683000	100.00

xii) Unclaimed/Unpaid Dividend

As per the statutory provisions, the Company is required to transfer Unpaid Dividend remaining unclaimed and unpaid for a period of 7 years from the due date(s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The Unpaid Dividend remaining unclaimed and unpaid for the financial years 2005-06 (Final) and 2006-07 (Interim) have accordingly been transferred to Investor Education & Protection Fund (IEPF) on 11.11.2013 and 2.04.2014 respectively.

Unpaid/Unclaimed Final Dividend for the financial year 2006-2007 is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 16.10.2014 (tentative). The Company sends a communication to the concerned shareholders well in advance, advising them to lodge their claim with respect to unclaimed dividend before it is due for transfer to IEPF. All shareholders, whose final dividend is still unpaid/unclaimed for the financial year 2006-2007 are requested to lodge their claim with Company Secretary of EIL by submitting an application as per Company's procedure before 30th September, 2014. The subsequent due dates of transfer of unpaid/unclaimed dividend to IEPF for the respective financial years have been provided here-in below and also at Company's website. Therefore, the members who have not encashed their dividend so far for these years are also requested to write to the Company or its Registrar & Share Transfer Agent for claiming the unpaid dividend before their due dates of transfer to IEPF.

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

Financial Year	Date of Declaration of Dividend	Proposed date for transfer to IEPF (Tentative Date)
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)	7.09.2011	6.10.2018
2011-12 (Interim)	13.02.2012	12.03.2019
2011-12 (Final)	30.08.2012	29.09.2019
2012-13 (Interim)	13.03.2013	12.04.2020
2012-13 (Final)	23.08.2013	22.09.2020
2013-14 (Interim)	15.03.2014	14.04.2021

**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 15 days from the date of lodgement subject to documents being valid and complete in all respects. In order to expedite the process of share transfer and in line with clause 49 of the Listing Agreement, the Company has delegated the power to approve Share transfer/transmission of shares to Registrar and Share Transfer Agent of the Company.

xiv) Demat Suspense Account

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

Opening Balance as on 1.4.2013		Shareholders approached for Transfer of shares from Suspense Account during 2013-14		Shareholders to whom shares were transferred from Suspense Account during 2013-14		Closing Balance as on 31.03.2014	
Cases	No. of Shares	Cases	No. of Shares	Cases	No. of Shares	Cases	No. of Shares
6	416	-	-	-	-	6	416

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

Opening Balance as on 28.02.2014*		Shareholders approached for Transfer of shares from Suspense Account during 2013-14		Shareholders to whom shares were transferred from Suspense Account during 2013-14		Closing Balance as on 31.03.2014	
Cases	No. of Shares	Cases	No. of Shares	Cases	No. of Shares	Cases	No. of Shares
10	2104	6	1612	6	1612	4	492

***Date of transfer of unclaimed shares to EIL-Unclaimed Suspense Account**

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

xv) Registrar & Share Transfer Agent (RTA)

The Company has appointed M/s Karvy Computershare Private Limited as its Registrar and Share Transfer Agent (RTA) for handling all matters relating to the shares of EIL (both physical as well as demat mode).

All matters relating to the shares of Engineers India Limited such as transfer, transmission, dematerialization, rematerialisation, dividend, change of address etc. and related correspondence and queries may be addressed to:-

M/s Karvy Computershare Private Limited

305, New Delhi House, 27, Barakhamba Road, Connaught Place New Delhi - 110 001 Tel No. 011-43681700 Fax No. 011-43681710 Email: delhi@karvy.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
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xvi) Registered & Head Office

Engineers India Bhavan,
1, Bhikaiji Cama Place,
New Delhi-110066
CIN: L74899DL1965GOI004352
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 – 700 017
Tel. : 033-22298995, 22276304, Fax : 033-22278902
Email : eil.rok@eil.co.in

4th & 5th Floor, Meghdhanush Complex,
Race Course Road, Near Transpek Circle, Vadodara – 390 015
Tel. : 0265-2340326, 2340368, Fax : 0265-2340328
Email: eil.rov@eil.co.in

Plot No. F-9, SIPCOT IT Park, Siruseri, Chennai-603103
Tel: 044-27469401-27469402
Email: eil.roc@eil.co.in

xviii) Branch Office

Great Eastern Chambers, 5th Floor,
Plot no. 28, Sector - 11, Belapur C.B.D. ,
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, London, UK-TW5 OBS.
Ph: 0044-208-570-5530. Handphone: 0044-74383 92847
Email: eillondon@btconnect.com

Flat No. 1703, 17th Floor, P O Box 126592,
Al-Salam Street, Abdullah Bin Darwish 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 Plaza, 345 Xian Xia Road,
Near Gubei Road, Shanghai - 200336, China
Tel. : 0086 21 22157403, 22157405
E-mail : eilshanghai@eil.co.in
Via Edolo 3 SCALA-A MILANO, Italy
Tel : 0039-3279061580,
E-mail : eilitalymilan@gmail.com

Torre KPMG, Piso 3, Oficina Nro 3-2B,
Avenida Francisco de Miranda,
Chacao, Caracas-1060, Venezuela
Tel: +58-212-2679655
Cel: +58-412-7362586
Email IDs: eil.venezuela@eil.co.in

xx) Auditors

M/s.M.Verma & Associates
Chartered Accountants
1209, Hemkunt Chambers,
89, Nehru Place,
New Delhi-110016
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
Agents as mentioned in Item 13(xv) till further
communication from the Company.

Place: New Delhi
Date: May 23, 2014



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, 2014, 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:

- 1) *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 except for the period from 6th December, 2013 to 27th February, 2014.*

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
Dated: May 23, 2014

Management's Reply to Auditors' Report on Corporate Governance (2013-14)

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 except for the period from 6th December, 2013 to 27th February, 2014.</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 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 Directors on the Board of the Company.</p>



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

Employee Name	Designation	Age as on 31.03.2014 (yrs.)	Qualification	Date of Joining	Total Exp. as on 31.03.2014 (yrs.)	Total Remuneration (₹)	Last Organisation
DEVENDER KUMAR GUPTA	SR MANAGER	60	CIVIL D MAN	10.12.1973	40	17,13,167	
ASHOK KAPOOR	DY MANAGER	60	DEGREE IN ARTS, DIP/CERT COURSE- GEN MGMT/ BUSI ADMN	05.04.1972	42	17,50,780	
M S NEGI	DY GENERAL MGR	60	DIP/CERT COURSE, DIP IN ENGG-MECHANICAL, AMIE-MECHANICAL	08.01.1993	39	26,02,192	TABRIZ PETROCHEMICALS CO
KUMAR ANANT	ASST. GENERAL MGR	51	DEGREE IN LAW, DIP-BUS/ADMN, DEGREE-ELECTRICAL, DIP/CERT COURSE-FINANCIAL MGT	08.02.1993	27	12,15,103	PROJECTS & DEVELOPMENT INDIA LTD

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

Independent Auditor's Report

To,
The Members of
ENGINEERS INDIA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ENGINEERS INDIA LIMITED** ("the Company") which comprise the Balance Sheet as at March 31st, 2014, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affair of the Company as at March 31st 2014;
 - b) In the case of the Profit and Loss Account, of the profit of the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other legal and Regularity Requirement

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's report) (Amendment) Order 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, 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 the law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from sites not visited by us];
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from sites not visited by us];
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dtd September 13th, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013;
 - e) In terms of notification No. G.S.R. 829(E) dt. 21.10.2003, issued by 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 Company.

For M. Verma & Associates
Chartered Accountants
FRN – 501433C

(Madan Verma)
(Partner)

Membership Number-080939

Place: New Delhi
Date: May 23, 2014

Annexure to the Auditors' Report referred to in paragraph (7) of our report of even date on the accounts of Engineers India Limited for the year ended on 31st march, 2014

- (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 and 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 in to 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 in to 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 there under 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. However in our opinion the procedure for IT system Audit at periodic intervals from outside expert agency need to be strengthen. As per information provided to us company has already initiated the process and job of IT system Audit has already been entrusted to outside expert agency.
- (viii) As per information and record provided to us the company is maintaining cost record for its two operating segments viz. Consultancy and engineering projects and turnkey projects as prescribed under section 209(1)(d) of the Companies Act 1956 depicting Cost and Revenue for each job. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of Cost record under section 209(1)(d) of the Companies Act 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) As per information and 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 Statute	Nature of Dues	Amount (in lakhs)	Period to which amount relates	Forum where the dispute is pending
Uttar Pradesh Sales Tax Act	Demand of Sales Tax	13.70	1999-2000	Sales Tax Tribunal, Agra
Service Tax Act 1994	Demand of Service Tax (including penalty of Rs 31.44)	62.87	2002-2006	Custom, Excise and Service Tax Appellate Tribunal
Income Tax Act 1961	Demand of TDS u/s 201(1)	0.32	2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Demand of Income Tax U/s 143(3)	50.82	2010-2011	Commissioner of Income Tax (Appeals)
Uttar Pradesh Sales Tax Act	Demand of Sales Tax	132.53	1999-2000	Commissioner (Appeals) Mathura
		116.12	2000-2001	

- (x) The Company does not have accumulated losses as at the year ended March 31, 2014. Further, the Company has not incurred any cash losses during the year ended March 31, 2014 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) As per record 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 except guarantees amounting to Rs 1000 lacs and Rs 200 lacs issued on behalf of M/s Certification Engineers International Limited (a wholly owned subsidiary company) and TEIL Projects Ltd (a joint venture company) respectively. In our opinion the terms and conditions of the guarantee are not prejudicial to the interest of the Company.
- (xvi) According to the in information and explanations given to us, the company has not raised any term loan during the year.
- (xvii) According to the in 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

(Madan Verma)
(Partner)

Membership no. 080939
Firm Registration no. 501433C

Place: New Delhi
Date: May 23, 2014

**Balance Sheet**AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	16846.84	16846.84
Reserves and Surplus	2.2	229329.20	246176.04
			206907.80
			223754.64
Non-Current Liabilities			
Other Long term Liabilities	2.3	183.31	380.82
Long Term Provisions	2.3 (A)	2009.24	2099.13
	2.3 (B)	2192.55	2479.95
Current Liabilities			
Trade Payables	2.4	28210.46	34638.96
Other Current Liabilities	2.4 (A)	54319.54	76179.98
Short term Provisions	2.4 (B)	44143.05	47413.34
	2.4 (C)	126673.05	158232.28
TOTAL		375041.64	384466.87
ASSETS			
Non Current Assets			
Fixed Assets:			
Tangible assets	2.5	11460.44	4741.85
Intangible assets		329.68	303.90
Capital work-in-Progress		13176.15	13551.70
		24966.27	18597.45
Non Current Investments	2.6	1759.31	10813.85
Deferred Tax Asset (Net)	2.33	23086.67	23636.73
Long Term Loans and Advances	2.7	5147.07	4682.16
Other Non Current Assets	2.8	48.31	37.47
Current Assets:			
Current Investments	2.9	71900.00	54500.00
Inventories	2.9 (A)	100.48	82.10
Trade Receivables	2.9 (B)	34309.30	33217.03
Cash and Bank Balances	2.9 (C)	176803.08	184801.99
Short Term Loans and Advances	2.9 (D)	4811.21	6335.15
Other Current Assets	2.9 (E)	32109.94	47762.94
	2.9 (F)	320034.01	326699.21
TOTAL		375041.64	384466.87

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

(MADAN VERMA)
PARTNER

Membership No. 080939
Firm Registration No. 501433C

Place : New Delhi
Date : May 23, 2014

Statement of Profit & Loss

FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE NO.	Year ended 31 st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
A. Revenue :			
i) Revenue from Operations	2.10		
- Consultancy & Engineering Services		116989.99	118045.74
Increase (+) / (Decrease) (-) in Work-in-Progress		(6,082.85)	5,377.79
		<u>110907.14</u>	<u>123423.53</u>
- Turnkey Projects		71452.03	127173.17
Increase (+) / (Decrease) (-) in Work-in-Progress		-	-
		<u>71452.03</u>	<u>127173.17</u>
		182359.17	250596.70
ii) Other Income	2.11	33600.24	31642.17
Total Revenue (i + ii)		<u>215959.41</u>	<u>282238.87</u>
B. Expenses :			
Technical Assistance/Sub-Contracts	2.12	43220.69	50261.88
Construction Materials & Equipments	2.13	19244.40	61371.96
Employee Benefits Expense	2.14	59781.46	57655.90
Depreciation & Amortization Expense	2.15	1454.67	1087.00
Other Expenses :	2.16		
Facilities	2.16 (a)	5002.12	4400.62
Corporate Costs	2.16 (b)	3418.89	2345.04
Other Costs	2.16 (c)	13757.30	15595.02
Total Expenses		<u>145879.53</u>	<u>192717.42</u>
Profit for the Year (A-B)		70079.88	89521.45
Less: Prior Period Adjustments(Net)	2.34	277.07	427.75
Profit Before Tax		69802.81	89093.70
Less: Tax Expense			
Current Tax		21374.82	28445.61
Deferred Tax	2.33	550.06	(2,229.56)
		<u>47877.93</u>	<u>62877.65</u>
Less : Prior Period Tax Adjustments(net) :			
Current Tax		(98.42)	1.36
Deferred Tax		-	18.74
Profit After Tax		<u>47976.35</u>	<u>62857.55</u>
Earning Per Share (Face value ₹ 5/- per share):	2.37		
Basic (In ₹)		14.24	18.66
Diluted (In ₹)		14.24	18.66
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

(MADAN VERMA)
PARTNER

Place : New Delhi
Date : May 23, 2014

Membership No. 080939
Firm Registration No. 501433C



Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2014

		Year ended 31 st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
A) Cash Flow from Operating Activities			
Net Profit Before Tax and Prior Period Adjustments	a	70079.88	89521.45
Add:			
i) Adjustment For:			
Depreciation and Amortization		1481.21	1087.00
Fixed Assets Written Off		18.03	29.73
Provision for Diminution in Value of Investment in Joint Ventures		111.01	143.88
(Profit)/Loss on Sale of Fixed Assets		(1.53)	39.98
ii) Other Income:			
Interest Income		(18,095.43)	(18,324.65)
Share of Profit on Trade Investment		(56.47)	(60.68)
Capital Gain on Redemption of Investment in Mutual Funds		(3,872.76)	(4,478.73)
Dividend Income		(558.91)	(874.30)
	b	(20,974.85)	(22,437.77)
Operating Profit before Working Capital Changes	c=a+b	49105.03	67083.68
iii) Adjustment For:			
(Increase)/Decrease in Trade Receivables		(1,092.27)	(2,479.78)
(Increase)/Decrease in Inventories		(18.38)	(0.37)
(Increase)/Decrease in Loans & Advances and Other Assets		7,917.13	27,460.43
(Increase)/Decrease in Work in Progress		6,082.85	(5,377.79)
Increase/(Decrease) in Liabilities/Provisions		(32,496.24)	(24,138.87)
	d	(19,606.91)	(4,536.38)
Cash Generated from Operations	e=c+d	29,498.12	62,547.30
Less: Tax Paid	f	20,912.64	27,713.63
Cash Flow Before Prior Period Adjustments	g=e-f	8,585.48	34,833.67
Prior Period Adjustments	h	(277.07)	(427.75)
Net Cash Flow from Operating Activities	i=g+h	8,308.41	34,405.92
B) Cash Flow from Investing Activities			
Payments Towards Capital Expenditure		(8,185.56)	(7,981.29)
Sale of Fixed Assets		8.16	10.36
Interest Received		19,559.94	18,154.87
Dividend Received		558.91	874.30
Redemption of Investment in Fixed Maturity Plans of Mutual Funds		44,672.76	54,428.73
Purchase of Investment in Fixed Maturity Plans of Mutual Funds		(49,200.00)	(52,750.00)
Investment in Liquid Plans of Mutual Funds (Net)		-	900.40
Fixed Deposit Placed with Banks having Original Maturity of More than Three Months		(2,61,191.84)	(1,94,180.72)
Fixed Deposit with Banks Matured having Original Maturity of More than Three Months		2,70,664.08	1,73,711.00
Net Cash Flow from Investing Activities	j	16,886.45	(6,832.35)
C) Cash Flow from Financing Activities			
Dividend Payment (Including Dividend Tax)		(11,791.98)	(15,631.40)
Interim Dividend Payment (Including Dividend Tax)		(13,762.97)	(11,715.44)
Net Cash Flow from Financing Activities	k	(25,554.95)	(27,346.84)

Cash Flow Statement (contd.)

FOR THE YEAR ENDED 31ST MARCH, 2014

		Year ended 31 st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
Increase/(Decrease) in Cash & Cash Equivalents	i+j+k	(360.09)	226.73
Cash & Cash Equivalents at the Beginning of the Period		1,282.71	1,055.98
Cash & Cash Equivalents at the Close of the Period		922.62	1,282.71
Increase/ (Decrease) in Cash and Cash Equivalents		(360.09)	226.73

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	38.33	31.70
ii) Balance with Banks in Current Account	709.29	1251.01
iii) Balance with Banks in Deposit Account having Original Maturity of Three Months or Less	175.00	0.00
Total	922.62	1282.71

(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

(MADAN VERMA)
PARTNER

Membership No. 080939
Firm Registration No. 501433C

Place : New Delhi
Date : May 23, 2014

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 in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs, provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified and applicable).

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 inspection 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 outcome of job cannot be estimated reliably

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

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) Government grant against specific fixed asset is deducted from the gross value of the concerned asset.
- (d) 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 OPERATING LEASES**

- i) Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on accrual basis.
- ii) Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 OIL & GAS EXPLORATION ACTIVITIES

A) The Company follows 'Successful Efforts Method' in accounting for Oil & Gas exploration and production activities as detailed below:

- a) Survey costs are charged as expense in the year of its incurrence.
- b) Acquisition costs, cost of incomplete/ undecided exploratory wells and development costs are carried as capital work in progress till these are either transferred to producing properties on completion or expensed in the year when determined to be dry as the case may be.

B) The Company's share of proved oil and gas reserves are disclosed when notified by the operator of the relevant block.

C) The Company's proportionate share in the assets, liabilities, income and expenditure of jointly controlled assets are accounted for as per the participating interest.

2) Notes to Accounts for the Year Ended 31st March, 2014

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 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
Authorised		
600,000,000 Equity shares of Par Value of ₹ 5 each (Previous Year :	30000.00	30000.00
600,000,000 Equity shares of Par Value of ₹ 5 each)		
Issued		
337,017,600 Equity shares of Par Value of ₹ 5 each (Previous year :	16850.88	16850.88
337,017,600 Equity shares of Par Value of ₹ 5 each)		
Subscribed and Paid up		
336,936,600 Equity shares of Par Value of ₹ 5 each (Previous Year :	16846.83	16846.83
336,936,600 Equity shares of Par Value of ₹ 5 each) fully paid up		
Add: Forfeited Shares	0.01	0.01
Amount originally paid up on 2,600 Equity shares of Par Value of ₹ 5 each (Previous Year : 2,600 equity shares of Par Value of ₹ 5 each)	16846.84	16846.84

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

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
No. of shares outstanding at the beginning of the period	336936600	336936600
No. of shares outstanding at the close of the period	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 st March, 2014	Number of shares held as at 31 st March, 2013
President of India	233727299 69.37%	270900540 80.40%

Other disclosures

	as at 31 st March, 2014	as at 31 st March, 2014
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 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
A. General Reserve						
Balance as per last Balance sheet	204495.90			167357.67		
Add: Transferred from Profit and Loss Account	<u>21812.74</u>	<u>226308.64</u>	226308.64	<u>37138.23</u>	<u>204495.90</u>	204495.90
B. Profit & Loss Account						
Balance as per last Balance sheet	0.00			0.00		
Add: Transferred from Statement of Profit and Loss	47976.35			62857.55		
Add: Transferred from CSR Activity Reserve	<u>648.49</u>	<u>48624.84</u>		<u>596.98</u>	63454.53	
Less: Appropriations :						
Interim Dividend	11792.78			10108.10		
Proposed Final Dividend	10108.10			10108.10		
Tax on Interim / Proposed Dividend	3654.07			3291.22		
Transfer to CSR Activity Reserve	1,257.15			2808.88		
Transfer to General Reserve	<u>21812.74</u>	<u>48624.84</u>	0.00	<u>37138.23</u>	<u>63454.53</u>	0.00
C. CSR Activity Reserve						
Balance as per last Balance sheet	2211.90			0.00		
Less: Transfer to Profit and Loss Account	<u>648.49</u>			<u>596.98</u>		
	1,563.41			(596.98)		
Add: Transferred from Profit and Loss Account	<u>1257.15</u>	<u>2820.56</u>	2820.56	<u>2808.88</u>	<u>2211.90</u>	2211.90
D. Capital Reserve						
Capital Grant Received from Oil Industry Development Board for R&D Centre			200.00			200.00
		<u>229329.20</u>				<u>206907.80</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 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
2.3 (A) Other Long Term Liabilities :		
Security Deposits & Retentions	75.72	250.82
Advances Received from Clients	107.59	130.00
	<u>183.31</u>	<u>380.82</u>
2.3 (B) Long Term Provisions :		
Employees' Post Retirement/ Long Term Benefits	2009.24	2099.13
	<u>2009.24</u>	<u>2099.13</u>

2.4) Current Liabilities :

The Disclosure of Current Liabilities Including their sub-Classification into major heads is given as under :

	as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
2.4 (A) Trade Payables	28210.46	34638.96
	<u>28210.46</u>	<u>34638.96</u>
2.4 (B) Other Current Liabilities :		
Security Deposits & Retentions	22476.37	25086.64
Advances Received from Clients	1800.94	3156.33
Income Received in Advance *	19499.66	38620.00
Capital Creditors	1821.76	1793.81
Service Tax Payable	280.41	284.34
Unpaid Dividend **	94.19	94.76
Other Payables :		
- Withholding for Employees including Employers Contribution	1019.70	942.64
- Withholding for Income Taxes	1909.10	1287.33
- Accrued Employees Benefits	2507.83	3778.55
- Amount held on behalf of Clients	2823.68	978.85
- Others	85.90	156.73
	<u>8346.21</u>	<u>7144.10</u>
	<u>54319.54</u>	<u>76179.98</u>

* Represents Gross amount due to Customer for Contract Work in terms of Accounting Standard (AS-7) "Construction Contracts"

** Excluding amount due for payment to Investor Education And Protection Fund

2.4 (C) Short Term Provisions :

Employees' Post Retirement/ Long Term Benefits	4258.15	2981.52
Contractual Obligations	25440.86	30609.45
Provision for Taxation	21385.32	28450.61
Less: Advance Income Tax	<u>18733.26</u>	<u>26420.22</u>
Proposed Dividend	10108.10	10108.10
Tax on Dividend	1683.88	1683.88
	<u>44143.05</u>	<u>47413.34</u>



2.5) Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	AS ON 31 st March, 2013	ADD. FOR YR.	SOLD/RECL/ TRNS/ADJ.	AS ON 31 st March, 2014	DEP UPTO 31 st March, 2013	DEP FOR YEAR	DEP WRTN. BACK	TOT.DEP. 31 st March, 2014	WDV AS ON 31 st March, 2014	WDV AS ON 31 st March, 2013
Tangible Assets :										
Land Freehold	298.08	0.00	-	298.08	0.00	0.00	0.00	0.00	298.08	298.08
Land Leasehold	1611.55	0.00	0.00	1611.55	31.97	13.90	0.00	45.87	1565.68	1579.58
Building	4175.62	6539.56	169.72	10545.46	2772.65	237.43	153.56	2856.52	7688.94	1402.97
Plant & Machinery	1087.81	0.00	0.00	1087.81	1044.27	0.00	0.00	1044.27	43.54	43.54
Furniture, Fixtures And Office/ Constn. Equipment	2139.31	434.07	38.14	2535.24	1777.20	108.96	34.99	1851.17	684.07	362.11
Computer Hardware	5814.57	664.99	155.32	6324.24	4759.33	535.20	150.09	5144.44	1179.80	1055.24
Motor Vehicles	9.10	0.00	0.00	9.10	8.77	0.00	0.00	8.77	0.33	0.33
Library Books	478.67	11.26	0.06	489.87	478.67	11.26	0.06	489.87	0.00	0.00
Total Tangible Assets	15614.71	7649.88	363.24	22901.35	10872.86	906.75	338.70	11440.91	11460.44	4741.85
Intangible Assets :										
Computer Software	3742.39	600.24	0.00	4342.63	3438.49	574.46	0.00	4012.95	329.68	303.90
Total Intangible Assets	3742.39	600.24	0.00	4342.63	3438.49	574.46	0.00	4012.95	329.68	303.90
TOTAL	19357.10	8250.12	363.24	27243.98	14311.35	1481.21	338.70	15453.86	11790.12	5045.75
PREVIOUS YEAR	18788.31	861.75	292.96	19357.10	13478.78	1087.00	254.43	14311.35	5045.75	5309.53
CAPITAL WORK- IN-PROGRESS									13176.15	13551.70

Depreciation for the year includes prior period depreciation ₹ 26.54 Lakhs (Previous Year : ₹ Nil).

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 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
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>768.45</u>	1268.45	<u>711.98</u>	1211.98
TOTAL (a)		<u>1268.45</u>		<u>1211.98</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 2012-13 and amount received during the current year is as under :

(₹ in Lakhs)			
Balance as on 1 st April, 2013	Share of Profit accounted during year 2013-14	Amount received during the year 2013-14	Balance as on 31 st March, 2014
711.98	56.47	0.00	768.45

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

II. 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 2,25,000 Equity shares were received by way of Bonus shares

3.04

3.04

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

49,99,997 Equity shares of ₹ 10 each fully paid up
Less : Provision for diminution in value of investment

500.00

481.12

18.88

500.00

435.34

64.66

2) Jabal Elliot Co. Ltd.

500,000 shares of SR 10 each fully paid up
Less : Provision for diminution in value of investment

599.00

150.06

448.94

599.00

84.83

514.17

**Quoted**

In Units of Fixed Maturity Plan of Mutual Funds

No. of Units

Nil UTI Fixed Term Income Fund Series XIV-VIII (371 Days)	0.00	9000.00
(Previous Year : 90000000) Direct Growth Plan of ₹ 10 Each		

TOTAL (b)	490.86	9601.87
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TOTAL (a+b)	1759.31	10813.85
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Aggregate Value of Quoted Investments - Book Value	0.00	9000.00
Aggregate Value of Quoted Investments - Market Value	0.00	9000.00
Aggregate Value of Unquoted Investments - Gross Book Value	2390.49	2334.02
Aggregate Provision for diminution in value of investments	631.18	520.17

2.7) Long Term Loans & Advances :

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

	as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
a) Capital Advances - Unsecured (Considered Good)	527.59	188.79
b) Security Deposit :		
Unsecured- Considered Good	164.54	87.01
c) Loans & Advances to Related Parties :		
Secured-Considered Good:		
Directors	2.23	3.50
Unsecured-Considered Good:		
Directors	0.79	1.03
Others	6.57	0.00
d) Other Loans and Advances		
(Advances Recoverable in Cash or in Kind or for value to be received):		
Secured-Considered Good:		
Employees	1946.00	2165.95
Unsecured-Considered Good:		
Employees	1925.78	1833.47
Others	9.53	0.82
Advance Income Tax	61050.11	62541.07
Less :Provision for Taxation	60486.07	62139.48
	5147.07	4682.16

2.8) Other Non Current Assets :

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

	as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
Bank Balances :		
Non-Current Bank Deposits	48.31	37.47
Total (A)	48.31	37.47

The above includes Bank Deposits ₹ 48.31 Lakhs (Previous Year : ₹ 37.47 Lakhs)
held as Margin Money/Security against Bank Gurantees.

2.9) Current Assets :

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

		as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
2.9 (A) Current Investments :			
1) Current Maturity of Long Term Investments - (At Cost Less Diminution in Value Other than Temporary)			
Other than Trade			
Quoted			
Investment In units of Fixed Maturity Plan of Mutual Funds			
No. of Units			
Nil (Previous Year : 100000000)	SBI Debt Fund Series-367 Days-18 Growth Plan of ₹ 10 Each	0.00	10000.00
Nil (Previous Year 27500000)	SBI Debt Fund Series - 18 Months - 8 Growth Plan of ₹ 10 Each	0.00	2750.00
Nil (Previous Year : 30000000)	SBI Debt Fund Series - 15 Months - 7 Growth Plan of ₹ 10 Each	0.00	3000.00
Nil (Previous Year : 123000000)	SBI Debt Fund Series - 366 Days - 23 - Growth Plan of ₹ 10 Each	0.00	12300.00
Nil (Previous Year : 20000000)	SBI Debt Fund Series - 366 Days - 24 - Growth Plan of ₹ 10 Each	0.00	2000.00
150000000 (Previous Year : 150000000)	SBI Debt Fund Series - 366 Days - 25 - Growth Plan of ₹ 10 Each	15000.00	15000.00
Nil (Previous Year : 40000000)	UTI Fixed Term Income Fund Series XIV - V - (366 Days) - Direct Growth Plan of ₹ 10 Each	0.00	4000.00
Nil (Previous Year : 19500000)	UTI Fixed Term Income Fund Series XIV - VII - (367 Days) - Growth Plan of ₹ 10 Each	0.00	1950.00
Nil (Previous Year : 10000000)	Union KBC Fixed Maturity Plan-Series 6- Growth-Direct Plan of ₹ 10 Each	0.00	1000.00
Nil (Previous Year : 25000000)	IDBI FMP-366 Days Series-III - (March 2013) -D-Growth Direct Plan of ₹ 10 Each	0.00	2500.00
90000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XIV-VIII (371 Days) Direct Growth Plan of ₹ 10 Each	9000.00	0.00
60000000 (Previous Year : Nil)	SBI Debt Fund Series-366 Days 34- Growth Plan of ₹ 10 Each	6000.00	0.00
20000000 (Previous Year : Nil)	IDBI FMP-Series III-366 Days-(July 2013)-G Direct Plan Growth of ₹ 10 Each	2000.00	0.00
29000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XV-X (368 Days) Direct Growth Plan of ₹ 10 Each	2900.00	0.00
39000000 (Previous Year : Nil)	SBI Debt Fund Series-366 Days 36- Growth Plan of ₹ 10 Each	3900.00	0.00
45000000 (Previous Year : Nil)	SBI Debt Fund Series-366 Days 38- Growth Plan of ₹ 10 Each	4500.00	0.00



		as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
57000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XVII-XX (369 Days) Direct Growth Plan of ₹ 10 Each	5700.00	0.00
30250000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XVIII-III (367 Days) Direct Growth Plan of ₹ 10 Each	3025.00	0.00
42000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XVIII-IV (366 Days) Direct Growth Plan of ₹ 10 Each	4200.00	0.00
7000000 (Previous Year : Nil)	IDBI FMP-Series IV-368 Days-(February 2014)-C Direct Plan Growth of ₹ 10 Each	700.00	0.00
75000000 (Previous Year : Nil)	SBI Debt Fund Series-A 12 - 366 Days Direct Growth Plan of ₹ 10 Each	7500.00	0.00
30250000 (Previous Year : Nil)	SBI Debt Fund Series-A 13 - 366 Days Direct Growth Plan of ₹ 10 Each	3025.00	0.00
44500000 (Previous Year : Nil)	SBI Debt Fund Series-A 16 - 366 Days Direct Growth Plan of ₹ 10 Each	4450.00	0.00
TOTAL		<u>71900.00</u>	<u>54500.00</u>

	as at 31 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
Aggregate Value of Quoted Investments - Book Value	71900.00		54500.00	
Aggregate Value of Quoted Investments - Market Value	75367.36		56307.91	
2.9 (B) Inventories (lower of cost or net realizable value) :				
Stores, Spares and Chemicals in Hand	100.48		82.10	
	<u>100.48</u>		<u>82.10</u>	
2.9 (C) Trade Receivables (Unsecured)				
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment:				
Considered Good	14650.07		12793.56	
Considered Doubtful	3989.17		5040.85	
	<u>18639.24</u>		<u>17834.41</u>	
Other Trade Receivable: Considered Good	19659.23		20423.47	
	<u>38298.47</u>		<u>38257.88</u>	
Less: Provision for Doubtful Debts	3989.17		5040.85	
	<u>34309.30</u>		<u>33217.03</u>	
2.9 (D) Cash And Bank Balances :				
Cash & Cash Equivalents:				
Balances with Banks in Current Account #	709.29		1251.01	
Balances with Banks in Deposit Account having original maturity of three months or less	175.00		0.00	
Cash & Stamps on Hand #	38.33		31.70	
	922.62		1282.71	
Other Bank Balances :				
Unpaid Dividend Account	94.19		94.76	
Held on Behalf of Clients	2823.68		978.85	
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 *	172962.59		182445.67	
	<u>175880.46</u>		<u>183519.28</u>	
	<u>176803.08</u>		<u>184801.99</u>	

* Includes Bank deposits having more than twelve months original maturity of ₹ 28250.00 Lakhs (Previous Year : ₹ 70677.00 Lakhs)

* Includes Bank deposits Nil (Previous Year : ₹ 54.00 Lakhs) held as margin Money/Security against Bank Guarantees.

Includes ₹ 119.43 Lakhs (Previous Year : ₹ 146.50 Lakhs) in currencies which are not repatriable.



	as at 31 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
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2.9 (E) Short Term Loans & Advances :

a) Loans & Advances to Related Parties :

Secured-Considered Good:

Directors		1.28		1.44
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Unsecured-Considered Good:

Directors	0.24		0.24	
Others	0.81	1.05	0.00	0.24

b) Security Deposit

Unsecured- Considered Good	103.50		161.21	
Unsecured-Considered Doubtful	0.69		0.69	
	104.19		161.90	
Less: Provision for Doubtful Deposits	0.69	103.50	0.69	161.21

c) Other Loans and Advances :

(Advances Recoverable in Cash or in Kind or for Value to be Received):

Secured-Considered Good:

Employees	259.57		328.43	
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Unsecured-Considered Good:

Employees	828.72		768.57	
Prepaid Expenses	242.93		153.89	
Advances to Vendors/Contractors	2175.15		4002.42	
Advance Income Tax	115.32		0.00	
Advance Fringe Benefit Tax	3.50		23.36	
Retention against Contracts	579.35		573.57	
Claims Receivable	0.60		0.60	
Others	500.24		321.42	

Unsecured - Considered Doubtful :

Employees	1.36		1.36	
Advances to Vendors/Contractors	2.58		2.58	
Claims Receivable	286.30		286.30	
Retention against Contracts	0.00		37.99	
	4995.62		6500.49	

Less: Provision for Doubtful Loans & Advances	290.24	4705.38	328.23	6172.26
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TOTAL (a+b+c)

4811.21

6335.15

2.9 (F) Other Current Assets :

Work In Progress *	618.72		6701.57	
Interest Accrued on Current Bank Deposits	3916.33		5309.46	
Unbilled Revenue **	27574.89		35751.91	
	32109.94		47762.94	

* As taken, valued and certified by the management

** Represents Gross amount due from Customer for Contract Work in terms of Accounting Standard (AS-7) "Construction Contracts"

	Year ended 31 st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
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2.10) Revenue from Operations :

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

A) Consultancy & Engineering Services	116989.99	118045.74
	<u>116989.99</u>	<u>118045.74</u>
B) Turnkey Projects	71452.03	127173.17
	<u>71452.03</u>	<u>127173.17</u>
Total (A+B)	188442.02	245218.91

Increase/(Decrease) in Work-in-Progress

A) Consultancy & Engineering Services

Closing Work-in-Progress	618.72		6701.57	
Less: Opening Work-in-Progress	<u>6701.57</u>	(6,082.85)	<u>1323.78</u>	5,377.79

B) Turnkey Projects

Closing Work-in-Progress	0.00		0.00	
Less: Opening Work-in-Progress	<u>0.00</u>	-	<u>(6,082.85)</u>	-
				<u>5,377.79</u>

2.11) Other Income

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

Interest Earned (Gross) :

Bank deposits	17564.10	17659.03
Loans to Employees	163.65	165.79
Others	<u>367.68</u>	<u>499.83</u>
	<u>18095.43</u>	<u>18324.65</u>

Income from Long Term Investments:

Share of Profit from AOP (Trade Investment)	56.47	60.68
Dividend income from Subsidiary Company	400.00	400.00
Dividend Income from Current Investments	158.91	474.30
Capital Gain on redemption of Investments in Mutual Funds	3872.76	4478.73
Funds recd. for expenditure against R&D	378.35	108.88
Less: Utilisation	<u>(378.35)</u>	<u>(108.88)</u>
Profit on Sale of Assets	3.52	1.13
Provisions no Longer Required Written Back *	10391.73	6994.09
Miscellaneous Income	<u>621.42</u>	<u>908.59</u>
	<u>15504.81</u>	<u>13317.52</u>
	33600.24	31642.17

* Provisions no longer required written back under head 'Other Income' represents:

- Contractual obligations written back for ₹ 10391.73 Lakhs (Previous Year : ₹ 5457.84 Lakhs) in respect of contracts for which obligation under respective contracts is completed.

- Unspent amount on CSR activity Nil (Previous Year : ₹ 1536.25 Lakhs disclosed as provision till 31-03-2012).



	Year ended 31 st March, 2014 ₹ in lakhs		Year ended 31 st March, 2013 ₹ in lakhs	
Expenses :				
The Details of expenses under various heads as per their nature is as given below :				
2.12) Technical Assistance/Sub Contracts		43220.69		50261.88
2.13) Construction Materials & Equipments		19244.40		61371.96
2.14) Employee Benefits Expense :				
Salaries and Allowances @				
Staff	47016.98		45367.30	
Directors	<u>199.97</u>	47216.95	<u>229.12</u>	45596.42
Contribution towards Employees' Pension and Provident Fund & Administration Charges thereon:				
Staff	3687.13		3363.60	
Directors	<u>13.02</u>	3700.15	<u>11.45</u>	3375.05
Contribution towards Employees' Defined Contributory Superannuation Scheme:				
Staff	4054.31		4137.84	
Directors	<u>14.55</u>	4068.86	<u>14.49</u>	4152.33
Staff Welfare				
Staff	4426.02		4360.55	
Directors	<u>4.41</u>	4430.43	<u>7.79</u>	4368.34
Contribution to Gratuity Fund*	365.07		168.89	
Less: Contribution received from Others	<u>0.00</u>	365.07	<u>5.13</u>	163.76
		59781.46		57655.90

@ Salaries and Allowances Includes :

a) Provision for Bonus of ₹ 0.08 Lakhs (Previous Year : ₹ 0.08 Lakhs).

b) ₹ 2783.74 Lakhs (Previous Year : ₹ 1868.16 Lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

* Includes Term Insurance Premium paid to LIC of India.

	Year ended 31 st March, 2014 ₹ in lakhs		Year ended 31 st March, 2013 ₹ in lakhs	
2.15) Depreciation & Amortization Expense				
Depreciation & Amortization Expense		1454.67		1087.00
		<u>1454.67</u>		<u>1087.00</u>
2.16) Other Expenses :				
2.16 (a) Facilities :				
Rent :				
Office		495.75		475.13
Residential Accommodation				
Staff	889.28		701.43	
Directors	<u>14.70</u>	903.98	<u>25.77</u>	727.20
Less: Recovered - Staff	<u>130.68</u>		<u>105.30</u>	
- Directors	<u>2.44</u>	<u>133.12</u>	<u>3.84</u>	<u>109.14</u>
		770.86		618.06
Light ,Water & Power		979.51		910.35
Insurance		314.80		142.64
Misc. Repairs & Maintenance *		2406.76		2204.39
Hire Charges of Office Equipments		<u>34.44</u>		<u>50.05</u>
		<u>5002.12</u>		<u>4400.62</u>
2.16 (b) Corporate Cost :				
Bank Charges		129.03		132.87
Sitting Fees to Independent Directors		8.46		5.66
Interest		6.53		0.18
Advertisement for Tender & Recruitment		861.43		1060.23
Publicity		573.84		212.05
Subscription		113.98		126.52
Entertainment		247.91		185.73
Foreign Exchange Difference (net)		575.64		7.33
Remuneration to Auditors:				
For Audit	7.00		7.00	
For Tax Audit	<u>1.50</u>		<u>1.50</u>	
Out of Pocket	<u>0.96</u>		<u>0.00</u>	
Others	<u>11.15</u>	20.61	<u>8.76</u>	17.26
Filing Fee		0.91		3.04
Legal & Professional Charges		487.58		355.15
Licences & Taxes		372.95		168.18
Loss on Sale of Assets		1.99		41.11
Fixed Assets Written off		18.03		29.73
		<u>3418.89</u>		<u>2345.04</u>

* Includes ₹ 218.03 Lakhs (Previous Year : ₹ 329.88 Lakhs) for repairs & maintenance of own building and ₹ 289.98 Lakhs (Previous Year : ₹ 241.63 Lakhs) for Plant & Machinery.



	as at 31 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
2.16 (c) Other Costs				
Consumables/Stores/Equipment R&D Centre		257.88		100.35
Travel & Conveyance				
Directors @	70.44		71.43	
Others	<u>6820.76</u>	6891.20	<u>6382.95</u>	6454.38
Printing , Stationery & General Office Supplies		403.09		404.63
Newspapers and Periodicals		73.94		79.41
Postage & Telecommunications		524.26		551.97
Courier ,Transportation & Handling		44.98		77.63
Commission to Foreign Agents		219.63		167.30
Provision for Doubtful Debts& Advances (net)		(1,089.67)		(138.32)
Bad Debts written off		8.33		17.32
Provision for Contractual obligations		5223.14		6906.22
Provision for Diminution in value of Investment in Joint Ventures		111.01		143.88
Training Expenses				
Travel	34.58		22.85	
Others	<u>311.83</u>	346.41	<u>263.64</u>	286.49
CSR Expenses		648.49		596.98
Expenditure relating to Oil & Gas exploration blocks		495.31		30.58
Miscellaneous Expenses		80.51		197.94
		<u>14238.51</u>		<u>15876.76</u>
Less: Expenditure relating to Capital Works		481.21		281.74
		<u>13757.30</u>		<u>15595.02</u>

@ Includes recovery of ₹ 0.92 Lakhs on account of use of car (Previous Year : ₹ 0.62 lakhs)

2.17 Contingent Liabilities and Commitments

i) Contingent Liabilities:

- a) Claims against the Company not acknowledged as debt.

Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 4130.28 Lakhs (Previous year: ₹ 3532.45 Lakhs).

- b) Income Tax/Fringe Benefit Tax assessments have been completed upto the assessment year 2011-12. Income Tax liability, if any, in respect of pending assessments for the assessment years 2012-13 and 2013-14 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 2011-12. Wealth Tax liability, if any, in respect of pending assessments for the Assessment Years 2012-13 and 2013-14 cannot be ascertained although tax on returned wealth has been paid in full.

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 ₹ 387.52 lakhs for assessment years 2007-08, 2010-11 and 2011-12 (Previous Year : ₹ 248.24 lakhs for assessment year 2010-11).

Income Tax Department is in appeal for an amount of ₹ 608.44 lakhs (Previous Year : ₹ 608.44 lakhs) with Income Tax Appellate Tribunal against the Commissioner of Income Tax (Appeals) Orders in Company's favour for the Assessment Years 2002-03 and 2004-05.

Income Tax Department is in appeal for an amount of ₹ 109.39 lakhs (Previous Year : ₹ 109.39 lakhs) with Delhi High Court against the order of Income Tax Appellate Tribunal (ITAT) in Company's favour for the Assessment Year 2006-07.

Company has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 50.82 Lakhs against the order of Assessing Officer u/s 143(3) for the Assessment Year 2011-12.

Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.32 Lakhs (Previous year: ₹ 0.32 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 (Previous Year: ₹ 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).

The Company has filed an appeal against the order of Assessing Authority, Mathura before Commissioner (Appeals), Mathura for an amount of ₹ 132.53 Lakhs (Previous Year : ₹ 132.53 lakhs) for assessment year 1999-2000 and ₹ 116.12 Lakhs (Previous Year : ₹ 116.12 lakhs) for assessment year 2000-01 respectively on account of sales tax.

The Company has filed an appeal before Sales tax Tribunal, Agra against the order of Commissioner (Appeal), Mathura for an amount of ₹ 18.71 Lakhs (Previous Year : ₹ 20.05 lakhs) on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs (Previous Year : ₹ 5.01 lakhs).

- c) Corporate Guarantee given on behalf of Subsidiary ₹ 1000 Lakhs (Previous year: ₹ 1000 Lakhs)
- d) Corporate Guarantee given on behalf of Joint Venture ₹ 200 Lakhs (Previous year: Nil)

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:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 5050.63 Lakhs. (Previous year ₹ 6686.35 Lakhs)

Company's estimated share in work programmes committed under production sharing contract in respect of oil & gas exploration blocks as on 31st March, 2014 is ₹ 5583.75 Lakhs (Previous year: ₹ 5540.28 Lakhs).

- 2.18** a) Guarantees issued by the banks and outstanding as on 31st March, 2014 ₹ 44825.32 Lakhs (Previous year: ₹ 30070.20 Lakhs), against which a provision of ₹ 19941.61 Lakhs (Previous year: ₹ 10984.74 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- b) Letter of credit outstanding as on 31st March, 2014 ₹ 419.98 Lakhs (Previous year: ₹ 2295.73 Lakhs).
- c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31st March, 2014 ₹ 24300.50 Lakhs (Previous year: ₹ 19047.00 Lakhs)

- 2.19** The profit & loss account includes Research & Development expenditure of ₹ 2092.75 Lakhs (Previous year: ₹ 1607.29 Lakhs).



2.20 i) Land & Buildings includes ₹ 0.07 Lakhs (Previous year: ₹ 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

ii) The Company is having a plot measuring 6826.90 square meters with three Buildings, comprising of 84 flats at GOKULDHAM, GOREGAON (EAST), MUMBAI. It was noticed during the current year that out of total area of 6826.90 square meter, around 4400 square meter of area is in the Company's possession. The Company is in the process of initiating the action for reclaiming the remaining area. The Capitalized cost & Written down value of the above property as on 31st March, 2014 was ₹ 238.19 Lakhs and ₹60.96 Lakhs respectively.

2.21 The Government Grant amounting to ₹15.17 Lakhs (Previous year :Nil) received for setting up of Off Grid Solar Photovoltaic power plant has been deducted from the gross value of plant.

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

Sl. No.	Particulars	Rates (%age)
1.	Land Freehold	Nil
2.	Land Leasehold	Over a lease period except for perpetual lease Nil %age
3.	Building	
	Office Building	2.4
	R&D Centre, Gurgaon	4.0
	Window/Split AC	15.84
	AC Central Plant	6.5
	Lifts	6.5
	Electric Power Sub Station	8.0
	Invertors	19.2
	Solar photovoltaic modules	4.75
	Solar power conditioning system	9.5
	Tubewell & Pumps	9.5
	Fire Alarm System	5.15
	Fire Fighting System	9.5
	Chilling Plant	9.6

Sl. No.	Particulars	Rates (%age)
4.	Plant & Machinery	
	Plant & Machinery	8.0
	Storage Tank	6.0
5.	Furniture & Fixtures, Office & Construction Equipment	
	Furniture & Fixtures	9.6
	Chairs	16.0
	Office Equipment	16.0
	Construction Equipment	12.0
6.	Computer Software/Hardware	
	PC/Laptop/Printer	24.32
	Server, LAN & Networking	
	Components	19.45
	Projector, Video Conference	
	Equipments	19.20
	Software	33.33*
7.	Motor Vehicles	13.75
8.	Library Books	100

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

- ii) The Capital work in progress comprises cost of 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)

Particulars	As on 31 st March, 2014	As on 31 st March, 2013
Capital expenditure incurred / Capital Assets acquired, but not yet ready for use at balance sheet date*	13176.15	13551.70
Total	13176.15	13551.70

* Includes Capital Expenditure of ₹0.47 Lakhs (Previous Year: ₹ 0.47 Lakhs) relating to ongoing Oil & Gas Exploration Activities.

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

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

(₹ In Lakhs)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Opening Balance	5369.77	5508.09
Add : Amount provided during the year	116.58	1681.32
Less: Amount written back during the year	1206.25	1819.64
Net provision during the year	(1089.67)	(138.32)
Closing Balance	4280.10	5369.77

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

(₹ In Lakhs)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Consultancy & Engineering Projects	110907.14	123423.53
Turnkey Projects	71452.03	127173.17
Total	182359.17	250596.70

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

(₹ In Lakhs)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
a) Expenditure (disbursement basis) in foreign Currency on account of :		
(i) Know how and professional fees including sub contracts (others)	352.77	324.23
(ii) Sub-Contractor/Construction Material turnkey projects	8305.38	28769.18
(iii) Others (foreign travel, living allowance membership fees, agency commission, foreign office expenses)	3394.57	2626.66
b)		
(i) Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 412.03 Lakhs (Previous year ₹ 352.55 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 363.23 Lakhs (Previous year: ₹ 289.87 Lakhs) incurred in local foreign currencies.	13917.41	15679.80
(ii) Interest earned in foreign exchange	0.67	1.27

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

Liabilities & Provisions			
As on 31 st March, 2014		As on 31 st March, 2013	
₹	Foreign Currency	₹	Foreign Currency
348.38	AED 20.72	281.68	AED 18.51
8720.80	USD 144.17	7889.38	USD 143.97
2.24	KWD 0.01	2.00	KWD 0.01
701.08	EURO 8.40	1034.34	EURO 14.72
444.83	GBP 4.41	366.73	GBP 4.41
15.17	SWK 1.62	128.70	SWK 15.23
1322.25	JPY 2239.97	1312.06	JPY 2243.98
0.08	OR 0.00	0.07	OR 0.00
5.05	BD 0.03	1.19	BD 0.01
21.99	AD 27.14	19.27	AD 27.14

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

Assets, Loans & Advances			
As on 31 st March, 2014		As on 31 st March, 2013	
₹	Foreign Currency	₹	Foreign Currency
1127.23	AED 71.16	990.64	AED 68.75
564.69	USD 9.51	891.84	USD 16.52
20.50	KWD 0.10	188.48	KWD 1.02
709.49	EURO 8.73	910.05	EURO 13.25
3.21	BOLIVAR 0.32	0.27	BOLIVAR 0.03
7.68	GBP 0.08	3.60	GBP 0.04
0.28	LD 0.01	0.24	LD 0.01
150.08	AD 185.28	146.50	AD 206.33
17.14	YUAN 1.66	4.70	YUAN 0.54
49.82	TAKA 62.28	0.00	TAKA 0.00

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 i) 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 31st March, 2014:

- The aggregate amount of Cost incurred and recognized Profit up to 31st March, 2014 ₹ 942196.15 lakhs (Previous Year: ₹ 949093.43 Lakhs).
 - The amount of advances received ₹ 1635.01 lakhs (Previous Year: ₹ 3100.40 Lakhs).
 - The amount of retention ₹ 573.57 Lakhs (Previous Year: ₹ 573.57 Lakhs)
- ii) The estimates with respect to total cost and total revenue in respect of construction contracts are reviewed and up dated periodically to ascertain the percentage completion for revenue recognition in accordance with Accounting Standard (AS) -7 “Construction Contracts”. However, it is impracticable to quantify the impact of change in estimates.

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 amounting to ₹ 500.00 lakhs (Previous year: ₹ 500.00 Lakhs) are held by the Company, being 50% of paid-up capital of joint venture company.

Till 31st March, 2013, the joint venture company had accumulated losses to the tune of ₹ 870.69 Lakhs and the company had provided a diminution in value of investment to the tune of ₹ 435.34 Lakhs for its share of loss in its financial statements till 31st March, 2013. During the current financial year 2013-14, the Joint Venture Company had a net loss of ₹ 91.56 Lakhs and the company has provided a further diminution in value of its investment to the extent of ₹ 45.78 Lakhs for its share of loss in the financial statements for the year ending 31st March, 2014.

b) Jabal Eliot Co. Ltd.

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure & Engineering Services Limited, Mumbai was formed during the financial year 2011-12 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 Eliot 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.

Till 31st December, 2012, the Joint Venture Company had incurred losses to the tune of SR 2124126 of which the Company's share was SR 708042 (equivalent Indian ₹ 84.83 Lakhs). The Company had provided ₹84.83 Lakhs, its share of loss, as diminution in value of investment in its financial statements for the year ended 31st March, 2013. During the financial year ended 31st December, 2013, the Joint Venture Company had a net loss of SR 1633467 of which Company's share is SR 544489 (equivalent ₹65.23 Lakhs) which has been provided as further diminution in value of its investment in the financial statements for the year ending 31st March, 2014.

Company's share in Assets and Liabilities and Income and Expenditure related to its interest in TEIL Projects Limited (based on audited financial statements for the year ended 31st March, 2014) and Jabal Eliot Co. Ltd (based on audited financial statements for the year ended 31st December, 2013) are as under: .

(₹in Lakhs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Assets	762.74	757.67
Liabilities	147.52	85.42
Income	141.18	167.20
Expenditure	271.31	317.50

2.31 Jointly Controlled Assets

Company has entered into Production Sharing Contracts with Government of India along with other partners for Exploration & Production of Oil and Gas. The Company is a non-operator and is having following participating interest in the ventures. The company would share Expense/Income/Assets/Liabilities of the ventures on the basis of its percentage in the production sharing contracts. The detail of company's interest in blocks is as under:

Block No.	Participating Interest
CB-ONN-2010/11	20%
CB-ONN-2010/08	20%

Based on unaudited available information, revenue expenditure of ₹ 495.31 Lakhs (Previous year: ₹ 30.58 Lakhs) and capital expenditure of Nil (Previous year: ₹ 0.47 Lakhs), being the company's share has been accounted for in the financial statements for the year ended 31st March, 2014.

2.32 The disclosures in respect of employee benefits covered under Accounting Standard (AS-15) "Employee Benefits" are made as far as practicable.**Defined Contribution Plan**

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

(₹in Lakhs)

Particulars	Expense recognized in Year ended 31 st March, 2014	Expense recognized in Year ended 31 st March, 2013
Contributory Provident Fund & Employees Pension Scheme, 1995	3700.15	3375.05
Employees Defined Contributory Superannuation Scheme	4068.86	4152.33

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, 2014 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, 2014.

Defined Benefit Plan

Company is having the following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Funded)
- Post Retirement Medical Benefits (Funded)
- Long Service Awards (Unfunded)
- Other benefits on Retirement (Unfunded)



	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
a) Actuarial Assumptions (₹in Lakhs)										
Discount rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.50%	8.50%	8.00%	8.50%	8.00%
Expected rate of return on assets	9.20%	9.55%	9.20%	9.55%	9.20%	9.55%	—	—	—	—
Expected rate of future salary increase	10.00%	10.00%	10.00%	10.00%	—	—	—	—	—	—
Increase in compensation levels	—	—	—	—	7.50%	7.00%	—	—	—	—
Increase in price of award (Gold) (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	10757.69	10779.64	22806.76	21397.84	9265.33	8156.45	2091.87	1992.76	153.15	171.65
Interest cost	860.62	862.37	1824.54	1711.83	787.55	693.30	167.35	159.42	12.25	13.73
Current Service Cost	886.28	90.85	2114.40	5217.74	195.21	168.07	204.19	229.56	6.87	7.90
Past Service Cost	—	—	—	—	—	—	—	—	—	—
Benefits paid	(1073.09)	(1203.06)	(2587.27)	(2364.92)	(844.40)	(736.37)	(127.98)	(143.36)	(15.47)	(20.26)
Actuarial (gain)/ loss on Obligations	(452.37)	227.89	779.83	(3155.73)	1070.98	983.88	(323.56)	(146.51)	(19.87)	(19.87)
Present value of obligations as at end of year	10979.13	10757.69	24938.26	22806.76	10474.67	9265.33	2011.88	2091.87	136.93	153.15
c) Reconciliation of opening and closing balances of fair value of plan assets										
Fair value of plan assets as on beginning of year	10885.28	10996.34	20947.11	19394.11	8161.76	7581.94	—	—	—	—
Additional Interest in plan asset credited at beginning of period	—	5.25	—	9.08	—	3.55	—	—	—	—
Expected return on plan assets	1039.54	995.90	2000.45	1905.68	779.45	720.62	—	—	—	—
Contributions	137.85	90.85	1858.54	2003.16	1103.57	574.51	—	—	—	—
Benefits paid	(1073.09)	(1203.06)	(2587.27)	(2364.92)	(844.40)	(736.37)	—	—	—	—
Actuarial Gain/ (Loss) on Plan assets	(79.92)	—	(65.42)	—	10.03	17.51	—	—	—	—

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Fair value of plan assets at the end of year	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
d) Fair value of plan assets as on 31st March, 2014										
Fair value of plan assets at beginning of year	10885.28	10996.34	20947.11	19394.11	8161.76	7581.94	—	—	—	—
Additional Interest in plan asset credited at beginning of period	—	5.25	—	9.08	—	3.55	—	—	—	—
Actual return on plan assets	959.62	995.90	1935.03	1905.68	789.48	738.13	—	—	—	—
Contributions	137.85	90.85	1858.54	2003.16	1103.57	574.51	—	—	—	—
Benefits paid	(1073.09)	(1203.06)	(2587.27)	(2364.92)	(844.40)	(736.37)	—	—	—	—
Fair value of plan assets at the end of year	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
Funded status	(69.47)	127.59	(2784.85)	(1859.65)	(1264.26)	(1103.57)	(2011.88)	(2091.87)	(136.93)	(153.15)
Excess of Actual over estimated return on plan	(79.92)	—	(65.42)	—	10.03	17.51	—	—	—	—
e) Actuarial Gain/Loss recognized for the year ended 31st March, 2014										
Actuarial gain/ (Loss) for the year—Obligation	452.37	(227.89)	(779.83)	3155.73	(1070.98)	(983.88)	323.56	146.51	19.87	19.87
Actuarial (gain)/ Loss for the year—plan assets	79.92	—	65.42	—	(10.03)	(17.52)	—	—	—	—
Total (gain)/Loss for the year	(372.45)	227.89	845.25	(3155.73)	1060.95	966.36	(323.56)	(146.51)	(19.87)	(19.87)
Actuarial (gain)/ Loss recognized in the year	(372.45)	227.89	845.25	(3155.73)	1060.95	966.36	(323.56)	(146.51)	(19.87)	(19.87)
f) The amounts recognized in the balance sheet										
Present value of obligations as at the end of year	10979.13	10757.69	24938.26	22806.76	10474.67	9265.33	2011.88	2091.87	136.93	153.15
Fair value of plan assets as at the end of the year	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
Funded status	(69.47)	127.59	(2784.85)	(1859.65)	(1264.26)	(1103.57)	(2011.88)	(2091.87)	(136.93)	(153.15)
Net (Asset)/ liability recognized in balance sheet	69.47	(127.59)	2784.85	1859.65	1264.26	1103.57	2011.88	2091.87	136.93	153.15
g) Expenses Recognized in statement of Profit & Loss										
Current Service Cost	886.28	90.85	2114.40	5217.74	195.21	168.07	204.19	229.56	6.87	7.90



	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Past Service Cost	—	—	—	—	—	—	—	—	—	—
Interest cost	860.62	862.37	1824.54	1711.83	787.55	693.30	167.35	159.42	12.25	13.73
Expected return on plan assets	(1039.54)	(995.90)	(2000.45)	(1905.68)	(779.45)	(720.62)	—	—	—	—
Net Actuarial (gain)/Loss recognized in the year	(372.45)	227.89	845.25	(3155.73)	1060.95	966.36	(323.56)	(146.51)	(19.87)	(19.87)
Expenses recognized in statement of Profit & Loss	334.91	185.21	2783.74	1868.16	1264.27	1107.11	47.99	242.47	(0.75)	1.77

h) Amount for the current period

Present Value of Obligation	10979.13	10757.69	24938.26	22806.76	10474.67	9265.33	2011.88	2091.87	136.93	153.15
Plan Assets	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
Surplus (Deficit)	(69.47)	127.59	(2784.85)	(1859.65)	(1264.26)	(1103.57)	(2011.88)	(2091.87)	(136.93)	(153.15)

i) Major Categories of Plan Assets (as percentage of total plan assets)

Fund managed by Insurer	100%	100%	100%	100%	100%	100%	—	—	—	—
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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 7.5% rate of escalation	At 6.5% rate of escalation	At 8.5% rate of escalation
Current Service Cost (for the period 01.04.2013 to 31.03.2014)	195.21	158.97	244.38
Interest Cost (for the period 01.04.2013 to 31.03.2014)	827.27	751.44	919.45
Value of Projected Benefit Obligation on 31.03.2014	10474.67	9491.44	11599.01

k) The amount pertaining to defined benefit plans for current annual period and previous four annual periods are as follows:

(₹ In Lakhs)

Particulars	As on 31 st March, 2014	As on 31 st March, 2013	As on 31 st March, 2012	As on 31 st March, 2011	As on 31 st March, 2010
1) Gratuity (funded)					
Present value of obligation	10979.13	10757.69	10779.64	10680.63	10480.80
Plan assets	10909.66	10885.28	10996.34	10597.84	9987.96
Surplus/(deficit)	(69.47)	127.59	216.70	(82.79)	(492.84)
Experience adjustments plan liabilities	—	—	—	—	—
Experience adjustments plan assets	(79.92)	—	—	—	—
2) Leave encashment (funded)					
Present value of obligation	24938.26	22806.76	21397.84	19328.00	16562.53
Plan assets	22153.41	20947.11	19394.11	16439.24	13935.01
Surplus/(deficit)	(2784.85)	(1859.65)	(2003.73)	(2888.76)	(2627.51)
Experience adjustments plan liabilities	—	—	—	—	—
Experience adjustments plan assets	(65.42)	—	—	—	—
3) Post retired medical benefits (funded)					
Present value of obligation	10474.67	9265.33	8156.45	7528.50	6267.88
Plan assets	9210.41	8161.76	7581.94	6421.20	6318.32

Particulars	As on 31 st March, 2014	As on 31 st March, 2013	As on 31 st March, 2012	As on 31 st March, 2011	As on 31 st March, 2010
Surplus/(deficit)	(1264.26)	(1103.57)	(574.51)	(1107.30)	50.44
Experience adjustments plan liabilities	(540.88)	(983.88)	(483.24)	116.40	(222.71)
Experience adjustments plan assets	10.03	17.52	—	--	52.56
4) Long service awards (unfunded)					
Present value of obligation	2011.88	2091.87	1992.76	1606.26	487.82
Experience adjustments plan liabilities	206.07	146.51	(164.29)	134.69	(27.87)
5) Other benefits on retirement (unfunded)					
Present value of obligation	136.93	153.15	171.65	160.29	139.81
Experience adjustments plan liabilities	16.02	19.86	(5.41)	(3.98)	1.76

I) The best estimate of contribution during the next financial year is as follows: (₹ in Lakhs)

Gratuity (Funded)	Leave Encashment (Funded)	Post Retirement Medical Benefits (Funded)	Long Service Award (Unfunded)	Other Benefits on Retirement (Unfunded)
223.47	3219.19	1278.04	188.14	15.18

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 st March, 2013	For the year Ended 31 st March, 2014	As on 31 st March, 2014
A.	Deferred Tax Asset			
1.	Provision For leave Encashment	7752.02	724.50	8476.52
2.	Provision for Contractual Obligations	10292.98	(1695.53)	8597.45
3.	Provision for Doubtful Debts	1825.18	(370.38)	1454.80
4.	Provision for Post Retirement Medical	3149.28	411.06	3560.34
5.	Provision for Other Benefits on retirement	52.06	(5.51)	46.55
6.	Provision for Long Service Awards	711.03	(27.19)	683.84
7.	Voluntary Retirement Scheme	5.55	(2.78)	2.77
8.	Carry forward of unabsorbed long term Capital Loss on Investment in Fixed Maturity Plans of Mutual Funds	102.12	372.31	474.43
9.	Provision for Loss in Joint Ventures	117.87	25.15	143.02
	Total Deferred Tax Asset	24008.09	(568.37)	23439.72
B.	Deferred Tax Liability:			
1.	Depreciation	371.36	(18.31)	353.05
	Total Deferred Tax Liability	371.36	(18.31)	353.05
C.	Net Deferred Tax Asset / (Liability)	23636.73	(550.06)	23086.67



2.34 Prior period items net debit of ₹ 277.07 Lakhs (Previous year: net debit ₹ 427.75 Lakhs) shown under prior period adjustments are as detailed below:-

Prior Period Income

(₹ In Lakhs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
I Consultancy & Engineering Projects	(98.99)	(427.98)
II Turnkey Projects	(146.43)	0.00
III Miscellaneous Income	0.14	0.23
(A)	(245.28)	(427.75)

Prior Period Expenditure

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
I Facilities	5.25	0.00
II Depreciation	26.54	0.00
(B)	31.79	0.00
TOTAL (A-B)	(277.07)	(427.75)

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 segments. Segment results are given below:-

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Lakhs)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Segment Revenue		
Consultancy & Engineering projects	110907.14	123423.53
Turnkey Projects	71452.03	127173.17
Total	182359.17	250596.70
Segment Profit		
Consultancy & Engineering Projects	38804.91	52704.81
Turnkey Projects	4032.98	11047.67
Total (a)	42837.89	63752.48
Prior period adjustment	277.07	427.75
Interest	6.53	0.18
Other un-allocable expenditure	6351.72	5873.02
Total (b)	6635.32	6300.95
Other Income (c)	33600.24	31642.17
Profit Before Tax (a-b+c)	69802.81	89093.70
Capital Employed(*)	246176.04	223754.64

(*) 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.	JABAL EILLOT CO. LTD.	JOINT VENTURE COMPANY
	DIRECTORS/KEY MANAGEMENT PERSONNEL	
6.	Mr. A K PURWAHA	CHAIRMAN & MANAGING DIRECTOR
	Dr. ARCHANA S MATHUR	DIRECTOR (GOVT. NOMINEE)
	Mr. R N CHOUBEY	DIRECTOR (GOVT. NOMINEE) – from. 10 th April, 2013 to 5 th December, 2013
	Ms. SUSHMA TAISHETE	DIRECTOR (GOVT. NOMINEE) – Upto 9 th April, 2013
	Mr. RAM SINGH	DIRECTOR (FINANCE)
	Mr. D. MOUDGIL	DIRECTOR (PROJECTS)
	Mr. SANJAY GUPTA	DIRECTOR (COMMERCIAL)
	Ms. VEENA SWARUP	DIRECTOR (HR)
	Mr. AJAY N. DESHPANDE	DIRECTOR (TECHNICAL) - w.e.f. 1 st April, 2013
	Mr. ADIT JAIN	DIRECTOR
	Dr. (Prof.) KDP NIGAM	DIRECTOR – Upto 8 th July, 2013
	Mr. BIJOY CHATTERJEE	DIRECTOR
	Dr. J.P.GUPTA	DIRECTOR
	Dr. R.K.SHEVGAONKAR	DIRECTOR
	Dr. CHRISTY FERNANDEZ	DIRECTOR – from. 26 th September, 2013 to 27 th February, 2014
	Mr. D. R. MEENA	DIRECTOR w.e.f. 13 th November, 2013
	Dr. V. VIZIA SARADHI	DIRECTOR w.e.f. 13 th November, 2013
	Mr. RAJAN KAPUR	COMPANY SECRETARY

(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)		37.29 (Previous year:34.26)			37.29 (Previous year:34.26)
Dividend / Share of profit	400.00 (Previous year:400.00)		56.47 (Previous year:60.68)		456.47 (Previous year:460.68)
Rendering of services & other transactions	330.26 (Previous year:279.53)	8.73 (Previous year:21.37)			338.99 (Previous year:300.90)
Outstanding receivables	35.18 (Previous year:25.34)	80.77 (Previous year:52.87)			115.95 (Previous year:78.21)
Services & facilities Received	231.10 (Previous year:245.44)	133.03 (Previous year:183.46)			364.13 (Previous year:428.90)
Outstanding Payable	38.83 (Previous year:44.66)	3.90 (Previous year:62.55)			42.73 (Previous year:107.21)
Remuneration/ Sitting fees*				267.31 (Previous year:268.51)	267.31 (Previous year:268.51)
Rent paid for residential accommodation				12.26 (Previous year:21.93)	12.26 (Previous year:21.93)
Interest Income on loans given				0.25 (Previous year:0.05)	0.25 (Previous year:0.05)
Outstanding Loans, Interest & other receivables				11.92 (Previous year:6.21)	11.92 (Previous year:6.21)

*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.	Year ended 31 st March, 2014	Year ended 31 st March, 2013
A	Net Profit for the year attributable to Equity Shareholders (₹ in lakhs)	47976.35	62857.55
B	Weighted average number of Equity shares	336936600	336936600
C	Basic & Diluted Earning per share (A)/(B)	₹ 14.24	₹ 18.66
D	Nominal value per share	₹ 5	₹ 5

2.38 The Board of Directors at their meeting held on 23rd May, 2014 has proposed a final dividend of ₹ 3/- per share for financial year 2013-14 (Previous year: ₹ 3/- per share) subject to approval of shareholders in annual general meeting. The above is in addition to an interim dividend of ₹ 3.50/- per share for financial year 2013-14 (Previous year: ₹ 3/- per share) declared and already paid.

2.39 LEASES

- a) The Company has taken certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 1003.05 Lakhs (Previous year ₹ 861.07 Lakhs) has been charged towards these cancellable operating leases.
- b) The Company has taken certain assets like car, commercial/residential premises etc. on non-cancellable operating leases. During the year an amount of ₹ 362.97 Lakhs has been paid (Previous year ₹ 242.31 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:
 - i) Payable not later than 1 year ₹ 393.94 Lakhs (Previous year: ₹ 191.80 Lakhs)
 - ii) Payable later than 1 year and not later than 5 years ₹ 343.92 Lakhs (Previous year: Nil)
 - iii) Payable later than 5 years Nil (Previous year: Nil).
- c) The Company has given certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 231.59 Lakhs (Previous year: ₹ 150.33 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

2.40 The Accounting policy No.1.3 A (b) with respect to Turnover/Work in progress has been changed as "No income has been taken into account for jobs for which the terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably" against earlier policy of "No income has been taken into account for jobs for which the terms have been agreed to at lumpsum services/turnkey contracts and physical progress is less than 25%". Due to above change, the revenue from operations and profit for the current year has been increased by ₹ 380.68 Lakhs and ₹ 292.68 Lakhs respectively.

2.41 The balances of Trade receivables, Loans & Advances, Customer's advances, retention money, Security deposits receivable/payable and Trade payables are subject to confirmation and reconciliation.

2.42 For Lump sum Services and Turnkey Contracts, balance efforts, cost and time to complete the contract including probability for liquidated damages and price reduction schedules as on reporting date are assessed by the management and relied upon by the auditors.

2.43 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 Provision	
		Contractual Obligations	
		Year ended 31 st March, 2014	Year ended 31 st March, 2013
1	Opening Balance	30609.45	29161.07
2	Additional Provision during the year	5223.14	6906.22
3	Provision used during the year	-----	-----
4	Provision reversed during the year	10391.73	5457.84
5	Closing Balance (1+2-3-4)	25440.86	30609.45

ii) Nature of provision:

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.

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

- 2.44** CSR Activity Reserve amounting to ₹ 2820.56 Lakhs (Previous year: ₹ 2211.90 Lakhs) under head Reserves & Surplus (Note 2.2) represents unspent amount, out of amounts set aside as 2% of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility.
- 2.45** During the current financial year "Further Public Offer" of 33693660 equity shares of ₹. 5/- each representing 10% of paid up equity share capital of the company was made through an offer for sale by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India via 100% book building process. Further, 3479581 equity shares of ₹ 5/- each representing 1.03% of equity share capital of the company were sold to Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF) by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India. Due to above, shareholding of Government of India was reduced from 80.40% as on 31st March, 2013 to 69.37% as on 31st March, 2014.
- 2.46** 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.
- 2.47** 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.
- 2.48** Previous year's figures have been re-casted and/or regrouped wherever necessary to ensure their presentation in line with the current 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

(MADAN VERMA)
PARTNER

Membership No. 080939
Firm Registration No. 501433C

Place : New Delhi
Date : May 23, 2014



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. a) Issued, Subscribed and Paid-up Capital of Subsidiary Company	2.50 Lakhs equity shares of RM 1 each		
3. (a) No. of shares held by EIL at the end of the Financial year of the Subsidiary company	2.50 Lakhs equity shares of RM 1 each		
(b) Extent of interest of holding company At the end of the Financial Year of the Subsidiary Company	100%		
4. Financial Year of Subsidiary Company ended on	31 st December, 2013		
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, 2013 (Amount in Lakhs)	RM (0.13)		
2. For the previous financial year(s) of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	RM (0.03)		
(b) <u>Dealt within Holding Company Accounts:</u>			
1. For the Subsidiary Company's Financial year ending 31 st December, 2013 (Amount 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, 2014
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 01.04.2013 to 31.03.2014 (Amount in Lakhs)	₹ 368.08
2. For the previous financial year(s) Of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	₹ 5358.94
(b) <u>Dealt within Holding Company Accounts:</u>	
1. For the Subsidiary Company's Financial year 01.04.2013 to 31.03.2014 (Amount in Lakhs)	₹ 400.00
2. For the previous financial year(s) of the subsidiary company since It became the holding company's Subsidiary (Amount in Lakhs)	₹ 2651.00

(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 2014.

The preparation of financial statements of Engineers India Limited for the year ended 31st March 2014 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 standard on auditing 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 23rd May 2014.

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 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the enquiries 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 on behalf of the
Comptroller and Auditor General of India

(Atreyee Das)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II,
New Delhi

Place: New Delhi
Date: July 1, 2014

Directors' Report

To
The Shareholders,
Certification Engineers International Limited

Ladies and Gentlemen,

Your Directors have pleasure in presenting the 19th Annual Report together with Audited accounts of the Company for the year ended 31st March 2014 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

PERFORMANCE DURING THE FINANCIAL YEAR 2013-14

The overall financial performance for the financial year 2013-14 is highlighted below:

	(₹ IN THOUSANDS)	
RESULTS OF OPERATIONS	For the year ended 31.3.2014	For the year ended 31.3.2013
Income from services rendered (Including adjustment of work-in-progress)	276300	284313
Expenditure	223602	208517
Operating profit	52698	75796
Other Income	44488	39759
Profit before Tax & Prior period adj.	97186	115555
Prior period adjustment	1381	1962
Profit before Tax	95805	113593
Provision for Taxation		
Current Tax	33270	40529
Deferred Tax	(-)861	(-)3648
Adj. of previous year's Tax Provision	(-)210	---
Profit after Tax	63606	76712
Interim/Proposed Dividend	40000	40000
Tax on dividend	6798	6644
Transfer to CSR Activity Reserve	5418	---
Transfer to General Reserve	11390	30068
SOURCES AND USES OF FUNDS		
Authorised Capital	20000	20000
Issued, Subscribed & Paid-up Capital	10000	10000
Reserves and Surplus	552702	535894
Non-Current Liabilities	24564	20922
Current Liabilities	58484	57258
	645750	624074
REPRESENTED BY		
Fixed Assets	28657	29810
Deferred Tax	11504	10643
Long Term Loans & Advances	32669	22434
Other Non-Current Assets	13089	16044
Current Assets	559831	545143
	645750	624074



DIVIDEND

The Board of Directors of the company has recommended for the financial year 2013-14, a final dividend of ₹ 200/- per share (of face value of ₹ 100/- per share) in addition to ₹ 200/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2013-14 works out to ₹ 400/- per share. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the company.

MANAGEMENT DISCUSSION & ANALYSIS

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

OPERATIONS

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

- 1) Oil & Natural Gas Corporation Limited (ONGC)– OGIP (TPI & Certification assignments), SSCP Project, HRD PL Project, B-127 WPP and other pipeline projects.
- 2) Gujarat State Petronet Limited – Various Pipeline Projects.
- 3) VMSS & SMC – Infrastructure works for Vadodara Municipal Corporation and surat Municipal Corporation
- 4) Technimont-OPaL – TPI for HDPE / LLDPE & PPU of Opal- Dahej
- 5) Corp. of Chennai – TPI of SWD Project
- 6) Fernas Construction- Various LSTK contracts
- 7) During the year, CEIL completed Emergency Response and Disaster Management Plan (ERDMP) Certification, Pipeline Integrity Management, System verification, Fit For Purpose certification, External Safety Audit and QRA Studies for the following Customers/Facilities:-
 - a. Emergency Response & Disaster Management Plan (ERDMP) Audits for;
 - GAIL Regional Pipeline Network HQ (RPNHQ), JLPL, Vaghodia,
 - IOCL Haldia-Morigram-Rajbandh-Barauni (HMRB) Multiproduct Pipeline Dadadi-Panipat Pipeline (DPPL) RLNG,
 - IOCL POL Terminals at Bihar & Rajasthan State Offices,
 - Tatanagar, Bijwasan.
 - IOCL LPG Bottling Plant at Manmad
 - Tripura Natural Gas Company Limited (TNGCL) CNG & CGD Networks

- Cairn India Ltd. Phase-II Bhogat Terminal
- Torrent Energy Ltd. DGEN Mega Power Project's NG Pipeline
- b. Integrity Management System verification for GAIL RPNHQ and Ramgarh NG Pipelines.
- c. Fit For Purpose Certification of Mangla Development Pipeline Project for Cairn India Ltd.
- d. External Safety Audit of NTPC Vishnugarh Hydro Power Project (VHPP), Uttarakhand.
- e. QRA Study for GAIL Samni Terminal.

The following major assignments were secured during the year:

- ONGC-Certification services for HRD Process Platform project, HRD-II Pipeline Project, Additional Pipeline Project, B127 Cluster Pipeline Project, and SPCON Project.
- TPI for various Infrastructure projects for Vadodara Municipal Corporation, Rajkot Urban Development Authority and Surat Municipal Corporation
- GSPL-TPI for various Pipeline Projects and Technical Audit
- BPCL-TPI for Mumbai, Kochi and Numaligarh Refineries.
- TPI jobs directly by suppliers of package equipments for projects of IOCL, CPCL and State Govt. Organizations etc.
- ERDMP and Safety Audit assignments from GAIL and IOCL.

RISK MANAGEMENT

The Company has a well-structured Risk Management System in place. Under this, business, stakeholder, strategy, financial, execution and other related risks are systematically identified using a Risk Matrix and the action plans detailed out accordingly. The Management uses this Enterprise Risk Management as an effective tool to foresee and take prompt actions for optimising it's business model and enhance shareholder value.

INTERNAL AUDIT

Internal audit of the company is done by Internal Audit Department of Engineers India Ltd., the parent company. Internal audit for the year was carried out in September, 2013 and April, 2014. Internal Audit Reports are submitted to the Management and Audit Committee of the Board.

VIGILANCE

Vigilance activities of the company are carried out by the Vigilance Department of Engineers India Ltd, the parent company, with focused objective of ensuring conformity to the company procedures and Govt. guidelines. System improvement are suggested to management and

actions are undertaken for improvement.

CEIL observed the Vigilance Awareness Week w.e.f 28th Oct. 2013 to 02nd Nov. 2013 as per the directives for spreading vigilance awareness and encouraging "participative vigilance" amongst the employees of CEIL

Various competitions were organised during the vigilance week for the employees.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

MANPOWER

As on 31st March 2014, your Company had total manpower of 77. Regular employees were 73 and number of employees on deputation from EIL stood at 4.

Employees were nominated for various training programs in NDT, Offshore, Risk Management, functional & behavioral trainings 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 13.09.2013 and 'Hindi Fortnight' was organized from 13.09.2013 to 27.09.2013 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 and seminars 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 are appearing in para 2.32 of the 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 AND SUSTAINABILITY

During the year 2013-14, the company remained focused towards its social obligations and a project was taken up through Rajkot Municipal Corporation for providing financial assistance to the Corporation for furniture and equipment for library at Rajkot, Gujarat for the benefit of local people including urban and rural areas, under the specialized program 'Vanche Gujarat' backed by the Govt. of Gujarat. This movement enables every house hold unit to inculcate the habit of reading and shape their lives.

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 2013-14, the company received three applications under RTI Act, 2005 and all had been responded within the statutory time limit. As on 31.03.2014, no application is pending under RTI Act, 2005.

RESEARCH & DEVELOPMENT ACTIVITIES

Your 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

DIRECTORS

As per the statutory provisions, Shri Sudershan Gupta, Director would retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Brief resume of Shri Sudershan Gupta seeking re-appointment together with the nature of his expertise in specific functional areas, names of companies in which he hold directorships and the membership of Committees of the Board pursuant to the requirements of Corporate Governance is given in the Annexure to Notice of 19th Annual General Meeting.

BANKERS

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

ACCREDITATION

ISO 17020:

CEIL continues to be a Type-A accredited Inspection Body in accordance with ISO/IEC 17020 granted by NABCB. During the year, ISO 17020 Surveillance Audit was carried out by NABCB successfully. The ISO 17020 accreditation is granted for company's operations in India for in

process / finished product/installation/in service inspection activities. ISO 17020 accreditation is a pre-qualification criteria to carry out ERDMP and T4S Audits under PNGRB.

ISO 9001:

CEIL successfully underwent ISO 9001 Certificate Renewal Audit carried out by IRQS. The ISO 9001 Certification is valid till 3rd September 2016.

APPROVALS

- **Emergency Response & Disaster Management Plan (ERDMP):**

CEIL continues as an approved Third Party Inspection body under PNGRB for review and verification of Emergency Response & Disaster Management Plan (ERDMP). During the year, CEIL carried out ERDMP Audits ranging from Cross country Crude and multi-product Pipelines, POL Terminals, LNG Terminals, LPG Bottling Plants to Cross country NG Pipelines.

- **Integrity Management System for Natural Gas Pipelines and CGD Networks(IMS):**

In the year 2013-14, CEIL achieved a new dimension in it's HSE Vertical by becoming an approved Third Party Inspection body under PNGRB for carrying out Integrity Management System Audits for Natural Gas Pipelines and CGD Networks.

- **Technical Standards and Specifications including Safety Standards (T4S):**

CEIL continues to be an approved Third party Inspection body under PNGRB for carrying out Technical Standards and Specifications including Safety Standards (T4S) Audits for Natural Gas Pipelines (NGPL) and City Gas Distribution (CGD) networks.

- **Petroleum & Explosives Safety Organization (PESO):**

CEIL continues to be an approved inspection authority as well as competent authority for inspections under SMPV(U) Rules 1981 from M/s PESO.

- **Indian Boiler Regulations (IBR):**

During the year, CEIL continued to be an approved inspection authority as well as competent authority for inspections in all countries of Europe, Middle East and China by IBR.

- **Bureau of Energy Efficiency (BEE)ESCO:**

CEIL continues to be a CARE BEE Grade 2 rated energy service company. The Grading indicates "HIGH" ability to carry out energy efficiency audits and undertake energy efficiency projects.

AUDITORS

M/s Kapoor Goyal & Co, Chartered Accountants were appointed as Auditors of your Company for the Financial Year 2013-14 by the Office of the Comptroller & Auditor General of India.

ACKNOWLEDGEMENTS

The Board of Directors express their sincere thanks to the esteemed Clients of CEIL for their continued patronage and express deep appreciation for the assistance provided by the 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 and on behalf of the Board of Directors

(A. K. Purwaha)
Chairman

Place: New Delhi
Date: July 16, 2014



Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the company for the year 2013-14 and the future outlook.

Financial Performance

During the financial year, the income from services rendered by your Company was ₹ 27.63 Crores, as stated in the audited financial statements. Profit before tax and Profit after tax achieved during the year were ₹ 9.58 Crores and ₹ 6.36 Crores respectively. The net worth of the company improved to ₹ 56.27 Crores as on 31.03.2014

To improve profitability, your company is continuously adopting suitable measures to reduce average man-day cost through increased outsourcing to effectively counter the pressure of reduced average realizations, and higher operating expenses. Further, your Company is aggressively targeting business proposals in overseas markets and exploring opportunities in new areas for improvement in man-day realization and existing market share.

Business overview

During the financial year 2013-14, company was able to maintain a healthy order book and secured business worth around ₹ 36 Crores as compared to around ₹ 27 Crores secured during the last financial year. The order book as on 31.03.2014 was around ₹ 36.50 Crores.

In the Certification activities, the company was able to secure five major orders during the year. The company is hopeful of further improving order book position of Certification contracts in the current year 2014-15.

In the Third Party Inspection activities, the company secured major orders from Vadodara Municipal Corporation, Rajkot Urban Development Authority, Gujarat State Petronet Ltd., BPCL, Fabtech Projects and other esteemed clients, besides securing sizeable business from various State Government Organizations etc.

The Company continued to receive and execute prestigious orders under various HSE verticals.

Business Environment and future outlook

Your Company's order book position comprised of the unexecuted portion of the orders from ONGC, VMSS, Rajkot Urban Development Authority, SMC, GSPL etc. Your Company expects to secure further assignments during the year from ONGC, State Infrastructure authorities, GSPL, and major LSTK Contractors etc. Emerging signs of economic recovery also suggests improved pace of execution of projects which will present further business opportunities for your company and improved operating margins from new orders.

Your Company is also continuously exploring the possibility of scaling up of overseas business and securing Certification & TPI jobs from other sectors like Nuclear, Defence, Fertilizers and Power.

Risk & Concerns

The Company has a well-structured Risk Management System in place. Under this, business, stakeholder, strategy, financial, execution and other related risks are systematically identified using a Risk Matrix and

the action plans detailed out accordingly. The Management uses this Enterprise Risk Management as an effective tool to foresee and take prompt actions for optimising its business model and enhance shareholder value.

Internal control systems

Your company has in place adequate systems of internal control. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, 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 our 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 periodic management meeting to review operation and plans in business areas.

Memorandum of understanding (MoU) with Engineers India Limited

You company signed MOU with EIL for the year 2014-15, with target for turnover & gross operating margin along with initiatives for overseas business, HRD, CSR & Sustainable development.

Significant Initiatives

In order to meet the challenges of continuing changes in business environment and growing competition, corporate focus has been on various initiatives on increasing engagement in Company's core strength areas; gaining entry into areas that are expected to show significant growth in the near future, entering in future strategic/new viable areas; improvement in processes and augmented efforts in training & recruitment.

Human Resources

Strength of regular employees, including employees on deputation from EIL was 77 at the end of the year. 168 Manday training was imparted to employees during the year through 35 nos. training programmes.

Your company intends to pursue aggressive training programmes for the employees in future too, 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 achieve significant order book. Manpower in the Marketing Department has been substantially increased.

Operational Improvement

Major Operational Improvements like increasing manpower productivity, optimization of cost etc. are ensured through strict

monitoring of operations in the Company and gradual increase in use of Software Packages and automated systems.

Cost Control & Monitoring

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

Corporate Social Responsibility

Your company's CSR initiatives aim at assisting socially and economically weaker segments of society, as well as defining the Company as a socially responsible business to employees, clients and other stakeholders. The Company remains committed towards its social obligations and targets on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, development of backward regions and upliftment of marginalized & underprivileged section of society.

As part of CSR activities, during the financial year 2013-14 an MoU was signed with Rajkot Municipal Corporation for providing financial assistance for furniture and equipment for library at Rajkot, Gujarat for the benefit of the local people.

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, record, 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 2014 (Financial Year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi within the time prescribed under the Act and rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met 5 (Five) times on 14.05.2013, 05.08.2013, 18.10.2013, 13.12.2013 and 11.02.2014 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, 2013 was held on 05.08.2013 after giving due 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 Sections 295 of the Act are not applicable.
9. The Company, being a government Company, Provisions of Sections 297 of the Act are not applicable.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer of securities. There was no allotment/transmission of securities during the financial year;
(ii) The Company has paid one final dividend (for the financial year 2012-2013) and one interim dividend (for the financial year 2013-2014) 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. However, there was a change in designation of Mr. Adit Jain & Mr. Jai Prakash Gupta as Directors of the Company w.e.f. 5th August, 2013. 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 58 A 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 372 A of the Companies Act is 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 Memorandum of Association with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of 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 22, 2014

**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, 2014:

S No.	Form No./ Return	Filed under Section	For	Date of filling	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 32 vide SRN No. B72559081	303(2)	Appointment of Mr. Aditya Jain and Mr. Jai Prakash Gupta as Additional Director w.e.f 13.03.2013 and Cessation of Mr. Deepak Moudgil and Mr. Ajay Narayan Deshpande due to their resignation w.e.f 13.03.2013 respectively.	11.04.2013	Yes	N/A
2.	Form 66 vide SRN No. Q10568731	Proviso to Sec. 383 A (1)	Compliance Certificate for the financial year 2012-13	29.08.2013	Yes	N/A
3.	Form 32 vide SRN No. B83284356	303(2)	Change in designation of Mr. Adit Jain & Mr. Jai Prakash Gupta as Director of the Company w.e.f 05.08.2013	02.09.2013	Yes	N/A
4.	Form 23 AC and 23 ACA XBRL vide SRN No. Q01773042	220	Balance Sheet & Profit & Loss Account for the financial year 2012-13	04.09.2013	Yes	N/A
5.	Form 20B vide SRN No. P89019236	159	Annual Return as on date of Annual General Meeting held on 05/08/2013	01.10.2013	Yes	N/A

for Santosh Kumar Pradhan
(Company Secretaries)

Santosh Kumar Pradhan
(Proprietor)
C.P. No. 7647

Place: New Delhi
Date: May 22, 2014

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 5 Directors on its Board comprising of 3(three) Directors including Chairman nominated by Holding Company, Engineers India Limited and 2 (two) non-official (Independent) Directors. The non-official (Independent) Directors have also been nominated by Engineers India Limited.

b) Number of Board Meetings

The Board of Directors met 5 times during the year 2013-14. The details of the Board Meetings are as under:

Sl. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	May 14, 2013	New Delhi	5	4
2.	August 5, 2013	New Delhi	5	5
3.	October 18, 2013	New Delhi	5	3
4.	December 13, 2013	Mumbai	5	4
5.	February 11, 2014	New Delhi	5	3

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 2013-2014 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 AGM held on 5.08.2013	Other Directorships	Committee Memberships**	Committee Chairmanships**
A) Part time Directors- From Holding Company, EIL					
I) Present Directors					
Shri A.K. Purwaha, Chairman	5	Yes	4	-	-
Shri Sanjay Gupta	4	Yes	5	1	-
Shri Sudershan Gupta	4	Yes	1	-	-
B) Non-official Independent Directors					
I) Present Directors					
Shri Adit Jain	3	Yes	5	-	1
Dr. J.P. Gupta	3	Yes	1	-	-



Remarks:

** 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. 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, 2014.

Date : May 23, 2014

Place : New Delhi

(S.D. Kherdekar)
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) Re-appointment of Directors

The brief resume of the Director seeking re-appointment together with the nature of his expertise in specific functional areas, names of companies in which he holds directorships and the memberships of Committees of the Board pursuant to the requirements of Corporate Governance is annexed to the Notice calling the Annual General Meeting.

3. Audit Committee

Presently, the Audit Committee comprises of four Members viz. Shri Adit Jain, Director, Dr. J.P. Gupta, Director, Shri Sanjay Gupta, Director and Shri Sudershan Gupta, Director. Shri Adit Jain, Director is acting as the Chairman of the Committee. The Audit Committee was reconstituted during the year by inducting Dr. J.P. Gupta, Director as member of the committee w.e.f. 11.2.2014.

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Governance for CPSEs. The details of meetings held during the financial year 2013-14 and the attendance of the Members is given below:

S. No.	Date of Meeting	Name	Chairman/Member	Attendance
1.	14.05.2013	Shri Adit Jain	Chairman	Present
		Shri Sanjay Gupta	Member	Present
		Shri Sudershan Gupta	Member	Present
2.	05.08.2013	Shri Adit Jain	Chairman	Present
		Shri Sanjay Gupta	Member	Present
		Shri Sudershan Gupta	Member	Present
3.	18.10.2013	Shri Adit Jain	Chairman	Present
		Shri Sanjay Gupta	Member	Not Present
		Shri Sudershan Gupta	Member	Present
4.	11.02.2014	Shri Adit Jain	Chairman	Not Present
		Shri Sanjay Gupta	Member*	Present
		Shri Sudershan Gupta	Member	Present

*Chairman of the Meeting.

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. J.P. Gupta, Director, Shri Sanjay Gupta, Director and Shri Sudershan Gupta, Director are the members of the Committee. Dr. J.P. Gupta, Director is acting as Chairman of the Committee. The Committee met once during the year 2013-14 on 11.02.2014 in which all the members of the Committee were present except Shri Sudershan Gupta.

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 2013-14 are given below:-

(Amount in Rupees)

Name of Part-time (non-official) Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Shri Adit Jain	30,000	30,000	60,000
Dr. J.P. Gupta	30,000	10,000	40,000

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

6. SD Committee of the Board

The SD Committee of the Board has been constituted to deliberate and decide on the matters as per defined Scope of the Committee. The Committee was reconstituted during the financial year 2013-14 due to the following:

- Shri Ajay N. Deshpande ceased to be Director of the Company and consequently ceased to be the member w.e.f. 13.03.2013.
- Shri Adit Jain, Non-official (Part-time) Independent Director was inducted as Chairman of the Committee w.e.f. 13.03.2013 in place of Shri Sanjay Gupta, Director who continue to act as member.

7. Accounting Treatment

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

8. CEO/CFO Certification

The CEO and 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.

9. Risk Management

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



10. General Body Meetings

i) Annual General Meeting (AGM)

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

AGM	Year	Venue	Date	Time
16 th	2010-2011	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	26.07.2011	4.30 P.M
17 th	2011-2012	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	26.07.2012	3.30 P.M
18 th	2012-2013	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	5.08.2013	3.30 P.M

ii) Details of Special Resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
16 th	Nil
17 th	Nil
18 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) No Extra-ordinary General Meeting of the Members was held during the financial year 2013-14.

11. Disclosures

- Details of transactions between the Company and its holding company, associates, key managerial personnel during the year 2013-2014 are given in Point 2.24 of the Notes to Accounts for the year ended 31st March, 2014. These transactions do not have any potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any statutory authority on any matters related to any Guidelines issued by Government during the last three years.
- 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.
- During the last three years, there were no Presidential Directives received by the Company.
- No Expenditures were debited in the Books of Accounts during the year 2013-14 which are not for the purposes of the Business.
- No expenses had been incurred which are personal in nature and incurred for the Board of Directors and the top Management.
- The administrative and office expenses are 21.98% of the total expenses in the Financial year 2013-14 as against 22.08% during the Financial year 2012-13.
- None of the Directors of the Company are inter-se related as on 31st March, 2014.
- None of the Non-official (Part-time) Independent Directors hold any equity shares in the Company as on 31st March, 2014.

12. 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.

13. Audit Qualifications

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

14. 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.

15. Whistle Blower Policy

The scope of whistle Blower Policy of holding company i.e EIL covers the subsidiary company also.

16. General Information**i) 19th Annual General Meeting**

Date	August 12, 2014
Time	11.00 A.M.
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, 2014 subject to approval of Shareholders in the forthcoming Annual General Meeting. This was in addition to the Interim Dividend of ₹ 200/- 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.
CIN:U74899DL1994GOI062371
Tel. No.011-26762121, Fax : 011-26164868, 011-26192693
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
email:kapoorgoyal@gmail.com

Place: New Delhi
Date: May 23, 2014



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, 2014, 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

(TARUN KAPOOR)
PARTNER
M.NO. 095949
Firm Registration No. 001370N

Place: New Delhi
Dated: May 23, 2014

Management's Reply to Auditors' Report on Corporate Governance (2013-14)

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.



Independent Auditor's Report

To
The Members of
CERTIFICATION ENGINEERS INTERNATIONAL LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of CERTIFICATION ENGINEERS INTERNATIONAL LIMITED, which comprise the Balance Sheet as at 31.03.2014, and the Statement of Profit and Loss, Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the company in accordance with the accounting standards referred to in sub – section (3C) of section 211 of the Companies Act, 1956 (“the Act”) The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depend upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure 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 management, as well as evaluating the overall presentation of financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31.03.2014;
- (b) in case of Statement of Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in case of the Cash Flow Statements, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (“the order”) issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, We give in the Annexure a statements on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all 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 examinations of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and cash flow statments dealt with by this Report are in agreement with the books of account;
 - d. In our opinion , the Balance Sheet, Statement of Profit and Loss, and cash flow statments 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 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.

FOR : KAPOOR GOYAL & CO
(Chartered Accountants)
Reg No. : 001370N

Tarun Kapoor
Partner
M.No. : 095949

Place : New Delhi
Date : May 23, 2014

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 2014)

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 program 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 is 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 ₹ 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 2014 for period more than six months from the date they became payable except for Service Tax & Income 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
Service Tax, as per Finance Act, 1994	Show Cause Notice cum Demand of service Tax	2091.25	April '11 to March '12	Commissioner, Service Tax, Mumbai
Income Tax Act, 1961	Assessment U/S 143(3) of the Income Tax Act, 1961	130.85	April '10 to March '11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Assessment U/S 143(3) of the Income Tax Act, 1961	4263.44	April '10 to March '11	Application U/S 154 filed before Deputy Commissioner of Income Tax

- 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 31.03.2014.
- 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

Place : New Delhi
Date : May 23, 2014

TARUN KAPOOR
PARTNER (M No 095949)

Balance Sheet

AS AT 31ST MARCH 2014

(₹ IN THOUSANDS)

PARTICULARS	NOTE NO.	as at 31 st March, 2014		as at 31 st March, 2013	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
SHARE CAPITAL	2.1	10,000.00		10,000.00	
RESERVES & SURPLUS	2.2	<u>5,52,702.33</u>	5,62,702.33	<u>5,35,894.48</u>	5,45,894.48
NON-CURRENT LIABILITIES					
2.3					
OTHER LONG TERM LIABILITIES		379.33		292.68	
LONG TERM PROVISION		<u>24,184.09</u>	24,563.42	<u>20,629.05</u>	20,921.73
CURRENT LIABILITIES					
2.4					
TRADE PAYABLES		12,879.29		11,582.99	
OTHER CURRENT LIABILITIES		10,673.00		15,122.98	
SHORT TERM PROVISION		<u>34,931.79</u>	58,484.08	<u>30,552.12</u>	57,258.09
TOTAL			<u>6,45,749.83</u>		<u>6,24,074.30</u>
ASSETS					
NON-CURRENT ASSETS					
FIXED ASSETS					
2.5					
TANGIBLE ASSETS		28,373.22		29,596.47	
INTANGIBLE ASSETS		<u>283.40</u>	28,656.62	<u>213.42</u>	29,809.89
DEFERRED TAX ASSETS (NET)		2.25	11,503.98		10,643.20
LONG TERM LOANS AND ADVANCES		2.6	32,669.10		22,434.47
OTHER NON-CURRENT ASSETS:		2.7			
BANK BALANCES		12,305.85		15,210.84	
OTHERS		<u>783.34</u>	13,089.19	<u>832.81</u>	16,043.65
CURRENT ASSETS					
2.8					
CURRENT INVESTMENTS		-		1,518.80	
INVENTORIES		200.30		223.38	
TRADE RECEIVABLES		1,09,226.13		1,20,656.42	
CASH AND BANK BALANCES		3,80,518.59		3,62,923.50	
SHORT-TERM LOANS AND ADVANCES		20,861.82		12,639.23	
OTHER CURRENT ASSETS		<u>49,024.10</u>	5,59,830.94	<u>47,181.76</u>	5,45,143.09
TOTAL			<u>6,45,749.83</u>		<u>6,24,074.30</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS 1 & 2

(S D KHERDEKAR)
Chief Executive Officer
PAN: ADQPK1440B

(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

(TARUN KAPOOR)
Partner
M. No. 095949

Place : New Delhi
Date : May 23, 2014

**Statement of Profit & Loss**FOR THE YEAR ENDED 31ST MARCH 2014

(₹ IN THOUSANDS)

PARTICULARS	NOTE NO.	2013-14	2012-13
A. REVENUE			
I. REVENUE FROM OPERATIONS	2.9	2,76,300.04	2,84,313.27
II. OTHER INCOME	2.10	44,487.94	39,758.97
TOTAL REVENUE (I + II)		3,20,787.98	3,24,072.24
B. EXPENSES			
MANPOWER SERVICES	2.11	76,927.83	70,087.42
EMPLOYEE BENEFIT EXPENSE	2.12	73,278.20	66,673.17
DEPRECIATION AND AMORTIZATION EXPENSE	2.13	1,854.86	1,767.77
OTHER EXPENSES :	2.14		
FACILITIES		12,874.97	11,002.06
CORPORATE COSTS		2,521.75	2,204.57
OTHERS COSTS		56,144.41	56,781.65
TOTAL EXPENSES		2,23,602.02	2,08,516.64
PROFIT FOR THE YEAR (A-B)		97,185.96	1,15,555.60
LESS: PRIOR PERIOD ADJUSTMENTS (NET)	2.26	1,380.87	1,962.46
PROFIT BEFORE TAX		95,805.09	1,13,593.14
LESS : TAX EXPENSE			
CURRENT TAX		33,269.61	40,528.69
DEFERRED TAX		(860.78)	(3,647.81)
PRIOR PERIOD TAX ADJUSTMENTS (NET):			
CURRENT TAX		(209.59)	-
DEFERRED TAX		-	-
PROFIT AFTER TAX		63,605.85	76,712.26
EARNING PER SHARE (IN ₹)-FACE VALUE ₹ 100/- per share	2.31		
(1) BASIC		636.06	767.12
(2) DILUTED		636.06	767.12
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	1 & 2		

(S D KHERDEKAR)
Chief Executive Officer
PAN: ADQPK1440B

(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

(TARUN KAPOOR)
Partner
M. No. 095949

Place : New Delhi
Date : May 23, 2014

Cash Flow Statement

FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ IN THOUSANDS)

PARTICULARS	2013-14	2012-13
A Cash Flow from Operating Activities		
Net Profit before Tax And Prior Period Items	97,185.96	1,15,555.60
Adjustment for :		
Depreciation and Amortization	1,854.86	1,767.77
Provision for Post Retirement & Long Term Benefits	6,515.65	6,454.78
Provision for Doubtful Debts/Advances	448.20	1,471.70
Interest Income	(38,389.44)	(38,468.45)
Dividend Income	(463.95)	(399.00)
Capital Loss on sale of MF units	19.10	-
Operating Profit before Working Capital Changes	67,170.38	86,382.40
Adjustment for :		
Debtors	10,982.09	(27,358.50)
Other Current Assets	11.78	407.07
Loans & Advances	(10,233.46)	(8,000.69)
Inventories	23.08	(136.35)
Work-in-progress	10.75	371.91
Trade Payables And Other Liabilities	(7,853.10)	(5,868.35)
Cash Generated from Operations	60,111.52	45,797.49
Direct Taxes Paid	(35,078.65)	(47,571.77)
Cash Flow before Prior Period items	25,032.87	(1,774.28)
Prior period items	(1,380.87)	(1,962.46)
Net Cash Flow from Operating Activities	A 23,652.00	(3,736.74)
B Cash Flow from Investing Activities		
Payments Towards Capital Expenditure	(701.59)	(615.70)
Interest Income	36,574.04	44,081.17
Dividend Income	463.95	399.00
Changes in Term Deposit Over Three Months Original Maturity	(14,534.75)	12,608.28
Current Investments (Net)	1,499.70	(1,518.80)
Net Cash Flow from Investing Activities	B 23,301.35	54,953.95
C Cash Flow from Financing Activities		
Dividend Paid	(40,000.00)	(40,000.00)
Tax on Dividend	(6,798.00)	(6,489.00)
Net Cash Flow from Financing Activities	C (46,798.00)	(46,489.00)
Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	155.35	4,728.21



Cash Flow Statement (Contd.)

FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ IN THOUSANDS)

PARTICULARS	2013-14	2012-13
Opening Balance (Cash and Cash Equivalents)	8,023.31	3,295.10
Closing Balance (Cash and Cash Equivalents)	8,178.66	8,023.31

Notes :

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

2 Cash and Cash Equivalents represents :

Cash on Hand	8.88	8.69
Balances with Banks in Current Accounts	8,169.78	8,014.62
	8,178.66	8,023.31

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

(S D KHERDEKAR)
Chief Executive Officer
PAN: ADQPK1440B

(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

(TARUN KAPOOR)
Partner
M. No. 095949

Place : New Delhi
Date : May 23, 2014

Significant Accounting Policies and Notes to Accounts for the Year Ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 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 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.

1.3 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.

1.4 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

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.

1.6 IMPAIRMENT OF ASSETS

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit & Loss Account in the year of reversal.

1.7 DEPRECIATION

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

1.8 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.



1.9 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.

1.10 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.

1.11 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.

1.12 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 Accounts for the Year Ended 31st March , 2014

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 Thousands)

	as at 31 st March, 2014	as at 31 st March, 2013
AUTHORISED		
200,000 Equity Shares Of Par Value of ₹100 each (200,000 Equity Shares of Par Value of Rs.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	10,000.00	10,000.00

2.2) Reserves & Surplus:

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

(₹ in Thousands)

	as at 31 st March, 2014	as at 31 st March, 2013
A. GENERAL RESERVE		
Balance As Per Last Balance Sheet	5,35,894.48	5,05,825.72
Add: Transferred from Profit & Loss Account	11,389.56	30,068.76
B. PROFIT & LOSS ACCOUNT		
Balance As Per Last Balance Sheet	-	-
Add: Transferred from Statement of Profit and Loss	63,605.85	76,712.26
Less: Interim Dividend	20,000.00	20,000.00
Less : Proposed Dividend	20,000.00	20,000.00
Less : Tax on Interim/ Proposed Dividend	6,798.00	6,643.50
Less : Transfer to CSR Activity Reserve	5,418.29	-
Less : Transfer to General Reserve	11,389.56	30,068.76
C. CSR ACTIVITY RESERVE		
Balance As Per Last Balance Sheet	-	-
Add: Transferred from Profit & Loss Account	5,418.29	-
	5,52,702.33	5,35,894.48

2.3) Non-Current Liabilities:

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

(₹ in Thousands)

	as at 31 st March, 2014	as at 31 st March, 2013
A) Other Long Term Liabilities		
Security Deposits & Retentions	379.33	292.68
B) Long Term Provisions		
Employees' Post Retirement/Long Term Benefits	24,184.09	20,629.05



2.4) Current Liabilities:

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

(₹ in Thousands)

	as at 31 st March, 2014	as at 31 st March, 2013
A) Trade Paybles	12,879.29	11,582.99
B) Other Current Liabilities		
Security Deposits & Retentions	1,199.66	1,305.55
Advances Received from Clients	2,084.16	3,472.77
Unearned Income Billed to Clients	1,067.80	3,605.71
Service Tax Payable	128.98	185.32
Other Payables :		
Withholding for Employees including Employers' Contribution	914.13	788.80
Withholding for Income Taxes	1,072.71	838.05
Accrued Employee Benefits	2,275.67	2,801.99
Others	1,929.89	2,124.79
	10,673.00	15,122.98
C) Short Term Provisions		
Employees' Post Retirement/Long Term Benefits	5,327.66	2,367.05
Provision for Corporate Social Responsibility	-	4,786.07
Provision for Taxation	33,269.61	-
Less: Advance Income Tax	27,064.48	-
Proposed Dividend	20,000.00	20,000.00
Tax on Dividend	3,399.00	3,399.00
	34,931.79	30,552.12

2.5) Fixed Assets

The disclosure of Fixed Assets including their sub-classification into major heads are as under :

Tangible Assets as at 31st March, 2014

(₹ in Thousands)

	Gross Block				Depreciation				Net Block	
Particulars	As on 01.04.2013	Additions for the year	Sold/Adj	As on 31.03.2014	Dep upto 31.03.2013	Dep for the year	Earlier year's Depreciation Adj/Write-off	Total Dep as on 31.03.2014	WDV as on 31.03.2014	WDV as on 31.03.2013
Vehicles	540.78	-	-	540.78	69.05	51.37	-	120.42	420.36	471.73
Office equipment	1,570.71	34.97	-	1,605.68	390.96	75.10	-	466.06	1,139.62	1,179.75
Furniture & Fixtures	5,782.80	210.51	-	5,993.31	2,070.21	515.25	-	2,585.46	3,407.85	3,712.59
Leasehold Property*	23,177.59	-	-	23,177.59	2,189.60	386.34	-	2,575.94	20,601.65	20,987.99
Air Conditioners	2,160.02	25.50	-	2,185.52	536.05	103.32	-	639.37	1,546.15	1,623.97
Library Books	237.56	4.00	-	241.56	237.56	4.00	-	241.56	-	-
Computers	6,065.99	229.98	-	6,295.97	4,445.53	592.84	-	5,038.37	1,257.60	1,620.46
Total	39,535.44	504.96	-	40,040.40	9,938.96	1,728.22	-	11,667.18	28,373.22	29,596.47
Previous Year	39,112.40	418.72	(4.31)	39,535.44	8,256.32	1,678.33	4.31	9,938.96	29,596.47	30,856.08

*Acquired from CIDCO Ltd. on 60 years lease basis

Intangible Assets as at 31st March, 2014

Software	1,657.89	196.63	-	1,854.52	1,444.47	126.65	-	1,571.12	283.40	213.42
Total	1,657.89	196.63	-	1,854.52	1,444.47	126.65	-	1,571.12	283.40	213.42
Previous Year	1,460.91	196.98	-	1,657.89	1,355.04	89.44	-	1,444.47	213.42	105.87

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 st March, 2014		as at 31 st March, 2013	
a) Security Deposit -Unsecured (Considered -Good)		6,433.30		4,423.62
b) Other Loans & Advances				
(Advances Recoverable in Cash or in Kind or for Value to be received) - Unsecured- Considered Good				
Loans & Advances to Employees	-		0.20	
Prepaid Expenses	2.00	2.00	0.60	0.80
Advance Income Tax	1,98,691.51		2,95,386.39	
Less:- Provision for Taxation	1,73,641.05	25,050.46	2,78,559.68	16,826.71
Advance Fringe Benefit Tax	6,043.40		6,043.40	
Less:- Provision for Fringe Benefit Tax	4,860.06	1,183.34	4,860.06	1,183.34
		32,669.10		22,434.47

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 st March, 2014		as at 31 st March, 2013	
Bank Balances				
Non-Current Bank Deposits		12,305.85		15,210.84
Includes ₹12,305.85Thousands (₹ 15,210.84 Thousands) Held under Lien against Bank Guarantees				
		12,305.85		15,210.84
Others				
Interest accrued on non-current bank deposits		775.59		821.79
Interest accrued - Others		7.75		11.02
		783.34		832.81

2.8) Current Assets :

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

(₹ in Thousands)

	as at 31 st March, 2014		as at 31 st March, 2013	
Current Investments (Lower of Cost or Net Realisable value)				
Other Than Trade (Unquoted)				
NIL units (Prev. Year 1518.474 units) of UTI		0.00		1,518.80
Treasury Advantage Fund				
(Face Value ₹ 1000/- Per Unit), valued at cost		0.00		1518.80
Inventories (Lower of cost or Net Realisable value)		200.30		223.38
Trade Receivables (Unsecured)				
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment:				
Considered Good	33,098.25		28,511.69	
Considered Doubtful	13,237.50		12,789.30	
	46,335.75		41,300.99	
Less: Provision for Doubtful Debts	13,237.50		12,789.30	
	33,098.25		28,511.69	
Other Trade Receivable: Considered Good	76,127.88	1,09,226.13	92,144.73	1,20,656.42

**Cash and Bank Balances**

(₹ in Thousands)

	as at 31 st March, 2014		as at 31 st March, 2013	
Cash and Cash Equivalents				
Cash on Hand	8.88		8.69	
Balances with Banks in Current Accounts	<u>8,169.78</u>	8,178.66	<u>8,014.62</u>	8,023.31
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.*		3,72,339.93		3,54,900.19
*Includes ₹ 14,339.93 Thousands (₹ 28900.19 Thousands)				
Held under Lien against Bank Guarantees				
*Includes Bank Deposits having more than 12 months original maturity of ₹ 47589.55 Thousands (₹ 27469.78 Thousands)				
		<u>3,80,518.59</u>		<u>3,62,923.50</u>
Short Term Loans & Advances				
a) Security Deposit				
Unsecured-Considered Good	17,135.52		10,593.05	
Unsecured-Considered Doubtful	<u>349.68</u>		<u>349.68</u>	
	17,485.20		10,942.73	
Less : Provision for Doubtful Deposits	<u>349.68</u>	17,135.52	<u>349.68</u>	10,593.05
b) Other Loans & Advances				
Advances Recoverable in Cash or in Kind or for Value to be Received (Unsecured - Considered Good)				
Loans & Advances to Employees	1,354.60		844.22	
Prepaid Expenses	353.18		289.89	
Others	<u>2,018.52</u>	3,726.30	<u>912.07</u>	2,046.18
		<u>20,861.82</u>		<u>12,639.23</u>
Other Current Assets				
Work in Progress*		70.52		81.27
Interest accrued on current bank deposits		21,634.55		19,773.08
Interest Accrued- Others		3.40		-
Unbilled Income		<u>27,315.63</u>		<u>27,327.41</u>
		<u>49,024.10</u>		<u>47,181.76</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 Thousands)

	2013-14	2012-13
Revenue from Operations	2,76,310.79	2,84,685.18
Changes in work-in-progress		
Closing Work-in-Progress	70.52	81.27
Less: Opening Work-in-Progress	81.27	(10.75)
TOTAL	2,76,300.04	2,84,313.27

2.10) Other Income

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

(₹ in Thousands)

	2013-14	2012-13
Interest Earned (Gross)		
On Bank Deposits	38,389.30	38,468.08
On Loans To Employees	0.14	0.37
	38,389.44	38,468.45
Dividend from Current Investments	463.95	399.00
Provision for Doubtful Debts No Longer Required Written Back	689.95	614.73
Provision for Unspent CSR No Longer Required Written Back	4,786.07	-
Foreign Exchange Difference	158.52	276.78
Other Miscellaneous Income	0.01	0.01
TOTAL	44,487.94	39,758.97



Expenses

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

(₹ in Thousands)

	2013-14	2012-13
2.11) Manpower Services	76,927.83	70,087.42
2.12) Employee Benefit Expense		
Salaries and Allowances	65,976.06	59,904.63
Contribution Towards Employees' Pension and Provident Fund and Administration Charges Theron	5,264.93	4,606.76
Staff Welfare	711.09	590.79
Contribution to Gratuity Fund	1,326.12	1,570.99
	73,278.20	66,673.17
2.13) Depreciation and Amortization Expense	1,854.86	1,767.77
2.14) Other Expenses		
a) Facilities		
Rent - Residential Accomodation	4,194.79	3,975.11
Less: Recovered	259.03	342.61
Rent (Office)	3,935.76	3,632.50
Electricity & Water	3,344.82	2,672.85
Repairs to Building	1,676.89	1,909.54
Other Repairs and Maintenance	219.02	269.91
Insurance	2,812.54	1,875.69
Hire Charges - Office Equipment	634.19	425.82
	251.75	215.75
	12,874.97	11,002.06
b) Corporate Cost		
Bank Charges	445.92	359.73
Sitting Fees To Independent Director	100.00	70.00
Publicity	709.82	555.63
Entertainment	598.37	691.63
Remuneration to Auditors		
- Audit Fees	100.00	100.00
- Tax Audit Fees	20.00	20.00
- Certification	98.00	33.00
- Out of Pocket Expenses & Service Tax	146.17	364.17
Filing Fee	25.67	182.10
Licences & Taxes	41.00	22.48
Legal & Professional Charges	236.80	11.09
	2,521.75	2,204.57
c) Other Costs		
Travel & Conveyance	48,440.61	47,906.37
Printing, Stationery & General Office Supplies	1,158.30	666.61
Newspapers and Periodicals	7.33	1.21
Postage & Telecommunications	1,502.42	1,281.24
Capital Loss on sale of MF units	19.10	-
Courier, Transportation & Handling	410.10	307.93
Provision for Doubtful Debts	1,138.13	2,086.44
Corporate Social Responsibility Expenditure	1,669.15	3,019.23
Training Expenses	754.30	494.08
Other Miscellaneous Expenses	1,044.97	1,018.54
	56,144.41	56,781.65
TOTAL	2,23,602.02	2,08,516.64

2.15 Contingent Liabilities

- a) Income Tax assessments have been completed upto the A.Y.2011-2012. Tax liability, if any, in respect of pending assessment for subsequent assessment years upto assessment year 2013-14 cannot be ascertained. Due taxes on self assessment basis have been paid.
- b) The Company has filed an appeal with commissioner of Income Tax (Appeal) for an amount of ₹ 130.85 Thousand against the order of Assessing Officer u/s 143(3) for the Assessment Year 2011-12.
- c) 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 ₹ 4263.44 Thousand for the assessment year 2011-12.
- d) 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.
- e) 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.
- f) 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.
- g) The Company has filed a reply to show cause notice cum demand of ₹ 2091.25 Thousand created by Additional Commissioner, Service Tax, Mumbai on 8th Nov, 2012 covering the period from April, 2011 to March, 2012.

2.16 Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts Nil (₹ 43.08 Thousand).

2.17 Guarantees issued by Banks and outstanding as on 31st March 2014 ₹ 28,150.13 Thousand (₹ 33,162.27 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)

	2013-2014	2012-2013
Opening Balance	13138.98	11667.27
Add : Amount provided during the year	1138.13	2086.44
Less : Amount written back during the year	689.94	614.73
Closing Balance	13587.17	13138.98

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. Mr. SANJAY GUPTA	Director	Director in EIL
	C. Mr. ADIT JAIN	Director	Director in EIL
	D. Dr. J.P. GUPTA	Director	Director in EIL
	E. Mr. SUDERSHAN GUPTA	Director	ED in EIL
	F. Mr. S. D. KHERDEKAR (w.e.f. 01.01.14)	CEO	ED in EIL
	G. Mr. M.P. JAIN (upto 31.12.13)	CEO	GM in EIL

(b) (1) RELATED PARTY TRANSACTIONS

During the year ended 31st March 2014, the company had following transactions with related parties:

(₹ in Thousands)

Name of related party	Particulars	Relationship	Amount	Payable/Receivable as on 31.03.2014
Engineers India Limited	Purchase of Professional & Technical services and Facilities	Holding Company	33,026.47 (31,407.50)	Payable 3,517.92 (NIL)
-do-	Execution of contract for services	-do-	23,110.16 (27,577.28)	Receivable 3882.77(1,956.86)
-do-	Dividend (Interim & Final)	-do-	40,000.00 (40,000.00)	

(2) Director's Remuneration:

Sitting Fees paid to part time Directors ₹ 100.00 Thousand (₹ 70.00 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 Deferred Tax Assets (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 Thousands)

S.No.	Particulars of Deferred Tax Assets / (Liabilities)	Upto 31-03-2013	For the year 2013-14	As on 31-03-2014
A.	Deferred Tax Assets			
1.	Provision for Leave Encashment	7802.00	1706.58	9508.58
2.	Provision for Doubtful Debts/Advances	4465.94	152.34	4618.28
3.	Provision for Long Service Awards	381.35	43.22	424.57
4.	Provision for Leave Encashment & PF for pay revision	39.86	0.00	39.86
5.	Compensatory of- Offshore/ Leave	0.00	766.15	766.15
6.	Unspent CSR	1626.79	(1626.79)	0.00
	Total	14315.94	1041.50	15357.44
B.	Deferred Tax Liabilities			
1.	Depreciation	3672.74	180.72	3853.46
C.	Net Deferred Tax Asset/(Liabilities)	10643.20	860.78	11503.98

- 2.26 Prior period items net debit of ₹1380.87 Thousand (net Debit of ₹ 1962.46 Thousand) shown under prior period adjustments are as detailed below:

Prior Period Income		(₹ in Thousands)
	2013-14	2012-13
Prev years Exp reversal- others	0.00	4.31
Total(A)	0.00	4.31
Prior Period Expenditure		
Previous years Income reversal	0.00	1962.46
Depreciation	0.00	4.31
Compensatory Off- Offshore	1380.87	0.00
Total(B)	1380.87	1966.77
TOTAL(A-B)	(1380.87)	(1962.46)

- 2.27 CSR Activity Reserve amounting to ₹ 5418.29 Thousands under Head Reserves & Surplus (Note : 2.2) represents unspent amount out of amounts set aside as 3 % of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility. Till last year unspent amount was being disclosed as provision for CSR under head short term provisions.
- 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 ₹ 1,743.90 Thousand (₹ 2366.60 Thousand) for the employees for the year ended on 31st March, 2014 has been estimated and provided based on scheme formulated in accordance with DPE Guidelines, based upon certain ranking parameters.
- 2.30 **Retirement Benefits**

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

Defined contribution plan

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

Particular	Expenses recognized in Year ended 31.03.14	Expenses recognized in Year ended 31.03.13
Contributory Provident Fund and Employee Pension Scheme 1995	₹ 5264.93 Thousands	₹ 4606.76 Thousands

Defined Benefit Plan

The Company is having following defined benefit plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)
- Long Service Awards (Unfunded)

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 31.03.14	As on 31.03.13
a) Actuarial Assumptions		
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.75%	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	9682.76	7384.19
Interest cost	774.62	590.73
Current Service Cost	1174.99	1193.37
Benefits paid	(216.10)	(0.00)
Actuarial (gain)/loss on Obligations	245.32	514.47
Present value of obligations as at end of year	11661.59	9682.76
c) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets as beginning of year	9362.41	7450.06
Expected return on plan assets	931.18	784.85
Contributions	1495.33	1127.50
Benefits paid	(216.10)	(0.00)
Actuarial Gain/(loss) on plan assets	NIL	NIL
Fair value of plan assets at the end of year	11572.82	9362.41
d) Fair value of plan assets as on 31.03.2014		
Fair value of plan assets at beginning of year	9362.41	7450.06
Actual return on plan assets	931.18	784.85
Contribution	1495.33	1127.50
Benefits paid	(216.10)	(0.00)
Fair value of plan assets at the end of year	11572.82	9362.41
Funded status	(88.77)	(320.35)
Excess of Actual over estimated return on plan assets	NIL	NIL
e) Actuarial Gain/Loss recognized for the year 2013-14		
Actuarial Gain/(Loss) for the year – Obligation	(245.32)	(514.47)
Actuarial Gain/Loss for the year – Plan assets	NIL	NIL
Total (gain)/Loss for the year	245.32	514.47
Actuarial (gain)/Loss for the year	245.32	514.47
f) The amounts recognized in the balance sheet		
Present value of obligations as at the end of year	11661.59	9682.76
Fair value of plan assets as at the end of the year	11572.82	9362.41
Funded status	(88.77)	(320.35)
Net (Asset)/liability recognized in balance sheet	88.77	320.35
g) Expenses Recognized in statement of Profit & Loss		
Current Service Cost	1174.99	1193.37
Interest cost	774.62	590.73
Expected return on plan assets	(931.18)	(784.85)
Net actuarial (gain)/Loss recognized in the year	245.32	514.47
Expenses Recognized in statement of Profit & Loss	1263.75	1513.71

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.	2013-14	2012-13
A Net Profit for the year attributable to Equity Shareholders (₹ in Thousands)	63,605.85	76,712.26
B Weighted average number of equity shares	100,000	100,000
C Basic and Diluted Earning per share (A)/(B)	₹ 636.06	₹ 767.12
D Nominal value per share	₹ 100	₹ 100

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

(₹ in Thousands)

Particulars	For the year ended 31.03.14	For the year ended 31.03.13
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)	8837.00	10029.68
c) Earning in foreign exchange towards professional fees.	5021.44	16475.38

2.33 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.

2.34 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

(S D KHERDEKAR)
Chief Executive Officer
PAN: ADQPK1440B

(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

(TARUN KAPOOR)
Partner
M. No. 095949

Place : New Delhi
Date : May 23, 2014



Comments of the Comptroller 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 2014.

The preparation of financial statements of Certification Engineers International Limited for the year ended 31st March 2014 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 Standards on Auditing 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 23rd May 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Certification Engineers International Limited for the year ended 31st March 2014 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

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

(Atreyee Das)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II,
New Delhi

Place: New Delhi
Date : June 25, 2014

Directors' Report

The directors have pleasure in submitting their report and the audited financial statements for the year ended 31st December 2013.

Principal activity

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

Financial results

RM

Loss after taxation 13,316/-

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

RAMSINGH

DR. SAMAD BIN SOLBAI

TAN HOR SENG

SANJAY GUPTA

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

Directors' benefits

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

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

Other statutory information

- (a) Before the income statement and balance sheet were made out, the directors took reasonable steps:-
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in

the accounting records of the Company have been written down to an amount which they might be expected so to realise.

- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person.
 - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading
- (f) In the opinion of the directors,
 - (i) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the current financial year.

Holding Company

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

Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30th April, 2014

RAM SINGH
Director
Kuala Lumpur

DR. SAMAD BIN SOLBAI
Director



Statement by Directors

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

We, Ram Singh and Dr. Samad Bin Solbai, 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 Private Entity Reporting Standards issued by the Malaysian Accounting Standards Board 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 31st December, 2013 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 30th April, 2014

RAM SINGH
Director
Kuala Lumpur

DR. SAMAD BIN SOLBAI
Director

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 abovenamed at Petaling Jaya Selangor Darul Ehsan this 30th April, 2014

70 Jalan SS2/60
47300 Petaling Jaya
Selangor

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 31st December, 2013, 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 Private Entity 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 Entity 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, 2013 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
AFNo: 1127
Chartered Accountants (M)

SUNDARASAN A/LARUMUGAM
1876/02/16(J/PH)
Chartered Accountant (M)

Petaling Jaya
Date: April 30, 2014



Income statement

for the year ended 31st December, 2013

	Notes	2013 RM	2012 RM
Revenue	3(i)	-	-
Other Income		6,898	7,451
Other operating expenses		<u>(18,489)</u>	<u>(18,025)</u>
Loss before taxation	4	(11591)	(10574)
Taxation	5	<u>(1725)</u>	<u>(1863)</u>
Loss after taxation		<u>(13316)</u>	<u>(12437)</u>

The annexed notes form an integral part of these financial statements

Balance Sheet

as at 31st December 2013

	Notes	2013 RM	2012 RM
Non-current asset			
Plant and Equipment	6	2	2
Current Assets			
Other receivables and prepayment	8	481	513
Fixed deposit with a licensed bank		206,300	220,000
Cash and bank balances		35014	37357
		241,795	257870
Current liabilities			
Accrued liabilities		8318	10639
Taxation		25	463
		8343	11102
Net current assets		233452	246768
		<u>233454</u>	<u>246770</u>
Financed by:			
Share Capital	9	250000	250000
Accumulated loss		(16546)	(3230)
		<u>233454</u>	<u>246770</u>

The annexed notes form an integral part of these financial statements



Statement of changes in equity

for the year ended 31st December 2013

	Share capital RM	Accumulated loss RM	Total RM
Balance as at 1 st January 2013	250000	(3230)	246770
Loss after taxation	-	(13,316)	(13,316)
Balance as at 31st December 2013	<u>250000</u>	<u>(16546)</u>	<u>233454</u>
Balance as at 1 st January 2012	250000	9207	259207
Loss after taxation	-	(12437)	(12437)
Balance as at 31st December 2012	<u>250000</u>	<u>(3230)</u>	<u>(246770)</u>

The annexed notes form an integral part of these financial statements

Cash Flow Statement

for the year ended 31st December 2013

	2013 RM	2012 RM
Cash flows from operating activities		
Loss before taxation	(11591)	(10574)
Adjustments for:		
Interest Income	(6898)	(7451)
Operating loss before working capital changes	(18,489)	(18,025)
Changes in working capital:		
Other receivables	32	129
Other payables	(2321)	4889
Cash absorbed by operations	(20778)	(13007)
Tax paid	(2163)	(2911)
Net cash flow from operating activities	(22941)	(15918)
Cash flows from Investing activity		
Interest received	6898	7451
Net cash flow from investing activity	6898	7451
Net decrease in cash and cash equivalents	(16043)	(8467)
Cash and Cash equivalents brought forward	257357	265824
Cash and Cash equivalents carried forward	<u>241314</u>	<u>257357</u>
Breakdown of cash and cash equivalents carried forward		
Fixed deposit with a licensed bank	206300	220000
Cash and bank balances	35014	37357
	<u>241314</u>	<u>257357</u>

The annexed notes form an integral part of these financial statements



Notes to the financial statements

31st December 2013

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.

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.

There were no employees at the end of the financial year (2012: Nil).

The financial statements were authorised for issue by the Board of Directors on 30th April, 2014

2. Basis of preparation of the financial statements

The financial statements comply with the provision of the Companies Act, 1965 and the applicable Private Entity Reporting Standards issued by the Malaysian Accounting Standards Board.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the applicable Private Entity Reporting Standards issued by the Malaysian Accounting Standards Board requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM)

3. Significant accounting policies

(i) Revenue recognition

There is no revenue recognised as the Company has ceased its business operations.

Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(ii) 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.

(iii) 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. Loss before taxation

Loss before taxation is stated after charging:

	2013 RM	2012 RM
Directors' fee	7,000	7,000
Auditor's remuneration and crediting:	2,750	1,750
Interest income	6,898	7,451

5. Taxation

	2013 RM	2012 RM
Tax charges	1,725	1,863

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:

	2013 RM	2012 RM
Loss before taxation	(11,591)	(10,574)
Tax at Malaysian statutory tax rate of 25%	(2,897)	(2,644)
Expenses not deductible for tax purposes	4,622	4,507
Tax expense for the year	1,725	1,863



Subject to agreement of the Inland Revenue Board, the Company has the following available for set-off against future taxable income.

	2013 RM	2012 RM
Unutilised tax losses	746,875	746,875
Unutilised capital allowances	<u>345</u>	<u>345</u>
	<u>747,220</u>	<u>747,220</u>

6. Plant and equipment

COST	Office Equipment RM	Computer RM	Total RM
Balance brought forward	590	9,950	10,540
Addition	-	-	-
Disposal	-	-	-
Balance carried forward	<u>590</u>	<u>9,950</u>	<u>10,540</u>
Accumulated depreciation			
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			
2013	<u>1</u>	<u>1</u>	<u>2</u>
2012	<u>1</u>	<u>1</u>	<u>2</u>

7. Deferred taxation

No deferred tax asset is recognised for the following items:

	2013 RM	2012 RM
Unabsorbed tax capital allowances	345	345
Unutilised tax losses	<u>746,875</u>	<u>746,875</u>
	<u>747,220</u>	<u>747,220</u>

8. Other receivables and prepayment

	2013 RM	2012 RM
Other receivables	<u>481</u>	<u>513</u>

9. Share capital

	2013 RM	2012 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 2013

	2013	2012
	RM	RM
Revenue	-	-
Other income:		
Interest income	<u>6,898</u>	<u>7,451</u>
Other operating expenses		
Director's fee	7,000	7,000
Legal and professional fee	4,694	4,292
Auditor's remuneration	2,750	1,750
Miscellaneous expenses	1,000	500
Tax fee	1,000	1,000
Printing and stationery	896	1,246
Service tax	729	651
Communication and courier	217	1,077
Travelling expenses	153	386
Bank charges	50	60
Penalty	-	50
Search fee	-	13
	<u>18,489</u>	<u>18,025</u>
Net loss for the year	<u>(11,591)</u>	<u>(10,574)</u>

The management income statement is prepared from information furnished by the management of EIL Asia Pacific Sdn. Bhd. and does not form part of the audited financial statements of the Company



Independent Auditor's Report

To,
The Board of Directors of
ENGINEERS INDIA LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of ENGINEERS INDIA LIMITED ("the company") and its subsidiaries, joint ventures which comprise the consolidated Balance Sheet as at March 31st, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
 - b) In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the financial statements of subsidiaries and joint ventures, whose financial statements reflect the total assets (net) of ₹ 6288.56 Lacs as at 31st March, 2014/31st December, 2013 and total revenue of ₹ 3354.28 Lacs and total expenditure of ₹ 2846.90 Lacs for the year ended on that date. These financial statements have been audited by the 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 ventures, is based solely on the report of other auditors.
8. In respect of subsidiary EIL Asia Pacific Sdn. Bhd. And joint venture Jabal Elliot Co. Ltd the accounts drawn up to December 2013 have been used in the consolidation. As per information and explanation given to us, no significant transactions or other events occurred between reporting date as above and 31st March 2014, which require adjustment.

Our opinion is not qualified in respect of other matters.

For M.Verma & Associates
Chartered Accountants
FRN-501433C

Place: New Delhi
Date: May 23, 2014

(Madan Verma)
(Partner)
Membership Number-080939

Consolidated Balance Sheet

AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	16846.84	16846.84
Reserves and Surplus	2.2	235326.92	252173.76
			212676.77
			229523.61
Non-Current Liabilities			
Other Long term Liabilities	2.3	187.11	383.75
Long Term Provisions	2.3 (A)	2253.78	2440.89
	2.3 (B)		2306.84
			2690.59
Current Liabilities			
Short Term Borrowings	2.4	16.45	0.00
Trade Payables	2.4 (A)	28341.94	34705.37
Other Current Liabilities	2.4 (B)	54427.47	76334.45
Short term Provisions	2.4 (C)	44279.27	127065.13
	2.4 (D)		47476.39
			158516.21
TOTAL		381679.78	390730.41
ASSETS			
Non Current Assets			
Fixed Assets:			
	2.5		
Tangible assets		11759.97	5052.17
Intangible assets		332.51	306.04
Capital work-in-Progress		13176.15	25268.63
			13551.70
			18909.91
Non Current Investments	2.6	1268.45	10211.98
Deferred Tax Asset (Net)	2.27	23201.72	23726.91
Long Term Loans and Advances	2.7	5480.15	4912.97
Other Non Current Assets	2.8	179.13	197.79
Current Assets:			
	2.9		
Current Investments	2.9 (A)	71900.00	54530.74
Inventories	2.9 (B)	102.49	84.33
Trade Receivables	2.9 (C)	35374.84	34386.80
Cash and Bank Balances	2.9 (D)	181246.77	189083.79
Short Term Loans and Advances	2.9 (E)	5049.81	6501.47
Other Current Assets	2.9 (F)	32607.79	326281.70
			48183.72
			332770.85
TOTAL		381679.78	390730.41

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

(MADAN VERMA)
PARTNER

Place : New Delhi
Date : May 23, 2014

Membership No. 080939
Firm Registration No. 501433C

**Consolidated Statement of Profit & Loss**FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE NO.	Year ended 31 st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
A. Revenue :			
i) Revenue from Operations	2.10		
- Consultancy & Engineering Services		119254.00	120357.65
Increase (+) / (Decrease) (-) in Work-in-Progress		(6,058.88)	5,373.08
		<u>113195.12</u>	<u>125730.73</u>
- Turnkey Projects		71452.03	127173.17
Increase (+) / (Decrease) (-) in Work-in-Progress		-	-
		<u>71452.03</u>	<u>127173.17</u>
		184647.15	252903.90
ii) Other Income	2.11	33592.18	31679.07
Total Revenue (i + ii)		<u>218239.33</u>	<u>284582.97</u>
B. Expenses :			
Technical Assistance/Sub-Contracts	2.12	43517.45	50512.37
Construction Materials & Equipments	2.13	19245.68	61372.71
Employee Benefits Expense	2.14	60614.70	58417.43
Depreciation & Amortization Expense	2.15	1478.78	1111.77
Other Expenses :	2.16		
Facilities	2.16 (a)	5131.60	4503.81
Corporate Costs	2.16 (b)	3376.99	2398.30
Other Costs	2.16 (c)	14172.38	15972.60
Total Expenses		<u>147537.58</u>	<u>194288.99</u>
Profit for the Year (A-B)		70701.75	90293.98
Less: Prior Period Adjustments(Net)	2.28	290.88	447.37
Profit Before Tax		70410.87	89846.61
Less: Tax Expense			
Current Tax		21713.11	28856.55
Deferred Tax	2.27	525.19	(2,249.78)
		<u>48172.57</u>	<u>63239.84</u>
Less : Prior Period Tax Adjustments(net) :			
Current Tax		(100.51)	1.36
Deferred Tax		-	18.74
Profit After Tax		<u>48273.08</u>	<u>63219.74</u>
Earning Per Share (Face value ₹ 5/- per share) :	2.32		
Basic (In ₹)		14.33	18.76
Diluted (In ₹)		14.33	18.76
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

(MADAN VERMA)
PARTNER

Membership No. 080939
Firm Registration No. 501433C

Place : New Delhi
Date : May 23, 2014

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2014

		Year ended 31 st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
A) Cash Flow from Operating Activities			
Net Profit Before Tax and Prior Period Adjustments	a	70701.75	90293.98
Add:			
i) Adjustment For:			
Depreciation and Amortization		1505.32	1111.77
Fixed Assets Written Off		18.03	29.73
(Profit)/Loss on Sale of Fixed Assets		(1.53)	33.23
ii) Other Income:			
Interest Income		(18,481.20)	(18,710.62)
Share of Profit on Trade Investment		(56.47)	(60.68)
Capital Gain on Redemption of Investment in Mutual Funds		(3,874.26)	(4,480.79)
Dividend Income		(163.55)	(479.23)
	b	(21,053.66)	(22,556.59)
Operating Profit before Working Capital Changes	c=a+b	49648.09	67737.39
iii) Adjustment For:			
(Increase)/Decrease in Trade Receivables		(988.04)	(2,808.25)
(Increase)/Decrease in Inventories		(18.16)	(1.73)
(Increase)/Decrease in Loans & Advances and Other Assets		7,774.19	27,437.78
(Increase)/Decrease in Work in Progress		6,058.88	(5,373.08)
Increase/(Decrease) in Liabilities/Provisions		(32,393.95)	(24,132.61)
	d	(19,567.08)	(4,877.89)
Cash Generated from Operations	e=c+d	30,081.01	62,859.50
Less: Tax Paid	f	21,271.39	28,198.98
Cash Flow Before Prior Period Adjustments	g=e-f	8,809.62	34,660.52
Prior Period Adjustments	h	(290.88)	(447.37)
Net Cash Flow from Operating Activities	i=g+h	8,518.74	34,213.15
B) Cash Flow from Investing Activities			
Payments Towards Capital Expenditure		(8,199.57)	(7,990.77)
Sale of Fixed Assets		8.16	28.91
Interest Received		19,927.55	18,596.97
Dividend Received		163.55	479.23
Redemption of Investment in Fixed Maturity Plans of Mutual Funds		44,674.26	54,428.73
Purchase of Investment in Fixed Maturity Plans of Mutual Funds		(49,200.00)	(52,750.00)
Investment in Liquid Plans of Mutual Funds (Net)		30.74	970.56
Fixed Deposit Placed with Banks having Original Maturity of More than Three Months		(2,65,314.86)	(1,97,921.55)
Fixed Deposit with Banks Matured having Original Maturity of More than Three Months		2,74,640.82	1,77,577.27
Net Cash Flow from Investing Activities	j	16,730.65	(6,580.65)
C) Cash Flow from Financing Activities			
Dividend Payment (Including Dividend Tax)		(11,825.97)	(15,663.85)
Interim Dividend Payment (Including Dividend Tax)		(13,796.96)	(11,747.89)
Net Cash Flow from Financing Activities	k	(25,622.93)	(27,411.74)
Increase/ (Decrease) in Cash & Cash Equivalents	i+j+k	(373.54)	220.76
Cash & Cash Equivalents at the Beginning of the Period		1,975.52	1,754.76

**Consolidated Cash Flow Statement**FOR THE YEAR ENDED 31ST MARCH, 2014

		Year ended 31st March, 2014 ₹ in lakhs	Year ended 31 st March, 2013 ₹ in lakhs
Cash & Cash Equivalents at the Close of the Period		1,601.98	1,975.52
Increase/ (Decrease) in Cash and Cash Equivalents		(373.54)	220.76

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	39.83	31.79
ii) Balance with Banks in Current Account	1387.15	1943.73
iii) Balance with Banks in Deposit Account having Original Maturity of Three Months or Less	175.00	0.00
Total	1601.98	1975.52

(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

(MADAN VERMA)
PARTNER

Place : New Delhi
Date : May 23, 2014

Membership No. 080939
Firm Registration No. 501433C

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended 31st March, 2014.

1) SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern in accordance with generally accepted accounting principles in India, accounting standards notified under Companies (Accounting Standards) Rules, 2006 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs, provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified and applicable).

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 Ventures considered in the Consolidated Financial Statements are:

Name of the Company	Relationship	Country of Incorporation	% Share holding held as at 31 st March, 2014
Certification Engineers International Limited	Subsidiary	India	100
EIL Asia Pacific Sdn. Bhd.	Subsidiary	Malaysia	100
TEIL Projects Limited	Joint Venture	India	50
Jabal Elliot Co. Ltd.	Joint Venture	Saudi Arabia	33.333



- iii) The annual reporting date of Financial Statements of EIL Asia Pacific Sdn. Bhd. (Foreign Subsidiary of the Company) and Jabal Elliot Co. Ltd. (Foreign Joint Venture Company) is 31st December, 2013 as against the Company's reporting date which is 31st March, 2014. There were no significant transactions or other events occurred between reporting date of foreign subsidiary and foreign joint venture and 31st March, 2014 which requires adjustment.
- iv) The company has entered into Production Sharing Contracts with Government of India along with other partners for Exploration & Production of Oil and Gas. The Company is a non-operator and is having following participating interest in the ventures. The company would share Expense/Income/Assets/Liabilities of the ventures on the basis of its percentage in the production sharing contracts. The detail of company's interest in blocks is as under:

Block No.	Participating Interest
CB-ONN-2010/11	20%
CB-ONN-2010/08	20%

Based on unaudited available information, revenue expenditure of ₹ 495.31 Lakhs (Previous year: ₹ 30.58 Lakhs) and capital expenditure of Nil (Previous year: ₹ 0.47 Lakhs), being the company's share has been accounted for in the financial statements for the year ended 31st March, 2014.

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, 2014

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 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
Authorised		
600,000,000 Equity shares of Par Value of ₹ 5 each (Previous Year : 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 (Previous year : 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 (Previous Year : 336,936,600 Equity shares of Par Value of ₹ 5 each) fully paid up	16846.83	16846.83
Add: Forfeited Shares	0.01	0.01
Amount originally paid up on 2,600 Equity shares of Par Value of ₹ 5 each (Previous Year : 2,600 equity shares of Par Value of ₹ 5 each)	16846.84	16846.84

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

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
No. of shares outstanding at the beginning of the period	336936600	336936600
No. of shares outstanding at the close of the period	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 st March, 2014	Number of shares held as at 31 st March, 2013
President of India	233727299 69.37%	270900540 80.40%

Other disclosures

	as at 31 st March, 2014	as at 31 st March, 2013
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 st March, 2014 ₹ in lakhs			as at 31 st March, 2013 ₹ in lakhs		
A. General Reserve						
Balance as per last Balance sheet	210108.30			172722.18		
Add: Transferred from Profit and Loss Account	22035.17	232143.47	232143.47	37386.12	210108.30	210108.30
B. Profit & Loss Account						
Balance as per last Balance sheet	0.00			0.00		
Add: Transferred from Statement of Profit and Loss	48273.08			63219.74		
Add: Transferred from CSR Activity Reserve	665.18	48938.26		596.98	63816.72	
Less: Appropriations :						
Interim Dividend	11792.78			10108.10		
Proposed Final Dividend	10108.10			10108.10		
Tax on Interim / Proposed Dividend	3722.05			3357.66		
Transfer to CSR Activity Reserve	1,280.16			2856.74		
Transfer to General Reserve	22035.17	48938.26	0.00	37386.12	63816.72	0.00
C. CSR Activity Reserve						
Balance as per last Balance sheet	2259.76			0.00		
Less: Transfer to Profit and Loss Account	665.18			596.98		
	1,594.58			(596.98)		
Add: Transferred from Profit and Loss Account	1280.16	2874.74	2874.74	2856.74	2259.76	2259.76
D. Capital Reserve						
Capital Grant Received from Oil Industry Development Board for R&D Centre			200.00			200.00
Capital Reserve due to Consolidation			108.71			108.71
			<u>235326.92</u>			<u>212676.77</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 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
2.3 (A) Other Long Term Liabilities :				
Security Deposits & Retentions	79.52		253.75	
Advances Received from Clients	107.59		130.00	
	<u>187.11</u>		<u>383.75</u>	
2.3 (B) Long Term Provisions :				
Employees' Post Retirement/ Long Term Benefits	2253.78		2306.84	
	<u>2253.78</u>		<u>2306.84</u>	

Above includes ₹ 2.70 Lakhs (Previous Year : ₹ 1.43 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 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
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2.4 (A) Short Term Borrowings**Loans repayable on demand from Banks (Secured)**

Overdraft Facility (refer note (i) below)	16.45	0.00
	<u>16.45</u>	<u>0.00</u>

Notes :

(i) Overdraft facilities are secured by way of :

(a) First charge on book debts, inventories and other current assets

(b) Corporate guarantee by parent companies (Engineers India Limited and Tata Projects Limited)

2.4 (B) Trade Payables

28341.94	34705.37
<u>28341.94</u>	<u>34705.37</u>

2.4 (C) Other Current Liabilities :

Security Deposits & Retentions	22488.49	25097.19
Advances Received from Clients	1824.23	3195.17
Income Received in Advance *	19510.64	38656.06
Capital Creditors	1821.76	1793.81
Service Tax Payable	281.73	286.22
Unpaid Dividend **	94.19	94.76

Other Payables :

- Withholding for Employees including Employers Contribution	1028.90	950.52
- Withholding for Income Taxes	1921.66	1297.88
- Accrued Employees Benefits	2535.74	3814.75
- Amount held on behalf of Clients	2823.68	978.85
- Others	96.45	169.24
	<u>8406.43</u>	<u>7211.24</u>
	<u>54427.47</u>	<u>76334.45</u>

* Represents gross amount due to customer for contract work in terms of Accounting Standard (AS-7) "Construction Contracts"

** Excluding amount due for payment to Investor Education And Protection Fund

2.4 (D) Short Term Provisions :

Employees' Post Retirement/ Long Term Benefits	4311.43	3005.19
Contractual Obligations	25440.86	30609.45
Provision for Taxation	21723.61	28456.26
Less: Advance Income Tax	<u>19022.60</u>	<u>26420.48</u>
Proposed Dividend	10108.10	10108.10
Tax on Dividend	1717.87	1717.87
	<u>44279.27</u>	<u>47476.39</u>

Above includes ₹ 86.09 Lakhs (Previous Year : ₹ 58.47 Lakhs) share of Joint Ventures



2.5) Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	AS ON 31 st March, 2013	ADD. FOR YR.	SOLD/RECL/ TRNS/ADJ.	AS ON 31 st March, 2014	DEP UPTO 31 st March, 2013	DEP FOR YEAR	DEP WRTN. BACK	TOT.DEP. 31 st March, 2014	WDV AS ON 31 st March, 2014	WDV AS ON 31 st March, 2013
Tangible Assets:										
Land Freehold	298.08	0.00	-	298.08	0.00	0.00	0.00	0.00	298.08	298.08
Land Leasehold	1611.55	5.63	0.00	1617.18	31.97	14.32	0.00	46.29	1570.89	1579.58
Building	4428.99	6539.81	169.72	10799.08	2799.90	242.33	153.56	2888.67	7910.41	1629.09
Plant & Machinery	1090.81	0.00	0.00	1090.81	1045.61	0.23	0.00	1045.84	44.97	45.20
Furniture, Fixtures And Office/Constn. Equipment	2220.76	437.89	38.14	2620.51	1803.87	116.55	34.99	1885.43	735.08	416.89
Computer Hardware	5883.57	667.29	155.32	6395.54	4810.11	541.93	150.09	5201.95	1193.59	1073.46
Motor Vehicles	22.36	0.00	0.00	22.36	12.49	2.92	0.00	15.41	6.95	9.87
Library Books	481.05	11.30	0.06	492.29	481.05	11.30	0.06	492.29	0.00	0.00
Total Tangible Assets	16037.17	7661.92	363.24	23335.85	10985.00	929.58	338.70	11575.88	11759.97	5052.17
Intangible Assets:										
Computer Software	3758.75	602.21	0.00	4360.96	3452.71	575.74	0.00	4028.45	332.51	306.04
Total Intangible Assets	3758.75	602.21	0.00	4360.96	3452.71	575.74	0.00	4028.45	332.51	306.04
TOTAL	19795.92	8264.13	363.24	27696.81	14437.71	1505.32	338.70	15604.33	12092.48	5358.21
PREVIOUS YEAR	19243.97	871.23	319.28	19795.92	13594.91	1111.77	268.97	14437.71	5358.21	5649.06
CAPITAL WORK IN PROGRESS									13176.15	13551.70

Net Fixed Assets includes ₹15.79 Lakhs (₹ 14.35 Lakhs) Share of Joint Ventures.

Depreciation for the year includes prior period depreciation ₹ 26.54 Lakhs (Previous Year : ₹ Nil).

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 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
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>768.45</u>	1268.45	<u>711.98</u>	1211.98
TOTAL (a)		<u>1268.45</u>		<u>1211.98</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 2012-13 and amount received during the current year is as under :

(₹ in Lakhs)			
Balance as on 1 st April, 2013	Share of Profit accounted during year 2013-14	Amount received during the year 2013-14	Balance as on 31 st March, 2014
711.98	56.47	0.00	768.45

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

II. Other Than Trade**Quoted****In Units of Fixed Maturity Plan of Mutual Funds****No. of Units**

Nil UTI Fixed Term Income Fund Series XIV-VIII (371 Days)	0.00	9000.00
(Previous Year : 90000000) Direct Growth Plan of ₹ 10 Each		
TOTAL (b)	0.00	9000.00
TOTAL (a+b)	1268.45	10211.98
Aggregate Value of Quoted Investments - Book Value	0.00	9000.00
Aggregate Value of Quoted Investments - Market Value	0.00	9000.00
Aggregate Value of Unquoted Investments - Gross Book Value	1268.45	1211.98

**2.7) Long Term Loans & Advances :**

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

	as at 31 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
a) Capital Advances - Unsecured (Considered Good)		527.59		188.79
b) Security Deposit :				
Unsecured- Considered Good		235.18		137.55
c) Loans & Advances to Related Parties :				
Secured-Considered Good:				
Directors	2.23		3.51	
Others	0.00	2.23	2.62	6.13
Unsecured-Considered Good:				
Directors	0.79		1.30	
Others	6.57	7.36	0.00	1.30
d) Other Loans and Advances				
(Advances Recoverable in Cash or in Kind or for value to be received):				
Secured-Considered Good:				
Employees		1946.00		2163.32
Unsecured-Considered Good:				
Employees	1925.85		1833.21	
Others	9.57	1935.42	0.99	1834.20
Advance Income Tax	63037.02		65494.93	
Less :Provision for Taxation	62222.48	814.54	64925.08	569.85
Advance Fringe Benefit Tax	60.43		60.43	
Less: Provision for Fringe Benefit Tax	48.60	11.83	48.60	11.83
		5480.15		4912.97

Above includes ₹ 6.32 Lakhs (Previous Year : ₹ 6.46 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 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
Bank Balances :				
Non-Current Bank Deposits		171.37		189.57
Total (A)		171.37		189.57
The above includes Bank Deposits ₹ 171.37 Lakhs (Previous Year : ₹ 189.57 Lakhs) held as Margin Money/Security against Bank Gurantees.				
Others :				
Interest Accrued on Non-Current Bank Deposits		7.76		8.22
Total (B)		7.76		8.22
Total (A+B)		179.13		197.79

2.9) Current Assets :

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

	as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
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2.9 (A) Current Investments :**1) Current Maturity of Long Term Investments - (At Cost Less Diminution in Value Other than Temporary)****Other than Trade****Quoted****Investment in units of Fixed Maturity Plan of Mutual Funds****No. of Units**

Nil (Previous Year : 100000000)	SBI Debt Fund Series-367 Days-18 Growth Plan of ₹ 10 Each	0.00	10000.00
Nil (Previous Year 27500000)	SBI Debt Fund Series - 18 Months - 8 Growth Plan of ₹ 10 Each	0.00	2750.00
Nil (Previous Year : 30000000)	SBI Debt Fund Series - 15 Months - 7 Growth Plan of ₹ 10 Each	0.00	3000.00
Nil (Previous Year : 123000000)	SBI Debt Fund Series - 366 Days - 23 - Growth Plan of ₹ 10 Each	0.00	12300.00
Nil (Previous Year : 20000000)	SBI Debt Fund Series - 366 Days - 24 - Growth Plan of ₹ 10 Each	0.00	2000.00
150000000 (Previous Year : 150000000)	SBI Debt Fund Series - 366 Days - 25 - Growth Plan of ₹ 10 Each	15000.00	15000.00
Nil (Previous Year : 40000000)	UTI Fixed Term Income Fund Series XIV - V - (366 Days) - Direct Growth Plan of ₹ 10 Each	0.00	4000.00
Nil (Previous Year : 19500000)	UTI Fixed Term Income Fund Series XIV - VII - (367 Days) - Growth Plan of ₹ 10 Each	0.00	1950.00
Nil (Previous Year : 10000000)	Union KBC Fixed Maturity Plan-Series 6- Growth-Direct Plan of ₹ 10 Each	0.00	1000.00
Nil (Previous Year : 25000000)	IDBI FMP-366 Days Series-III - (March 2013)-D- Growth Direct Plan of ₹ 10 Each	0.00	2500.00
90000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XIV-VIII (371 Days) Direct Growth Plan of ₹ 10 Each	9000.00	0.00
60000000 (Previous Year : Nil)	SBI Debt Fund Series-366 Days 34- Growth Plan of ₹ 10 Each	6000.00	0.00
20000000 (Previous Year : Nil)	IDBI FMP-Series III-366 Days-(July 2013)-G Direct Plan Growth of ₹ 10 Each	2000.00	0.00
29000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XV-X (368 Days) Direct Growth Plan of ₹ 10 Each	2900.00	0.00



		as at 31 st March, 2014 ₹ in lakhs	as at 31 st March, 2013 ₹ in lakhs
39000000 (Previous Year : Nil)	SBI Debt Fund Series-366 Days 36- Growth Plan of ₹ 10 Each	3900.00	0.00
45000000 (Previous Year : Nil)	SBI Debt Fund Series-366 Days 38- Growth Plan of ₹ 10 Each	4500.00	0.00
57000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XVII-XX (369 Days) Direct Growth Plan of ₹ 10 Each	5700.00	0.00
30250000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XVIII-III (367 Days) Direct Growth Plan of ₹10 Each	3025.00	0.00
42000000 (Previous Year : Nil)	UTI Fixed Term Income Fund Series XVIII-IV (366 Days) Direct Growth Plan of ₹ 10 Each	4200.00	0.00
7000000 (Previous Year : Nil)	IDBI FMP-Series IV-368 Days-(February 2014)-C Direct Plan Growth of ₹ 10 Each	700.00	0.00
75000000 (Previous Year : Nil)	SBI Debt Fund Series-A 12 - 366 Days Direct Growth Plan of ₹ 10 Each	7500.00	0.00
30250000 (Previous Year : Nil)	SBI Debt Fund Series-A 13 - 366 Days Direct Growth Plan of ₹ 10 Each	3025.00	0.00
44500000 (Previous Year : Nil)	SBI Debt Fund Series-A 16 - 366 Days Direct Growth Plan of ₹ 10 Each	4450.00	0.00
TOTAL		71900.00	54500.00

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

Nil (Previous Year : 326.277)	SBI Premier Liquid Fund - Institutional-Growth Plan of ₹ 1000 Each	0.00	5.55
Nil (Previous Year : 279.416)	SBI Premier Liquid Fund -Regular Plan- Growth Plan of ₹ 1000 Each	0.00	5.00
Nil (Previous Year : 317.176)	UTI Treasury Advantage Fund-Institutional Daily Dividend of ₹ 1000 Each	0.00	5.00
Nil (Previous Year : 1518.474)	UTI Treasury Advantage Fund of ₹ 1000 Each	0.00	15.19
TOTAL (b)		0.00	30.74
TOTAL (a+b)		71900.00	54530.74

Aggregate Value of Quoted Investments - Book Value

71900.00

54530.74

Aggregate Value of Quoted Investments - Market Value

75367.36

56339.34

Above includes Nil (Previous Year : ₹ 15.55 Lakhs) share of Joint Ventures

	as at 31 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
2.9 (B) Inventories (lower of cost or net realizable value) :				
Stores, Spares and Chemicals in Hand		102.49		84.33
		<u>102.49</u>		<u>84.33</u>
2.9 (C) Trade Receivables (Unsecured)				
Trade Receivable Outstanding for a period exceeding six months from the date they are due for payment:				
Considered Good	14953.61		13075.95	
Considered Doubtful	<u>4121.55</u>		<u>5168.74</u>	
	19075.16		18244.69	
Other Trade Receivable: Considered Good	<u>20421.23</u>		<u>21310.85</u>	
	39496.39		39555.54	
Less: Provision for Doubtful Debts	<u>4121.55</u>	<u>35374.84</u>	<u>5168.74</u>	<u>34386.80</u>
Above includes ₹ 12.31 Lakhs (Previous Year : ₹ 3.86 Lakhs) share of Joint Ventures				
2.9 (D) Cash And Bank Balances :				
Cash & Cash Equivalents:				
Balances with Banks in Current Account #	1387.15		1943.73	
Balances with Banks in Deposit Account having original maturity of three months or less	175.00		0.00	
Cash & Stamps on Hand #	<u>39.83</u>	1601.98	<u>31.79</u>	1975.52
Other Bank Balances :				
Unpaid Dividend Account	94.19		94.76	
Held on Behalf of Clients	2823.68		978.85	
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>176726.92</u>	<u>179644.79</u>	<u>186034.66</u>	<u>187108.27</u>
		<u>181246.77</u>		<u>189083.79</u>

* Includes Bank deposits having more than twelve months original maturity of ₹ 28725.90 Lakhs (Previous Year : ₹ 70951.70 Lakhs)

* Includes Bank deposits ₹ 143.40 (Previous Year : ₹ 343.00 Lakhs) held as margin Money/Security against Bank Guarantees.

Includes ₹ 119.43 Lakhs (Previous Year : ₹ 146.50 Lakhs) in currencies which are not repatriable.

Above includes ₹ 590.64 Lakhs (Previous Year : ₹ 605.78 Lakhs) share of Joint Ventures



	as at 31 st March, 2014 ₹ in lakhs		as at 31 st March, 2013 ₹ in lakhs	
2.9 (E) Short Term Loans & Advances :				
a) Loans & Advances to Related Parties :				
Secured-Considered Good:				
Directors	1.28		1.44	
Others	0.00	1.28	0.69	2.13
Unsecured-Considered Good:				
Directors	0.51		0.90	
Others	0.81	1.32	0.00	0.90
b) Security Deposit				
Unsecured- Considered Good	276.52		267.14	
Unsecured-Considered Doubtful	4.19		4.19	
	280.71		271.33	
Less: Provision for Doubtful Deposits	4.19	276.52	4.19	267.14
c) Other Loans and Advances :				
(Advances Recoverable in Cash or in Kind or for Value to be Received):				
Secured-Considered Good:				
Employees	259.57		327.74	
Unsecured-Considered Good:				
Employees	842.03		776.46	
Prepaid Expenses	258.06		159.87	
Advances to Vendors/Contractors	2170.62		4002.42	
Advance Income Tax	115.32		16.13	
Advance Fringe Benefit Tax	3.50		23.36	
Retention against Contracts	579.35		573.57	
Claims Receivable	0.60		0.60	
Others	541.64		351.15	
Unsecured - Considered Doubtful :				
Employees	1.36		1.36	
Advances to Vendors/Contractors	2.58		2.58	
Claims Receivable	286.30		286.30	
Retention against Contracts	0.00		37.99	
	5060.93		6559.53	
Less: Provision for Doubtful Loans & Advances	290.24	4770.69	328.23	6231.30
TOTAL (a+b+c)		5049.81		6501.47

Above includes ₹ 34.47 Lakhs (Previous Year : ₹ 39.83 Lakhs) share of Joint Ventures

2.9 (F) Other Current Assets :

Work In Progress *	643.50	6702.38
Interest Accrued on Current Bank Deposits	4132.77	5507.29
Unbilled Revenue **	27831.52	35974.05
	32607.79	48183.72

* As taken, valued and certified by the management

** Represents Gross amount due from Customer for Contract Work in terms of Accounting Standard (AS-7) "Construction Contracts"

Above includes ₹ 82.91 Lakhs (Previous Year : ₹ 3.73 Lakhs) share of Joint Ventures

2.10) Revenue from Operations :

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

	Year ended 31 st March, 2014 ₹ in lakhs		Year ended 31 st March, 2013 ₹ in lakhs	
A) Consultancy & Engineering Services		119254.00		120357.65
		<u>119254.00</u>		<u>120357.65</u>
B) Turnkey Projects		71452.03		127173.17
		<u>71452.03</u>		<u>127173.17</u>
Total (A+B)		<u>190706.03</u>		<u>247530.82</u>
Increase/(Decrease) in Work-in-Progress				
A) Consultancy & Engineering Services				
Closing Work-in-Progress	643.50		6702.38	
Less: Opening Work-in-Progress	<u>6702.38</u>	(6,058.88)	<u>1329.30</u>	5,373.08
B) Turnkey Projects				
Closing Work-in-Progress	0.00		0.00	
Less: Opening Work-in-Progress	<u>0.00</u>	- (6,058.88)	<u>0.00</u>	- 5,373.08

2.11) Other Income

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

Interest Earned (Gross) :

Bank deposits	17949.34		18045.00	
Loans to Employees	163.65		165.79	
Others	<u>368.21</u>		<u>499.83</u>	
	<u>18481.20</u>		<u>18710.62</u>	

Income from Long Term Investments:

Share of Profit from AOP (Trade Investment)	56.47		60.68	
Dividend Income from Current Investments	163.55		479.23	
Capital Gain on redemption of Investments in Mutual Funds	3874.26		4480.79	
Funds recd. for expenditure against R&D	378.35		108.88	
Less: Utilisation	<u>(378.35)</u>	-	<u>(108.88)</u>	-
Profit on Sale of Assets	3.52		7.88	
Foreign Exchange Difference (Net)	0.00		19.60	
Provisions no Longer Required Written Back *	10391.73		7011.68	
Miscellaneous Income	<u>621.45</u>		<u>908.59</u>	
	<u>15110.98</u>	<u>33592.18</u>	<u>12968.45</u>	<u>31679.07</u>

* Provisions no longer required written back under head 'Other Income' represents:

- Contractual obligations written back for ₹ 10391.73 Lakhs (Previous Year : ₹ 5457.84 Lakhs) in respect of contracts for which obligation under respective contracts is completed.
- Unspent amount on CSR activity Nil (Previous Year : ₹ 1553.84 Lakhs disclosed as provision till 31-03-2012).

Above includes ₹ 111.48 Lakhs (Previous Year : ₹ 26.60 Lakhs) share of Joint Ventures

**Expenses :**

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

	Year ended 31 st March, 2014 ₹ in lakhs		Year ended 31 st March, 2013 ₹ in lakhs	
2.12) Technical Assistance/Sub Contracts		43517.45		50512.37
2.13) Construction Materials & Equipments		19245.68		61372.71
2.14) Employee Benefits Expense :				
Salaries and Allowances @				
Staff	47728.42		45984.02	
Directors	<u>228.85</u>	47957.27	<u>290.60</u>	46274.62
Contribution towards Employees' Pension and Provident Fund & Administration Charges thereon:				
Staff	3737.95		3406.23	
Directors	<u>15.17</u>	3753.12	<u>15.12</u>	3421.35
Contribution towards Employees' Defined Contributory Superannuation Scheme:				
Staff	4051.91		4133.25	
Directors	<u>16.95</u>	4068.86	<u>19.08</u>	4152.33
Staff Welfare				
Staff	4450.13		4381.20	
Directors	<u>6.60</u>	4456.73	<u>8.10</u>	4389.30
Contribution to Gratuity Fund*	378.72		184.96	
Less: Contribution received from Others	<u>0.00</u>	378.72	<u>5.13</u>	179.83
		<u>60614.70</u>		<u>58417.43</u>

@ Salaries and Allowances Includes :

a) Provision for Bonus of ₹ 0.08 Lakhs (Previous Year : ₹ 0.08 Lakhs).

b) ₹ 2783.74 Lakhs (Previous Year : ₹ 1868.16 Lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

* Includes Term Insurance Premium paid to LIC of India.

Above includes ₹ 164.67 Lakhs (Previous Year : ₹ 180.37 Lakhs) share of Joint Ventures

	Year ended 31 st March, 2014 ₹ in lakhs		Year ended 31 st March, 2013 ₹ in lakhs	
2.15) Depreciation & Amortization Expense				
Depreciation & Amortization Expense		1478.78		1111.77
		<u>1478.78</u>		<u>1111.77</u>
2.16) Other Expenses :				
2.16 (a) Facilities :				
Rent :				
Office		523.91		492.99
Residential Accommodation				
Staff	931.22		741.18	
Directors	<u>14.70</u>	945.92	<u>25.77</u>	766.95
Less: Recovered - Staff	<u>133.27</u>		<u>108.73</u>	
- Directors	<u>2.44</u>	<u>135.71</u>	<u>3.84</u>	<u>112.57</u>
		810.21		654.38
Light, Water & Power		999.68		929.03
Insurance		321.55		147.06
Misc. Repairs & Maintenance *		2439.30		2227.55
Hire Charges of Office Equipments		<u>36.95</u>		<u>52.80</u>
		<u>5131.60</u>		<u>4503.81</u>
2.16 (b) Corporate Cost :				
Bank Charges		133.56		136.58
Sitting Fees to Independent Directors		9.46		6.36
Interest		6.80		0.28
Advertisement for Tender & Recruitment		861.47		1060.44
Publicity		580.94		216.07
Subscription		114.38		126.75
Entertainment		253.83		192.58
Foreign Exchange Difference (net)		497.01		0.00
Remuneration to Auditors:				
For Audit	8.88		8.68	
For Tax Audit	1.75		1.75	
Out of Pocket	0.99		0.00	
Others	<u>13.70</u>	25.32	<u>10.93</u>	21.36
Filing Fee		1.20		3.27
Legal & Professional Charges		496.76		366.76
Licences & Taxes		376.24		197.01
Loss on Sale of Assets		1.99		41.11
Fixed Assets Written off		<u>18.03</u>		<u>29.73</u>
		<u>3376.99</u>		<u>2398.30</u>

* Includes ₹ 220.22 Lakhs (Previous Year : ₹ 332.58 Lakhs) for repairs & maintenance of own building and ₹ 289.98 Lakhs (Previous Year : ₹ 241.63 Lakhs) for Plant & Machinery.

Above includes ₹ 48.09 Lakhs (Previous Year : ₹ 70.21 Lakhs) share of Joint Ventures



	Year ended 31 st March, 2014 ₹ in lakhs		Year ended 31 st March, 2013 ₹ in lakhs	
2.16 (c) Other Costs				
Consumables/Stores/Equipment R&D Centre		257.88		100.35
Travel & Conveyance				
Directors @	70.79		71.43	
Others	<u>7288.02</u>	7358.81	<u>6858.21</u>	6929.64
Printing , Stationery & General Office Supplies		414.39		411.44
Newspapers and Periodicals		74.06		79.49
Postage & Telecommunications		543.15		567.00
Courier ,Transportation & Handling		48.76		80.81
Commission to Foreign Agents		219.63		167.30
Provision for Doubtful Debts& Advances (net)		(1,085.19)		(123.61)
Preliminary Expenses Written off		0.00		5.81
Bad Debts written off		8.33		17.32
Provision for Contractual obligations		5223.14		6906.22
Training Expenses				
Travel	34.68		23.12	
Others	<u>319.39</u>	354.07	<u>268.58</u>	291.70
CSR Expenses		646.32		570.75
Expenditure relating to Oil & Gas exploration blocks		495.31		30.58
Miscellaneous Expenses		94.93		219.54
		<u>14653.59</u>		<u>16254.34</u>
Less: Expenditure relating to Capital Works		481.21		281.74
		<u>14172.38</u>		<u>15972.60</u>

@ Includes recovery of ₹ 0.92 Lakhs on account of use of car (Previous Year : ₹ 0.62 lakhs)

Above includes ₹ 30.28 Lakhs (Previous Year : ₹ 33.78 Lakhs) share of Joint Ventures

2.17 Contingent Liabilities & Commitments

i) Contingent Liabilities:

- a) Claims against the Company not acknowledged as debt.

Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 4130.28 Lakhs (Previous year: ₹ 3532.45 Lakhs).

- b) Income Tax/Fringe Benefit Tax assessments have been completed upto the assessment year 2011-12. Income Tax liability, if any, in respect of pending assessments for the assessment years 2012-13 and 2013-14 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 2011-12. Wealth Tax liability, if any, in respect of pending assessments for the Assessment Years 2012-13 and 2013-14 cannot be ascertained although tax on returned wealth has been paid in full.

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 ₹ 387.52 lakhs for assessment years 2007-08, 2010-11 and 2011-12 (Previous Year : ₹ 248.24 lakhs for assessment year 2010-11).

Income Tax Department is in appeal for an amount of ₹ 608.44 lakhs (Previous Year : ₹ 608.44 lakhs) with Income Tax Appellate Tribunal against the Commissioner of Income Tax (Appeals) Orders in Company's favour for the Assessment Years 2002-03 and 2004-05.

Income Tax Department is in appeal for an amount of ₹ 109.39 lakhs (Previous Year : ₹ 109.39 lakhs) with Delhi High Court against the order of Income Tax Appellate Tribunal (ITAT) in Company's favour for the Assessment Year 2006-07.

Company has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 50.82 Lakhs against the order of Assessing Officer u/s 143(3) for the Assessment Year 2011-12.

Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.32 Lakhs (Previous year: ₹ 0.32 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 (Previous Year: ₹ 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).

The Company has filed an appeal against the order of Assessing Authority, Mathura before Commissioner (Appeals), Mathura for an amount of ₹ 132.53 Lakhs (Previous Year: ₹ 132.53 lakhs) for assessment year 1999-2000 and ₹ 116.12 Lakhs (Previous Year : ₹ 116.12 lakhs) for assessment year 2000-01 respectively on account of sales tax.

The Company has filed an appeal before Sales tax Tribunal, Agra against the order of Commissioner (Appeal), Mathura for an amount of ₹ 18.71 Lakhs (Previous Year: ₹ 20.05 lakhs) on account of entry tax for the year 1999-2000 against which company has deposited an amount of ₹ 5.01 Lakhs (Previous Year : ₹ 5.01 lakhs).

- c) Income Tax Assessments in respect of Certification Engineers International Limited have been completed upto the Assessment Year 2011-12. Income Tax liability, if any, in respect of pending assessment for the assessment years 2012-13 and 2013-14 can not be ascertained although tax as per return has been paid in full.

Certification Engineers International Limited has filed a reply to show cause notice cum demand of ₹ 227.47 lakhs (Previous Year ₹ 227.47 lakhs) by Commissioner, Service Tax, Mumbai on 27th November 2009, for the period from April, 2004 to March, 2009.

Certification Engineers International Limited has filed a reply to show cause notice cum demand of ₹ 3.21 lakhs (Previous Year ₹ 3.21 lakhs) by Commissioner, Service Tax, Mumbai on 29th October 2010, for the period from April, 2009 to March, 2010.

Certification Engineers International Limited has filed a reply to show cause notice cum demand of ₹ 8.92 lakhs (Previous Year ₹ 8.92 lakhs) by Additional Commissioner, Service Tax, Mumbai on 18th October 2011, for the period from April, 2010 to March, 2011.

Certification Engineers International Limited has filed a reply to show cause notice demand of ₹ 20.91 Lakhs (Previous Year ₹ 20.91 lakhs) by Additional Commissioner, Service Tax, Mumbai on 8th November, 2012, for the period from April, 2011 to March, 2012.

Certification Engineers International Limited has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 42.63 lakhs for assessment year 2011-12.

Certification Engineers International Limited has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 1.31 Lakhs against the order of Assessing Officer u/s 143(3) for the Assessment Year 2011-12.



d) Corporate Guarantee given on behalf of Subsidiary ₹ 1000 Lakhs (Previous year: ₹ 1000 Lakhs)

e) Corporate Guarantee given on behalf of Joint Venture ₹ 200 Lakhs (Previous year: Nil)

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:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 5050.63 Lakhs. (Previous year: ₹ 6686.78 Lakhs)

Company's estimated share in work programmes committed under production sharing contract in respect of oil & gas exploration blocks as on 31st March, 2014 is ₹ 5583.75 Lakhs (Previous year: ₹ 5540.28 Lakhs).

- 2.18** a) Guarantees issued by the banks and outstanding as on 31st March, 2014 ₹ 45106.82 Lakhs (Previous year: ₹ 30401.82 Lakhs), against which a provision of ₹ 19941.61 Lakhs (Previous year: ₹ 10984.74 Lakhs) has been made in the books towards liability for performance guarantees/warranties.
- b) Letter of credit outstanding as on 31st March, 2014 ₹ 419.98 Lakhs (Previous year: ₹ 2295.73 Lakhs).
- c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31st March, 2014 ₹ 24300.50 Lakhs (Previous year: ₹ 19047.00 Lakhs)
- 2.19** a) Depreciation has been provided for on Written Down Value method, Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 and over the estimated useful lives of the depreciable assets using the straight line method in respect of Joint Venture, TEIL Projects Limited, Subsidiary, Certification Engineers International Limited and Joint Venture, Jabal Elliot Co. Ltd. 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'.
- b) No income has been taken into account on jobs for which the terms have been agreed to at lumpsum services / turnkey contracts and outcome of job cannot be estimated reliably in the case of 'Company' as against physical progress of less than 25% in case of Subsidiary, 'Certification Engineers International Limited' and physical progress of less than 10% in the case of Joint Venture Company 'TEIL Projects Limited'.

The proportion of above items in the Consolidated Financial Statements is not material.

2.20. i) Land & Buildings includes ₹ 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

- ii) The Company is having a plot measuring 6826.90 square meters with three Buildings, comprising of 84 flats at GOKULDHAM, GOREGAON (EAST), MUMBAI. It was noticed during the current year that out of total area of 6826.90 square meter, around 4400 square meter of area is in the Company's possession. The Company is in the process of initiating the action for reclaiming the remaining area. The Capitalized cost & Written down value of the above property as on 31st March, 2014 was ₹ 238.19 Lakhs and ₹ 60.96 Lakhs respectively.

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 (i) 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 31st March, 2014:

- a) The aggregate amount of cost incurred and recognised Profit upto 31st March, 2014 – ₹ 942196.15 Lakhs (Previous year: ₹ 949093.43 Lakhs)
- b) The amount of advances received – ₹ 1635.01 Lakhs (Previous year: ₹ 3100.40 Lakhs)
- c) The amount of retention – ₹ 573.57 Lakhs (Previous year: ₹ 573.57 Lakhs)

The estimates with respect to total cost and total revenue in respect of construction contracts are reviewed and up dated periodically to ascertain the percentage completion for revenue recognition in accordance with Accounting Standard (AS) – 7 “Construction Contracts”. However, it is impracticable to quantify the impact of change in estimates.

2.23. The disclosures in respect of employee benefits covered under Accounting Standard (AS-15) “Employee Benefits” are made as far as practicable.

Defined Contribution Plan

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

₹ In Lakhs

Particulars	Expense recognized in year ended 31 st March, 2014	Expense recognized in Year ended 31 st March, 2013
Contributory Provident Fund & Employees Pension Scheme, 1995	3753.12	3421.35
Employees Defined Contributory Superannuation Scheme	4068.86	4152.33

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, 2014 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, 2014.



Defined Benefit Plan

Company is having the following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Funded)
- Post Retirement Medical Benefits (Funded)
- Long Service Awards (Unfunded)
- Other benefits on Retirement (Unfunded)

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
a) Actuarial Assumptions	(₹ in Lakhs)									
Discount rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.50%	8.50%	8.00%	8.50%	8.00%
Expected rate of return on assets	9.20%	9.55%	9.20%	9.55%	9.20%	9.55%	—	—	—	—
Expected rate of future salary increase	10.00%	10.00%	10.00%	10.00%	—	—	—	—	—	—
Increase in compensation levels	—	—	—	—	7.50%	7.00%	—	—	—	—
Increase in price of award (Gold) (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	10757.69	10779.64	22806.76	21397.84	9265.33	8156.45	2091.87	1992.76	153.15	171.65
Interest cost	860.62	862.37	1824.54	1711.83	787.55	693.30	167.35	159.42	12.25	13.73
Current Service Cost	886.28	90.85	2114.40	5217.74	195.21	168.07	204.19	229.56	6.87	7.90
Past Service Cost	—	—	—	—	—	—	—	—	—	—
Benefits paid	(1073.09)	(1203.06)	(2587.27)	(2364.92)	(844.40)	(736.37)	(127.98)	(143.36)	(15.47)	(20.26)
Actuarial (gain)/loss on Obligations	(452.37)	227.89	779.83	(3155.73)	1070.98	983.88	(323.56)	(146.51)	(19.87)	(19.87)
Present value of obligations as at end of year	10979.13	10757.69	24938.26	22806.76	10474.67	9265.33	2011.88	2091.87	136.93	153.15
c) Reconciliation of opening and closing balances of fair value of plan assets										
Fair value of plan assets as on beginning of year	10885.28	10996.34	20947.11	19394.11	8161.76	7581.94	—	—	—	—
Additional Interest in plan asset credited at beginning of period	—	5.25	—	9.08	—	3.55	—	—	—	—

	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefits on Retirement (Unfunded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Expected return on plan assets	1039.54	995.90	2000.45	1905.68	779.45	720.62	—	—	—	—
Contributions	137.85	90.85	1858.54	2003.16	1103.57	574.51	—	—	—	—
Benefits paid	(1073.09)	(1203.06)	(2587.27)	(2364.92)	(844.40)	(736.37)	—	—	—	—
Actuarial Gain/ (Loss) on Plan assets	(79.92)	—	(65.42)	—	10.03	17.51	—	—	—	—
Fair value of plan assets at the end of year	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
d) Fair value of plan assets as on 31st March, 2014										
Fair value of plan assets at beginning of year	10885.28	10996.34	20947.11	19394.11	8161.76	7581.94	—	—	—	—
Additional Interest in plan asset credited at beginning of period	—	5.25	—	9.08	—	3.55	—	—	—	—
Actual return on plan assets	959.62	995.90	1935.03	1905.68	789.48	738.13	—	—	—	—
Contributions	137.85	90.85	1858.54	2003.16	1103.57	574.51	—	—	—	—
Benefits paid	(1073.09)	(1203.06)	(2587.27)	(2364.92)	(844.40)	(736.37)	—	—	—	—
Fair value of plan assets at the end of year	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
Funded status	(69.47)	127.59	(2784.85)	(1859.65)	(1264.26)	(1103.57)	(2011.88)	(2091.87)	(136.93)	(153.15)
Excess of Actual over estimated return on plan	(79.92)	—	(65.42)	—	10.03	17.51	—	—	—	—
e) Actuarial Gain/Loss recognized for the year ended 31st March, 2014										
Actuarial gain/ (Loss) for the year – Obligation	452.37	(227.89)	(779.83)	3155.73	(1070.98)	(983.88)	323.56	146.51	19.87	19.87
Actuarial (gain)/ Loss for the year – plan assets	79.92	—	65.42	—	(10.03)	(17.52)	—	—	—	—
Total (gain)/Loss for the year	(372.45)	227.89	845.25	(3155.73)	1060.95	966.36	(323.56)	(146.51)	(19.87)	(19.87)
Actuarial (gain)/ Loss recognized in the year	(372.45)	227.89	845.25	(3155.73)	1060.95	966.36	(323.56)	(146.51)	(19.87)	(19.87)
f) The amounts recognized in the balance sheet										
Present value of obligations as at the end of year	10979.13	10757.69	24938.26	22806.76	10474.67	9265.33	2011.88	2091.87	136.93	153.15
Fair value of plan assets as at the end of the year	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—



	Gratuity (Funded)		Leave Encashment (Funded)		Post Retirement Medical Benefits (Funded)		Long Service Award (Unfunded)		Other Benefit on Retirement (Unfunded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Funded status	(69.47)	127.59	(2784.85)	(1859.65)	(1264.26)	(1103.57)	(2011.88)	(2091.87)	(136.93)	(153.15)
Net (Asset)/liability recognized in balance sheet	69.47	(127.59)	2784.85	1859.65	1264.26	1103.57	2011.88	2091.87	136.93	153.15
g) Expenses Recognized in statement of Profit & Loss										
Current Service Cost	886.28	90.85	2114.40	5217.74	195.21	168.07	204.19	229.56	6.87	7.90
Past Service Cost	—	—	—	—	—	—	—	—	—	—
Interest cost	860.62	862.37	1824.54	1711.83	787.55	693.30	167.35	159.42	12.25	13.73
Expected return on plan assets	(1039.54)	(995.90)	(2000.45)	(1905.68)	(779.45)	(720.62)	—	—	—	—
Net Actuarial (gain)/Loss recognized in the year	(372.45)	227.89	845.25	(3155.73)	1060.95	966.36	(323.56)	(146.51)	(19.87)	(19.87)
Expenses recognized in statement of Profit & Loss	334.91	185.21	2783.74	1868.16	1264.27	1107.11	47.99	242.47	(0.75)	1.77
h) Amount for the current period										
Present Value of Obligation	10979.13	10757.69	24938.26	22806.76	10474.67	9265.33	2011.88	2091.87	136.93	153.15
Plan Assets	10909.66	10885.28	22153.41	20947.11	9210.41	8161.76	—	—	—	—
Surplus (Deficit)	(69.47)	127.59	(2784.85)	(1859.65)	(1264.26)	(1103.57)	(2011.88)	(2091.87)	(136.93)	(153.15)
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 7.5% rate of escalation	At 6.5% rate of escalation	At 8.5% rate of escalation
Current Service Cost (for the period 01.04.2013 to 31.03.2014)	195.21	158.97	244.38
Interest Cost (for the period 01.04.2013 to 31.03.2014)	827.27	751.44	919.45
Value of Projected Benefit Obligation on 31.03.2014	10474.67	9491.44	11599.01

k) The amount pertaining to defined benefit plans for current annual period and previous four annual periods are as follows:

(₹ In Lakhs)

Particulars	As on 31 st March, 2014	As on 31 st March, 2013	As on 31 st March, 2012	As on 31 st March, 2011	As on 31 st March, 2010
1) Gratuity (funded)					
Present value of obligation	10979.13	10757.69	10779.64	10680.63	10480.80
Plan assets	10909.66	10885.28	10996.34	10597.84	9987.96
Surplus/(deficit)	(69.47)	127.59	216.70	(82.79)	(492.84)
Experience adjustments plan liabilities	—	—	—	—	---
Experience adjustments plan assets	(79.92)	---	---	—	---
2) Leave encashment (funded)					
Present value of obligation	24938.26	22806.76	21397.84	19328.00	16562.53
Plan assets	22153.41	20947.11	19394.11	16439.24	13935.01
Surplus/(deficit)	(2784.85)	(1859.65)	(2003.73)	(2888.76)	(2627.51)
Experience adjustments plan liabilities	—	—	—	—	---
Experience adjustments plan assets	(65.42)	—	—	—	---
3) Post retired medical benefits (funded)					
Present value of obligation	10474.67	9265.33	8156.45	7528.50	6267.88
Plan assets	9210.41	8161.76	7581.94	6421.20	6318.32
Surplus/(deficit)	(1264.26)	(1103.57)	(574.51)	(1107.30)	50.44
Experience adjustments plan liabilities	(540.88)	(983.88)	(483.24)	116.40	(222.71)
Experience adjustments plan assets	10.03	17.52	—	—	52.56
4) Long service awards (unfunded)					
Present value of obligation	2011.88	2091.87	1992.76	1606.26	487.82
Experience adjustments plan liabilities	206.07	146.51	(164.29)	134.69	(27.87)
5) Other benefits on retirement (unfunded)					
Present value of obligation	136.93	153.15	171.65	160.29	139.81
Experience adjustments plan liabilities	16.02	19.86	(5.41)	(3.98)	1.76

l) The best estimate of contribution during the next financial year is as follows:

(₹ In Lakhs)

Gratuity (Funded)	Leave Encashment (Funded)	Post Retirement Medical Benefits (Funded)	Long Service Award (Unfunded)	Other Benefits on Retirement (Unfunded)
223.47	3219.19	1278.04	188.14	15.18

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 the 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, 2014		As on 31 st March, 2013		
₹	Foreign Currency	₹	Foreign Currency	
348.38	AED 20.72	281.68	AED 18.51	
8720.80	USD 144.17	7889.38	USD 143.97	
2.24	KWD 0.01	2.00	KWD 0.01	
701.08	EURO 8.40	1034.34	EURO 14.72	
444.83	GBP 4.41	366.73	GBP 4.41	
15.17	SWK 1.62	128.70	SWK 15.23	
1322.25	JPY 2239.97	1312.06	JPY 2243.98	
0.08	OR 0.00	0.07	OR 0.00	
5.05	BD 0.03	1.19	BD 0.01	
21.99	AD 27.14	19.27	AD 27.14	

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

Amount in Lakhs

Assets, Loans & Advances				
As on 31 st March, 2014		As on 31 st March, 2013		
₹	Foreign Currency	₹	Foreign Currency	
1127.23	AED 71.16	990.64	AED 68.75	
564.69	USD 9.51	891.84	USD 16.52	
20.50	KWD 0.10	188.48	KWD 1.02	
709.49	EURO 8.73	910.05	EURO 13.25	
3.21	BOLIVAR 0.32	0.27	BOLIVAR 0.03	
7.68	GBP 0.08	3.60	GBP 0.04	
0.28	LD 0.01	0.24	LD 0.01	
150.08	AD 185.28	146.50	AD 206.33	
17.14	YUAN 1.66	4.70	YUAN 0.54	
49.82	TAKA 62.28	0.00	TAKA 0.00	

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)

Sl. No	Particulars of Deferred Tax Assets/ (Liability)	Upto 31 st March, 2013	For the year Ended 31 st March, 2014	As on 31 st March, 2014
A.	Deferred Tax Asset			
1.	Provision For leave Encashment	7830.05	749.23	8579.28
2.	Provision for contractual obligations	10292.98	(1695.53)	8597.45
3.	Provision for Doubtful Debts	1869.84	(368.86)	1500.98
4.	Provision for Post Retirement Medical	3149.28	411.06	3560.34
5.	Provision for Leave encashment and Provident fund for pay revision allowable on cash basis u/s 43B	0.40	0.00	0.40
6.	Provision for other benefits on retirement	52.06	(5.51)	46.55
7.	Provision for Long Service Awards	714.84	(26.76)	688.08
8.	Voluntary Retirement Scheme	5.55	(2.78)	2.77
9.	Carry forward of unabsorbed long term Capital Loss on Investment in Fixed Maturity Plans of Mutual Funds	102.12	372.31	474.43
10.	Provision for Loss in Joint Venture	117.87	25.15	143.02
	Total Deferred Tax Asset	24134.99	(541.69)	23593.30
B.	Deferred Tax Liability:			
1.	Depreciation	408.08	(16.50)	391.58
	Total Deferred Tax Liability	408.08	(16.50)	391.58
C.	Net Deferred Tax Asset / (Liability)	23726.91	(525.19)	23201.72

- 2.28** Prior period items net debit of ₹ 290.88 Lakhs (Previous year: net debit ₹ 447.37 Lakhs) included in respective head of accounts are as detailed below:-

Prior Period Income

(₹ In Lakhs)

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
I Consultancy & Engineering Projects	(98.99)	(447.60)
II Turnkey Projects	(146.43)	0.00
III Miscellaneous Income	0.14	0.23
(A)	(245.28)	(447.37)

Prior Period Expenditure

Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
I Employee benefits expense	13.81	0.00
II Facilities	5.25	0.00
III Depreciation	26.54	0.00
(B)	45.60	0.00
Total (A-B)	(290.88)	(447.37)

- 2.29** CSR Activity Reserve amounting to ₹ 2874.74 Lakhs (Previous year: ₹ 2259.76 Lakhs) under head Reserves & Surplus (Note 2.2) represents unspent amount, out of amounts set aside as 2% (3% in case of Subsidiary CEIL) of profit after tax in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility.
- 2.30** 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 segments. Segment results are given below:-

Segment Wise Revenue, Results and Capital Employed

(₹ in Lakhs)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Segment Revenue		
Consultancy & Engineering projects	113195.12	125730.73
Turnkey Projects	71452.03	127173.17
Total	184647.15	252903.90
Segment Profit		
Consultancy & Engineering Projects	39477.58	53543.88
Turnkey Projects	4032.98	11047.67
Total (a)	43510.56	64591.55
Prior period adjustment	290.88	447.37
Interest	6.80	0.28
Other un-allocable expenditure	6394.19	5976.36
Total (b)	6691.87	6424.01
Other Income (c)	33592.18	31679.07
Profit Before Tax (a-b+c)	70410.87	89846.61
Capital Employed(*)	252173.76	229523.61

- (*) 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.



2.31 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	JABAL EILLOT CO. LTD.	JOINT VENTURE COMPANY
	DIRECTORS/KEY MANAGEMENT PERSONNEL	
4	Mr. A K PURWAHA	CHAIRMAN & MANAGING DIRECTOR
	Dr. ARCHANA S MATHUR	DIRECTOR (GOVT. NOMINEE)
	Mr. R N CHOUBEY	DIRECTOR (GOVT. NOMINEE) – from 10 th April, 2013 to 5 th December, 2013
	Ms. SUSHMA TAISHETE	DIRECTOR (GOVT. NOMINEE) – Upto 9 th April, 2013
	Mr. RAM SINGH	DIRECTOR (FINANCE)
	Mr. D. MOUDGIL	DIRECTOR (PROJECTS)
	Mr. SANJAY GUPTA	DIRECTOR (COMMERCIAL)
	Ms. VEENA SWARUP	DIRECTOR (HR)
	Mr. AJAY N. DESHPANDE	DIRECTOR (TECHNICAL) - w.e.f. 1 st April, 2013
	Mr. ADIT JAIN	DIRECTOR
	Dr. (Prof.) KDP NIGAM	DIRECTOR – Upto 8 th July, 2013
	Mr. BIJOY CHATTERJEE	DIRECTOR
	Dr. J.P.GUPTA	DIRECTOR
	Dr. R.K.SHEVGAONKAR	DIRECTOR
	Dr. CHRISTY FERNANDEZ	DIRECTOR – from. 26 th September, 2013 to 27 th February, 2014
	Mr. D.R. MEENA	DIRECTOR- w.e.f. 13 th November, 2013
	Dr. V. VIZIA SARADHI	DIRECTOR- w.e.f. 13 th November, 2013
	Mr. SUDERSHAN GUPTA	DIRECTOR (CEIL)
	Mr. M.P. JAIN	CEO, CEIL Upto 31 st December, 2013
	Mr. S.D. KHERDEKAR	CEO, CEIL w.e.f. 01 st January, 2014
	Dr. SAMAD BIN SOLBAI	DIRECTOR EILAP
	Mr. TAN HOR SENG	DIRECTOR EILAP
	Mr. S.K.TIKKU	DIRECTOR, TEIL PROJECTS LTD., JOINT VENTURE COMPANY (EIL'S NOMINEE)
	Mr. RAJAN KAPUR	COMPANY SECRETARY

(B) RELATED PARTY TRANSACTIONS:

(₹ In Lakhs)

PARTICULARS	ASSOCIATION OF PERSON	JOINT VENTURE COMPANY	KEY MANAGEMENT PERSONNEL	TOTAL
Dividend / Share of profit	56.47 (Previous year :60.68)			56.47 (Previous year :60.68)
Outstanding receivables		80.77 (Previous year :52.87)		80.77 (Previous year :52.87)
Rendering of Services		8.73 (Previous year :21.37)		8.73 (Previous year :21.37)
Deputation of employees & reimbursement of expenses at cost		37.29 (Previous year :34.26)		37.29 (Previous year :34.26)
Services & facilities received		133.03 (Previous year :183.46)		133.03 (Previous year :183.46)
Outstanding Payable		3.90 (Previous year :62.55)		3.90 (Previous year :62.55)
Remuneration/Sitting fees*			337.48 (Previous year :392.90)	337.48 (Previous year :392.90)
Rent paid for residential accommodation			12.26 (Previous year :21.93)	12.26 (Previous year :21.93)
Interest Income on loans given			0.28 (Previous year :0.09)	0.28 (Previous year :0.09)
Outstanding Loans, Interest & other receivables			12.19 (Previous year :10.46)	12.19 (Previous year :10.46)

(*) 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.

2.32 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.	Year ended 31 st March, 2014	Year ended 31 st March, 2013
A	Net Profit for the year attributable to Equity Shareholders (₹ in Lakhs)	48273.08	63219.74
B	Weighted average number of Equity shares	336936600	336936600
C	Basic & Diluted Earning per share (A)/(B)	₹14.33	₹18.76
D	Nominal value per share	₹5	₹5

2.33 The Government Grant amounting to ₹ 15.17 Lakhs (Previous year : Nil) received for setting up of Off Grid Solar Photovoltaic power plant has been deducted from the gross value of plant.

2.34 LEASES

- a) The Company has taken certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 1003.05 Lakhs (Previous year ₹ 861.07 Lakhs) has been charged towards these cancellable operating leases.
- b) The Company has taken certain assets like car, commercial/residential premises etc. on non-cancellable operating leases. During the year an amount of ₹ 362.97 Lakhs has been paid (Previous year ₹ 242.31 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:
- i) Payable not later than 1 year ₹ 393.94 Lakhs (Previous year: ₹ 191.80 Lakhs)
- ii) Payable later than 1 year and not later than 5 years ₹ 343.92 Lakhs (Previous year: Nil)
- iii) Payable later than 5 years Nil (Previous year: Nil).
- c) The Company has given certain office/residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 231.59 Lakhs (Previous year: ₹ 150.33 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

2.35 The Accounting policy No.1.3 A (b) of the 'the Company' with respect to Turnover/Work-in-progress has been changed as "No income has been taken into account for jobs for which the terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably" against earlier policy of "No income has been taken into account for jobs for which the terms have been agreed to at lumpsum services/turnkey contracts and physical progress is less than 25%". Due to above change, the revenue from operations and profit for the current year has been increased by ₹ 380.68 Lakhs and ₹ 292.68 Lakhs respectively.

2.36 The balances appearing under heads Trade receivables, Loans & Advances, retention money, Customer's advances, Security deposits receivable/payable and Trade payables are subject to confirmation and reconciliation.

2.37 For Lumpsum Services and Turnkey Contracts, balance efforts, cost and time to complete the contract including probability for liquidated damages and price reduction schedules as on reporting date are assessed by the management and relied upon by the auditors.

2.38 During the current financial year "Further Public Offer" of 33693660 equity shares of ₹ 5/- each representing 10% of paid up equity share capital of the company was made through an offer for sale by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India via 100% book building process. Further, 3479581 equity shares of ₹ 5/- each representing 1.03% of equity share capital of the company were sold to Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF) by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India. Due to above, shareholding of Government of India was reduced from 80.40% as on 31st March, 2013 to 69.37% as on 31st March, 2014.

2.39 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).

2.40 Previous year's figures have been re-casted and/or regrouped wherever necessary to ensure their presentation in line with the current 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

(MADAN VERMA)
PARTNER

Place : New Delhi
Date : May 23, 2014

Membership No. 080939
Firm Registration No. 501433C

Notes

ATTENDANCE SLIP



Regd. Office: Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi – 110066
Tel:011-26762121, Fax:011-26178210, E-mail: eil.mktg@eil.co.in
Website: <http://www.engineersindia.com>
CIN: L74899DL1965GOI004352

Name of the Member/Proxy :

(In Block Letters)

Address of the Member/Proxy :

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 49th Annual General Meeting of the Company held on Thursday, the 28th day of August, 2014 at 10:30 a.m. at Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi 110 010.

.....
Member's / Proxy's Signature

1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the venue of the Meeting.
2. **NO GIFTS SHALL BE DISTRIBUTED IN THE ANNUAL GENERAL MEETING OR AFTERWARDS.**

*Applicable for shares held in electronic form.



Regd. Office: Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi – 110066
Tel:011-26762121, Fax:011-26178210, E-mail: eil.mktg@eil.co.in
Website: http://www.engineersindia.com
CIN: L74899DL1965GOI004352

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):		E-mail ID:	
Registered Address:		Folio No./ * DP & Client Id:	

I/We, being the member(s) of shares of the above named Company, hereby appoint:

- (1) Name: Address:
E-mail Id: Signature:, or failing him/her;
- (2) Name: Address:
E-mail Id: Signature:, or failing him/her;
- (3) Name: Address:
E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **49th Annual General Meeting** of the Company, to be held on Thursday, 28th August, 2014 at 10:30 a.m. at Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-110 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	**For	**Against
	Ordinary Business:		
1.	To receive, consider and adopt the Audited Statement of Profit & Loss of the Company for the year ended 31 st March, 2014 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.		
2.	To consider declaration of final dividend.		
3.	To appoint a director in place of Shri Ram Singh (DIN: 02942267), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a director in place of Ms. Veena Swarup (DIN: 06388817), who retires by rotation and being eligible, offers herself for re-appointment.		
5.	To fix remuneration of Auditors for the financial year 2014-15.		

Signed this..... day of..... 2014.

Signature of the Shareholder

Signature of first proxy holder

Signature of Second proxy holder

Signature of third proxy holder

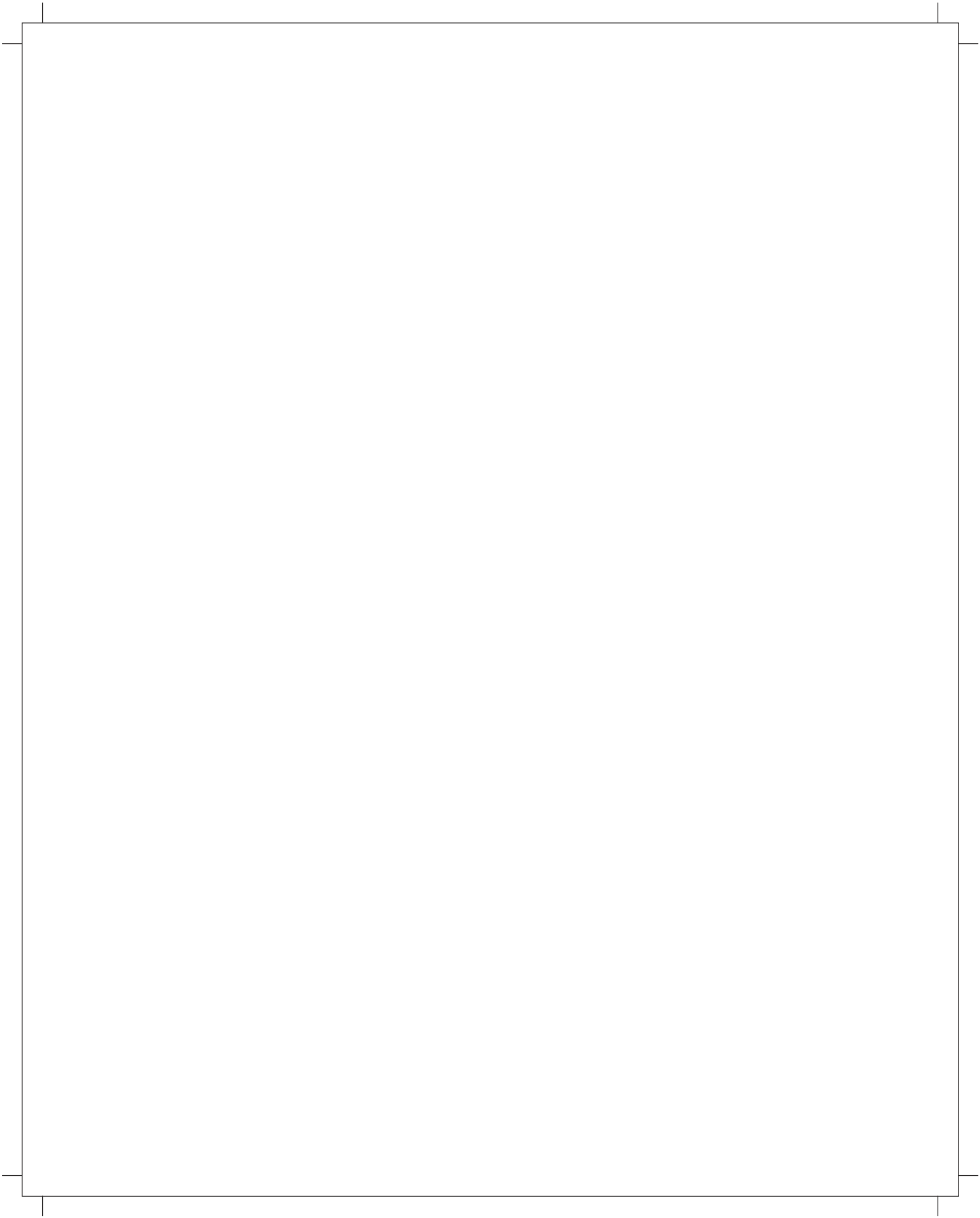
Affix
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) For Resolutions and Notes, please refer to the Notice of 49th Annual General Meeting.
- (4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (5)** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (6) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (7) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.







ENGINEERS INDIA LIMITED

A Navratna Company

Delivering Excellence through People

EIL OFFICES

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