इंजीनियर्स इंडिया लिमिटेड (ई.आई.एल)
(भारत सरकार का उपक्रम)
ENGINEERS INDIA LIMITED
(A Govt of India Undertaking)
रजिस्टर्ड ऑफिस/Regd. Office: इंजीनियर्स इंडिया हाऊस/Engineers India House
1, भीकाजी कामा प्लेस/Bhikaji Cama Place, नई दिल्ली/New Delhi – 110066
सीआईएन/CIN : L74899DL1965GOI004352
**COMPANY SECRETARIAT**
कम्पनी सचिवालय

सं.सचिव /No. Secy/906/9/10

21st September, 2017

| | |
|---|---|
| **The BSE Limited**<br>**Phiroze Jeejeebhoy Towers**<br>**Dalal Street, Fort**<br>**Mumbai – 400 023** | **The National Stock Exchange of India Limited**<br>**Exchange Plaza, 5th Floor**<br>**Bandra Kurla Complex**<br>**Bandra (East), Mumbai-400051** |

**विषय: वित्तीय वर्ष 2016-17 की वार्षिक रिपोर्ट**
**Sub: Annual Report for the Financial Year 2016-17**

प्रिय महोदय/महोदया
Dear Sir/Madam,

Kindly note that 52nd Annual General Meeting of the Company was held on Tuesday, 19th September, 2017 and the business mentioned in the Notice dated 4th August, 2017 were transacted.

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of Engineers India Limited for the Financial Year 2016-17 duly approved and adopted by the members in the Annual General Meeting as per the provisions of the Companies Act, 2013.

The voting results are also available on the website of the Company i.e. www.engineersindia.com and website of the Registrar and Share Transfer Agent i.e. https://evoting.karvy.com.

उपरोक्त कृपया आपकी जानकारी एवं रिकॉर्ड के लिए है।
The above is for your information and records please.

धन्यवाद/Thanking you,

भवदीय/Very truly yours,

राजन कपूर/Rajan Kapur
कंपनी सचिव/Company Secretary

संलग्नक : यथोक्त /Encl: As above

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वैबसाइट/website: http://www.engineersindia.com

ISO 9001
INDIAN REGISTER OF SHIPPING 1993

# ENGINEERS INDIA LIMITED

## Rooted Strong !

Our Excellence in Engineering & Project Management

52nd ANNUAL REPORT

2016-17

# Our Vision

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

# Our Mission

- Achieve 'Customer Delight' through innovative, cost effective and value added consulting and EPC services.
- To maximize creation of wealth, value and satisfaction for stakeholders with high standards of business ethics and aligned with national policies.

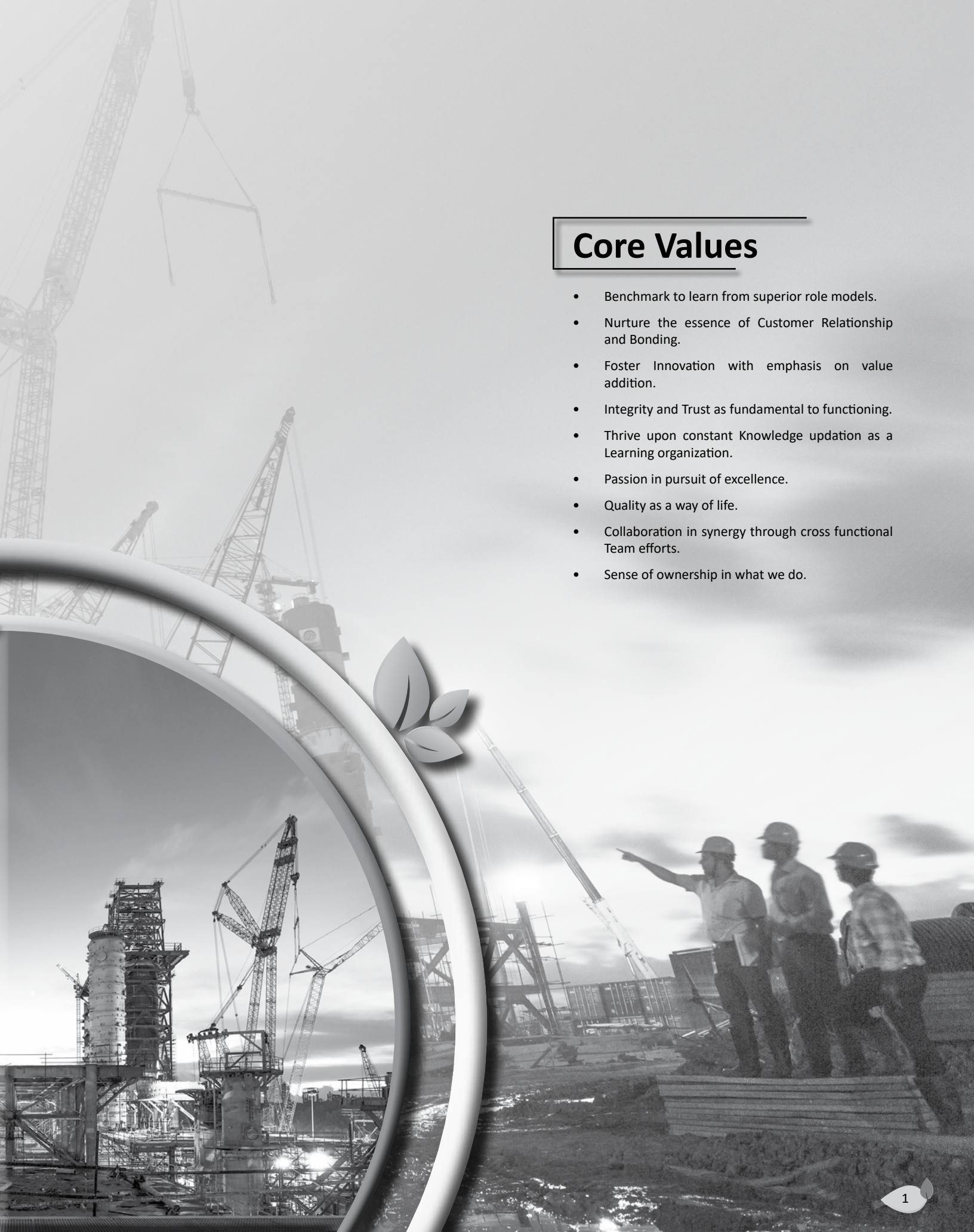
# Risk Management

EIL is committed to effective management of risks across the organization by aligning its risk management strategy to its business objectives through instituting a risk management structure for timely identification, assessment, mitigating, monitoring and reporting of risks.

Risk management at EIL is the responsibility of every employee both individually as well as collectively.

# Core Values

- Benchmark to learn from superior role models.
- Nurture the essence of Customer Relationship and Bonding.
- Foster Innovation with emphasis on value addition.
- Integrity and Trust as fundamental to functioning.
- Thrive upon constant Knowledge updation as a Learning organization.
- Passion in pursuit of excellence.
- Quality as a way of life.
- Collaboration in synergy through cross functional Team efforts.
- Sense of ownership in what we do.



# Who We Are

- One of India's leading Engineering Consultancy and EPC companies in Hydrocarbons and Petrochemicals.
- Over five decades of experience on landmark projects with global energy majors.
- Significant track record across entire Oil & Gas value chain.
- Focused diversification into other sectors:
  - Fertilizer and LNG
  - Non-ferrous Metallurgy
  - Infrastructure
  - Strategic Crude Oil Storage
  - Nuclear and Solar energy
  - E&P
- Over 2300 highly experienced professionals and technical workforce.
- In-house and collaborative R&D support with 18 registered patents.
- Expanding overseas presence in MENA and South East Asia.
- Zero debt firm with track record of healthy earnings and consistent dividend payout.

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# Chairman's Statement

**Sanjay Gupta**
Chairman & Managing Director

Dear Shareholders

It gives me immense pleasure to report the performance of your Company during its 52nd year of service to the Nation.

With great pride we wish to inform you that the financial year 2016-17 has been historic in terms of all time high order booking of your Company. Your Company was able to secure orders worth ₹5708 Crores during the financial year. In the consultancy segment, business worth ₹2296 crores has been secured against a previous best of ₹2091 crores booked in 2007-08. Similarly in the EPC-OBE segment, ₹3412 crores of business has been secured against a previous best of ₹3182 crores booked in the year 2010-11. The achievement of touching historical high on both of these segments in a single financial year added luster to this shine. On financial front, your Company has registered an Annual Turnover of ₹1448 crores and Profit Before Tax (PBT) and Profit After Tax (PAT) of ₹500 Crores and ₹325 Crores respectively.

The financial year also witnessed breakthrough orders secured by your Company across the hydrocarbon value chain and also in the diversified areas of operations. In the upstream segment, your Company was awarded Consultancy Services for bid package preparation for the modification jobs at Process Platform of B&S assets of M/s ONGC.

In the midstream segment, major assignments secured included PMC services for Capacity Augmentation of Jamnagar-Loni Pipeline of GAIL, EPCM services for enhancement of pumping capacity of Barauni-Bongaigaon sector of Oil India Limited, PMC services for Vijaypur-Auraiya Project of GAIL amongst various others.

In the downstream segment, the major consulting orders secured in the Refining sector include EPCM services for BS-VI projects of IOCL, HMEL, MRPL and BPCL, Low Cost Expansion Project of Bhatinda Refinery of HMEL, PMC/EPCM services for Mumbai Refinery Expansion Project of HPCL, PMC services for Vizag Refinery Expansion Project of HPCL, PFR for Cauvery Basin Refinery (CBR), Energy Efficiency and Improvement Studies for 15 PSU Refineries, Licensor selection and preparation of DFR for Green Field Petrochemical Complex at Bhatinda for HMEL, PMC services for implementation of Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery of BPCL and Feasibility Studies for 2G Ethanol plant for HPCL & MRPL among other projects.

In the Turnkey domain, your Company was successful in securing the job for the execution of Utilities & Offsites and PRU revamp of Vizag Refinery Modernization Project of HPCL and BS VI Project of CPCL at Manali Refinery on OBE mode of implementation.

In the Infrastructure sector, your Company has secured entry level activities for Namami Gange Projects for towns and cities situated on

the banks of river Ganga in UP and PMC services for construction of New Domestic Terminal building and associated works at Leh Airport for Airport Authority of India (AAI).

In the overseas segment, your Company secured major consultancy orders from Bangladesh, Algeria and Nigeria. These projects were secured against stiff international competition which have further strengthened EIL's credentials in the hydrocarbon sector in overseas markets.

In the Middle East, your Company secured consultancy, design and FEED preparation assignments from its regular client viz. TAKREER, GASCO and others. These orders highlight the confidence these clients have on the capabilities of your Company. Under the long term General Engineering Services Agreement, BAPCO awarded Safety Study Assignments for HAZOP and SIL Study for Falcon Cement metering Station. Your Company also provided a number of training sessions for BAPCO engineers in Bahrain.

In Africa, your Company secured a major assignment for Study & PMC Services for Rehabilitation of Ethylene Unit at Skikda Petrochemical Complex for Sonatrach, Algeria. In addition, as part of ongoing assignment, number of additional works were awarded by DORC, Nigeria.

This year witnessed number of critical projects commissioned by your Company and good progress achieved on other ongoing projects. In the Refinery Segment, NHT/ISOM, Diesel Hydrotreater and Associated Utilities / Offsite at BPCL Mumbai Refinery have been completed during the year. Major units of Integrated Refinery Expansion Project of BPCL Kochi Refinery, New coke chamber for delayed coker unit and allied facility project at IOCL Barauni Refinery were also successfully commissioned during the year.

During the year, your Company achieved significant progress on major projects such as Distillate Yield Improvement Project at IOCL, Haldia Refinery, Revamp and Capacity Enhancement Project (Phase-II) at BORL Bina Refinery, EPCM services for DHDT and Supporting Facilities project at Numaligarh Refinery of NRL, Tail Gas Treatment Unit (TGTU) at BPCL Mumbai Refinery among many others.

Progress has been steady and robust on your Company's newly secured projects such as EPCM services for BS-VI up-gradation project for six Refineries of IOCL at Vadodara, Panipat, Mathura, Haldia, Bongaigaon and Digboi, EPCM Services for BS-VI up-gradation of HMEL, EPCM services for BS-VI Projects and Associated Facilities at MRPL Refinery, EPCM services for Mumbai Refinery Expansion Project of HPCL, PMC and EPCM services for Vizag Refinery Modernisation Project of HPCL and PFR of West Coast Refinery among many others.

In Petrochemical Sector, your Company has provided engineering consultancy services for various processes including Gas based/ Naphtha based cracker complexes and Aromatic plants comprising Naphtha splitters, pre-treaters/reformers, Benzene-Toluene extraction units, pyrolysis gasoline hydrogenation units, Xylene fractionation and isomerization units including overall integration and optimization of such complexes. During the year, steady progress has also been made on the Propylene Derivative Petrochemical Plant of BPCL Kochi Refinery. Major projects completed during the year include Petrochemical Project Phase-II at GAIL Pata and Vijaipur and Dahej Petrochemical Complex of ONGC Petro additions Limited (OPaL) which was commissioned and dedicated to the nation by Hon'ble Prime Minister of India Shri Narendra Modi during this fiscal.

In the fertilizer sector, substantial progress in engineering and ordering has been achieved during the year for your Company's joint venture M/s Ramagundam Fertilizers and Chemicals Limited (RFCL).

On the business development front, the corporate strategy group of your Company has prepared number of suo-moto studies for clients in hydrocarbon and other sectors. These reports are shared with prospective clients and are instrumental in seeding new projects.

In Infrastructure sector, your Company is making strong footholds by providing a wide spectrum of services such as Project Management, Third Party Inspection (TPI), Quality Assurance, Independent Engineer and Lender's Engineer services, Project Appraisal and Project Execution Services for major players in the segment. Major projects completed during the year include PMC Services for Construction of Rajiv Gandhi Institute of Petroleum Technology, NCR Biotech Science Cluster Phase-1 Extension works at Faridabad among others.

Key infrastructure jobs secured during the year include PMC Services for Leh Airport and DPR and Master Plan for Rajkot Airport, PMC Services for Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad and Preparation of Smart City proposals for Rampur in the Smart Cities Challenge Round 2 among others.

Steady progress has also been made in currently ongoing jobs such as PMC Services for Data Centre Hyderabad for SBI, PMC services for rejuvenation of 9 cities of Odisha under AMRUT Scheme, Development of IIT Patna Campus, Establishment of Main Campus of Central University of Punjab, Headquarter Building of UIDAI in Delhi among many others.

In the water and wastewater segment, your Company completed Preparation of DPR for abatement of Pollution in Buddha Nala in Ludhiana City for PWSSB, Condition Assessment and Feasibility Study of Sewerage Infrastructure in 38 towns under the Namami Gange Programme among others.

In the metallurgy segment, your Company is successfully providing Consultancy services for swing unit feasibility study and rectifier system study of 220 KV switchyard system at Smelter-1 of Vedanta Limited, Consultancy services for implementation of Fume Treatment Plant in the existing Baking Furnace at Smelter Plant, Angul of NALCO among others. This fiscal also saw steady progress in the currently ongoing metallurgy jobs including 4$^{th}$ Stream upgradation project for Mines and Alumina Refinery, Consultancy services for procurement and installation of Reclaimer and Associated Facilities, implementation of revised plant operation philosophy (Electrical) at NALCO, Damanjodi among other key projects.

Your Company is also making steady inroads in Nuclear power sector with steady progress in Detailed Engineering Consultancy and Construction Supervision for Setting Up Greenfield Nuclear Fuel Complex at Rawatbhata, Kota, Rajasthan.

Your Company has leveraged its strong track record in the Indian hydrocarbon sector to successfully expand its international operations. Over the years, the Company has emerged as a global player with the execution of a number of prestigious assignments for international energy majors in Middle East, Africa and South East Asia. Major projects completed during the year include Design of 18'' and 12" Crude Oil Pipeline for Kenya Petroleum Refineries Limited, FEED package for replacement of 5 CDU Heaters with high efficiency heater at BAPCO Bahrain, PMC services for RFCC unit revamp and various unit improvement works at Sohar Refinery for Orpic, Oman, PMC services for Pipeline projects of GASCO, UAE among many others.

Your Company's prestigious Dangote Refinery and Petrochemical

Project at Nigeria for Dangote Oil Refining Company (DORC), is making steady progress. Additionally, EIL's in-house faculty is also providing class room and on the job training to Nigerian Executive Trainee Engineers from DORC on various facets of Project Management, Process Design, Detailed Engineering and Construction Management.

Your Company is also providing its PMC services for 3 MMTPA Eastern Refinery Limited Grass Root Refinery in Bangladesh, Rehabilitation and Adaptation of Algiers Refinery of SONATRACH, Rehabilitation of Ethylene Plant of SONATRACH at Skikda, Algeria among other prestigious overseas projects that are making steady progress.

This fiscal your Company's R&D centre has contributed significantly in the consolidation of existing capabilities, development of new technologies and hardware besides enhancement of the portfolio for special technology related services. The Division is pursuing developmental activities, both in-house and in collaboration with academic institutes like IIT Delhi and other R&D organizations like IOCL(R&D), CSIR-IIP, BPCL(R&D) etc. During the year, R&D Division has undertaken various initiatives for development of new capabilities and up-gradation / commercialization of existing capabilities. Technology development projects initiated include - Membrane process for oxygen enrichment through air separation, Membrane process for removal of wax from solvents, Technology for removal of heat stable salts from amines using resin among many others. R&D division of your Company was also successful in securing jobs for Licensor selection and Detailed Feasibility Reports for 2G Ethanol Plant for HPCL which is an important breakthrough as lot of opportunities are on horizon in this segment.

During this fiscal, your Company was granted the patent for Novel Process for Regenerative Sulfur Dioxide Removal from Gases. With this your Company's patent portfolio has grown to 18 live patents and 17 pending patent applications for various process technologies. Trademarks for 12 in-house technologies have been applied for registration of which 10 have been granted.

Your Company's Information Technology Services (ITS) division, continues to provide cutting edge technology solutions to Company's main stream activities by developing, testing and deploying innovative packages to enhance data access/ reporting with the aim of reducing turnaround time in project delivery and to improve operational efficiency. Key projects developed by the ITS Department include - EngSUI web portal which is launched under the GOI's flagship program of Startup India. Other packages developed include System developed for marketing for Post award Job Management and effort distribution, Web based system for progress monitoring of the critical milestones of equipment erection at project sites among many others.

Your Company's sustainability mandate has evolved from compliance to environmental regulations and norms in a way that makes it a responsible organization, transparent to all its stakeholders. The Company's project designs support sustainability right from conceptualization to plant commissioning and subsequently, the commercial operation.

During this year, your Company continued to accord highest priority to Health, Safety & Environment (HSE) across its operations. Your Company maintained its OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environmental Management system) certification after satisfactory verification of the HSE Management System by third party during this year. Apart from ensuring effectiveness of the HSE Management system, these certifications provide an edge in securing business, especially overseas.

As the business scenario for your Company becomes more and more competitive, managing your Company's human capital is assuming equal significance. Managing, engaging and developing people with an enabling work environment is at the heart of your Company's HR philosophy. EIL has been updating its systems based on employees' feedback through various surveys and other prevalent feedback mechanism. To create robust systems of performance assessment in line with Industry best practices, the performance appraisal process for officers was modified and implemented to drive higher employee engagement.

Your Company's CSR Policy is aligned with the national focus on inclusive growth, DPE Guidelines on CSR and the Companies Act 2013. The thrust areas for your Company's CSR activities/projects were in education, healthcare, drinking water/sanitation, rural electrification, environment protection/sustainability, women empowerment, upliftment of underprivileged, community development and vocational training/skill centre. EIL supported the educational programs for providing basic formal education to 60 children belonging to underprivileged segment of society at Delhi/NCR and informal education for around 300 migrant children engaged at construction sites in Gurugram, Haryana. In addition to this various CSR projects were taken up and implemented at rural/ semi-urban areas and EIL's project site locations.

As part of the Hon'ble Prime Minister's "Make in India" initiative to revive and revitalize the manufacturing sector in the country, your Company has been pursuing several initiatives with specific focus on import substitution and is also contributing significantly to Government's Policy formulations to encourage indigenization. Several supplier interactions are being held to support vendors to improve and upgrade their indigenous manufacturing capacities & capacities to enhance indigenization.

This year also saw the Company being bestowed with number of prestigious awards, prominent being FICCI Sustainability Award 2016 for Best Green Process in Petrochemicals Sector for Tail Gas Treating Unit (TGTU) technology developed by EIL, Special Commendation of SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management 2014-15 in Institutional Category-I (Maharatna & Navratna PSEs), India Pride Award 2015-16 in the "CSR/Environment Protection & Conservation" category by Dainik Bhaskar Group, Governance Now PSU Award 2016 for Corporate Social Responsibility among 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.

Your Company remains committed to good corporate governance and ethical practices as per listing agreement with stock exchanges and Government of India 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 lot of prosperity and good health.

**Sanjay Gupta**

# Board of Directors

**Sanjay Gupta**
Chairman & Managing Director
and Addl. charge-Director (Finance)

- **Ajay Narayan Deshpande** — Director (Technical)
- **Vipin Chander Bhandari** — Director (HR) (w.e.f. 26.08.2016)
- **Rakesh Kumar Sabharwal** — Director (Commercial) (w.e.f. 27.09.2016)
- **Jagdish Chander Nakra** — Director (Projects) (w.e.f. 12.04.2017)

## Non-Executive Directors

**Sandeep Poundrik**
Director (Govt. Nominee)

**Sushma Taishete**
Director (Govt. Nominee)

**Dr. (Prof.) Mukesh Khare**
Non-official Independent Director

**Arusha Vasudev**
Non-official Independent Director

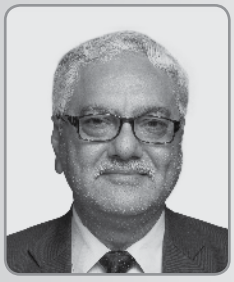
**Vikas Khushalrao Deshpande**
Non-official Independent Director

**Umesh Chandra Pandey**
Non-official Independent Director

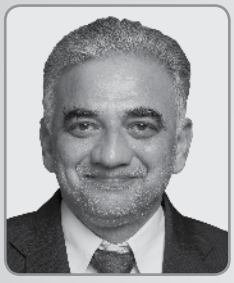
**Shazia Ilmi Malik**
Non-official Independent Director
(w.e.f. 27.03.2017)

**Company Secretary** | Rajan Kapur

# Brief Profiles of the Directors

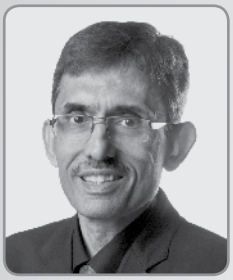


**Shri Sanjay Gupta** is the Chairman and Managing Director of our Company. He is also holding the additional charge of the post of Director (Finance). He is a B.E. from IIT, Roorkee and has about 36 years of experience in implementation of mega grassroots and brown field projects in Refineries and Petrochemicals. 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 has hitherto also been additionally responsible for all the commercial functions of the Company including Estimation, Contracting, Inspection and Business Development. He has been engaged in consolidation, internationalization and strategy building for the Company. The improvement of Governance function of the Company while providing emphasis on project delivery to the owners is the cardinal principle around which all the efforts are being expanded.

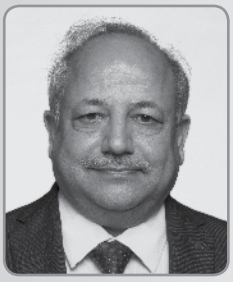


**Shri Ajay Narayan Deshpande** is the Director (Technical) of our Company. He has worked in various capacities of the Company over the past 37 years, including oil and gas, refinery and petrochemicals sector, covering the functions of process design/development, research and development, plant operations and safety, heat & mass transfer, environmental engineering, specialist materials and information technology in the Technology Division. He also has exposure to Project Management having worked in execution of Projects. He is responsible for the Company's technology initiatives and for meeting the MOU targets on R&D and Sustainability. He has co-authored twelve patent applications on behalf of the Company. He has served as part time Director for two years on the Board of CEIL, an EIL subsidiary for certification services and is presently part time Director on Board of a JV Company of EIL for Ramagundam Fertilizer Project. As full time Director (Technical) of EIL, he is responsible for all Technology and Engineering Divisions within the Company. He is a member of the MoP&NG Steering Committee on Make in India and is anchoring the Startup India initiative of the Company as well. He has been conferred with Fellowship of INAE in 2016 and with Fellowship of IIChE in 2017.

**Shri V.C. Bhandari** is the Director (HR) of our Company. He joined EIL in 1981 as a Management Trainee and has vast and rich experience of more than 35 years in the areas of Design and Engineering, Project Management and Human Resource Management. He started his career as a design engineer and has worked in a wide variety of projects of Refineries, Petrochemicals, Gas Processing, Onshore and Offshore Pipeline, Offshore Platforms etc. He was the Project Manager for the Prestigious Guru Gobind Singh Refinery Project of HMEL which set international benchmarks in project execution. Subsequently, he spearheaded EIL's diversification into Power and Renewable energy sectors. He has been deeply involved in various strategic exercise and developing the Mentoring process and Management Pipeline Programme at EIL. He is a Chartered Engineer and a member of the Institution of Engineers.



**Shri R.K. Sabharwal** is the Director (Commercial) of our Company. He has more than 33 years of experience in various positions in all areas of commercial function since 1983. He has hands on experience in all areas of international and domestic commercial domain. He is well conversant with various aspects of International trade, EXIM procedures, taxation, legal aspects etc. He has proven competence in systems development. His job responsibilities include establishing fair and transparent systems, planning manpower allocation, finalizing e-enabling strategies including e-procurement, evaluation techniques, negotiation methodologies and interface management, development of suitable commercial procedures, finalization of detailed contractual terms for domestic and global commerce. He was also posted in Dubai for independently leading entire materials function for Gasoline Facilities Project of Iso Octane Company, Dubai during 1998 – 1999. He has successfully demonstrated leadership skills over the years. He has successfully managed various functions including day-to-day operations under complex management situations. He was also actively involved with IT Applications in various business processes in Engineers India Limited and has been spearheading IT applications in Commercial Function for the last several years. He is also Member of All India Management Association, Indian Institute of Materials Management and Indian Institute of Foreign Trade.



**Shri J.C. Nakra** is the Director (Projects) of our Company. He has varied experience of about 36 years in the fields of Projects, Construction & Marketing. Before taking over charge as Director (Projects), he was Executive Director - Incharge (Projects) in Engineers India Limited (EIL). He joined EIL in 1983 as a Mechanical Engineer (Construction) in the Ocean Engineering Division. He subsequently served in various capacities in Marketing and Project Divisions. He has led the Marketing teams to generate business for EIL in India and abroad as well as Project Management teams for implementation of major projects. Prior to joining EIL, he worked as Mechanical Engineer in JagatJit Cotton Textile Mills (JCT), Fibre Division, Hoshiarpur from 1981 to 1983

**Shri Sandeep Poundrik** is a Government Nominee Director of our Company. He is IAS (1993 batch, Bihar cadre) and is presently posted as Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas, New Delhi since October, 2014. As Joint Secretary (Refineries), he is looking after the matters related to Refineries, Auto Fuel Policy, Petrochemicals, Import/export of crude oil and other petroleum products; Pricing of Petroleum products; Matters related to Strategic storage of crude oil; Bio Fuels, Renewable energy and conservation, Integrated Energy Policy; Climatic Change & National Clean Energy Policy. Before joining MoP&NG, he has served the Bihar Govt at various senior level assignments including Secretary, Energy; C&MD, Bihar State Power Holding Company; Secretary, Road Construction Department; MD, Infrastructure Development Authority; MD, Bihar Industrial Area Development Authority & Collector & District Magistrate, Gaya, Begusarai, Buxar. He is Gold Medalist in BE (Electrical), Rajasthan University & Masters in Public Administration in International Development from Harvard University. His publications include Group Disaster Risk Financing: Case studies & Improving the resilience of livelihoods to natural disaster published by the World Bank and Leadership and Institutional Change in the Public Provision of Transport Infrastructure: An Analysis of India's Bihar, Issue 1/2013 of The Journal of Development Studies.

**Ms. Sushma Taishete** is a Government Nominee Director of our Company. She is M. Sc. in Microbiology, Haffkine Institute, Mumbai, Diploma in Clinical Analysis, Sophia College, Mumbai and Civil Service Batch, 1989. Presently, she is posted as Joint Secretary (G), Ministry of Petroleum and Natural Gas, Government of India. She has worked as Director (Marketing), Ministry of Petroleum & Natural Gas, Under Secretary (ID/PNDT) to the Government of India in the Ministry of Health & Family Welfare and as Principal Administrative officer and Adviser (Gender Issues) at National Health Systems Resource Centre. She has Published a number of Articles on adverse child-sex ratio in the Country & on health sector in reputed magazines i.e. Economic & Political weekly & Indian Journal of Medical Microbiology.

**Dr. (Prof.) Mukesh Khare** is a Non-official Part-time Independent Director of our Company. He is the Fellow of Institution of Engineers India and Fellow of Wessex Institute of Great Britain. He is a Chartered Engineer and was born in Varanasi, India. He obtained his Ph.D. degree in Faculty of Engineering from Newcastle University, UK and has managed a range of environmental projects throughout his professional career. With a specialisation in air quality modelling, his experience has covered research and development studies, teaching, consulting, modelling, editorial activities. In addition, he has authored more than 170 research publications primarily for peer reviewed journals and conference proceedings.

**Mrs. Arusha Vasudev** is a Non-official Part-time Independent Director of our Company. She is B.A. and she joined the Custom and Excise Department, Ministry of Finance in 1979. She has held important positions in the department in Pune, Delhi, Mumbai, Bangalore and Ahmedabad as well as in the office of the Comptroller and Auditor General of India. In 2003, she was conferred the highest award in Indirect Tax administration namely the President's Award for Meritorious Record of Service. A highly capable officer with 36 years of experience with the Government of India mainly in the Customs, Excise and Service Tax. Excellent Leader and Manager of Human Resources with extensive experience of dealing with various strata of bureaucratic work force, as well as interaction with the trade and industry. Extensive experience in law enforcement including anti-smuggling and commercial frauds as well as anti-corruption measures.

**Shri Vikas Khushalrao Deshpande** is a Non-official Part-time Independent Director of our Company. He is B.E. (Civil) from Nagpur University. He has 43 years of rich experience in the fields of Project Management, planning and co-ordination, Tender Bid Preparation and contracts management, budgeting and costing of Infrastructure Projects and heavy industrial structures, with expertise in carrying out Techno-Economic Validation and viabilities studies of BOT/BOOT/BOOST and BOO projects. He is a founder member of Unison Project Management Pvt. Ltd. and has worked as Managing Director of the Company from 1997 till March, 2015. Prior to Unison, he has worked with reputed corporate houses in India and abroad at various positions. He is also closely associated as Guest Faculty with various reputed Management and Engineering Institutes. He has conducted various traning programmes on project management and also working as Advisor for corporate training assignments and training faculty. He has at his credit the publications on Project Management, Contracts and Claim Management, Business Development and Quality Management.

**Shri Umesh Chandra Pandey** is a Non-official Part-time Independent Director of our Company. He is a fellow member of the ICAI and is having around more than 25 years of experience in the field of statutory audit of listed and public limited companies, banks and public sector undertakings etc. He is also having a vast exposure in the matters of taxation for domestic and transfer pricing and statutory compliance audit under direct, indirect tax and labour laws. He has specialised knowledge in due diligence of MSME and Heavy Industries and preparation of project reports of various types of projects.

**Ms. Shazia Ilmi Malik** is a Non-official Part-time Independent Director of our Company. She has 16 years of experience in electronic journalism, of which seven years were in India's prime Hindi news channel "Star News". She had regularly anchored daily news bulletins and specials, covering a large spectrum from international politics to local elections. This included travelogues, election specials, developmental news reports and several exclusive interviews.She produced and directed several current affairs shows as part of her television career. Issuse covered, produced/directed travel shows, documentaries, current affairs, panel discussions and talk shows. She is a gender activist, dynamic political leader, film maker, former television journalist, anchor and Spokesperson of the Global Citizen Forum and Member of the Film Certification Appellate Tribunal (FCAT). She is also a brand ambassador for the Prime Minister's "Swachh Bharat Mission" (Clean India initiative), 2014. She was among the nine, selected by Delhi Government to spread the message of cleanliness and hygiene in Delhi. She was a founder member of India's "Aam Aadmi Party" and served in the party's National executive Committee from 2012-2014. She quit the party in May 2014. She was the spokesperson and media strategist for the "India Against Corruption" movement led by social activist Anna Hazare during 2011-2012. The campaign was to institute an Ombudsman popularly known as "Jan Lokpal Bill". The campaign caught the imagination of millions of Indians and became a widespread protest across the nation. She has led campaigns and spoken out on gender issues over the years. She led scores of protests at Jantar Mantar and other places across the city for women's safety and empowerment. She has participated in various national and international conferences and seminars on women's rights and issues.

# Ten Years' Performance at a Glance

**(₹ in lakh)**

| | PARTICULARS/YEARS | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16** | 2016-17 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **A** | **OPERATING STATISTICS** | | | | | | | | | | |
| | Turnover* | 73,775.21 | 153,246.28 | 199,379.70 | 282,328.44 | 369,882.43 | 250,596.70 | 182,359.17 | 171,300.42 | 151,101.47 | 144,864.31 |
| | Other Income | 12,412.79 | 21,476.29 | 18,240.11 | 15,038.90 | 21,750.32 | 26,184.33 | 23,208.51 | 27,310.80 | 24,779.26 | 22,366.04 |
| | Expenditure | 56,557.68 | 122,675.67 | 151,492.06 | 218,341.43 | 299,964.65 | 187,259.58 | 135,487.80 | 151,037.44 | 133,899.99 | 117,212.28 |
| | Prior Period Adjustments (Net) | 242.27 | 0.13 | 79.96 | 577.45 | 191.57 | 427.75 | 277.07 | 818.15 | - | - |
| | Profit before Tax | 29,388.05 | 52,046.77 | 66,047.79 | 78,448.46 | 91,476.53 | 89,093.70 | 69,802.81 | 46,755.63 | 41,980.74 | 50,018.07 |
| | Tax | 10,904.48 | 19,385.10 | 24,972.04 | 29,608.15 | 31,707.33 | 28,446.97 | 21,276.40 | 16,048.18 | 11,927.49 | 21,472.27 |
| | Fringe Benefit Tax | 270.20 | 286.67 | - | - | - | - | - | - | - | - |
| | Deffered Tax (Assets)/ Liability | (1,246.50) | (2,078.37) | (2,481.76) | (3,411.63) | (3,862.33) | (2,210.82) | 550.06 | (90.19) | 2,433.86 | (3,957.89) |
| | Profit after Tax | 19,459.87 | 34,453.37 | 43,557.51 | 52,251.94 | 63,631.53 | 62,857.55 | 47,976.35 | 30,797.64 | 27,619.39 | 32,503.69 |
| | Other Comrehensive Income | - | - | - | - | - | - | - | - | (225.53) | (2,323.06) |
| | Total Comprehensive income for the year | - | - | - | - | - | - | - | - | 27,393.86 | 30,180.63 |
| | Amount Transfer from General Reserve | - | - | 56,156.10 | - | - | - | - | - | - | - |
| | Dividend including Dividend Tax | 7,205.74 | 12,124.72 | 69,620.58 | 19,510.55 | 23,438.99 | 23,507.42 | 25,554.95 | 20,148.82 | 16,129.55 | 28,285.30 |
| | | | | | | | | | | | |
| **B** | **FINANCIAL POSITION** | | | | | | | | | | |
| | CAPITAL EMPLOYED | 115205.00 | 137533.65 | 111470.58 | 144211.97 | 184404.51 | 223754.64 | 246176.04 | 256790.09 | 275700.66 | 277595.99 |
| | NON CURRENT ASSETS | 29348.53 | 33386.55 | 31413.90 | 35989.93 | 45193.81 | 57767.66 | 55007.63 | 58394.32 | 66011.19 | 78919.19 |
| | CURRENT ASSETS | 182309.81 | 265175.87 | 251937.62 | 310934.04 | 329212.37 | 326699.21 | 320034.01 | 333200.35 | 343027.81 | 352940.92 |
| | EQUITY & LIABILITIES | | | | | | | | | | |
| | i) Share Capital | 5615.62 | 5615.62 | 5615.62 | 16846.84 | 16846.84 | 16846.84 | 16846.84 | 16846.84 | 16846.84 | 33693.67 |
| | ii) Other Equity | 109589.38 | 131918.03 | 105854.96 | 127365.13 | 167557.67 | 206907.80 | 229329.20 | 239943.25 | 258853.82 | 243902.32 |
| | NON CURRENT LIABILITIES | - | - | - | 2101.85 | 2515.21 | 2,479.95 | 2,192.55 | 1,968.61 | 2,365.20 | 2,105.00 |
| | CURRENT LIABILITIES | 96453.34 | 161028.77 | 171880.94 | 200610.15 | 187486.46 | 158232.28 | 126673.05 | 132835.97 | 130973.14 | 152159.12 |
| | | | | | | | | | | | |
| **C** | **RATIOS** | | | | | | | | | | |
| | PBT / Turnover | 39.83% | 33.96% | 33.13% | 27.79% | 24.73% | 35.55% | 38.28% | 27.29% | 27.78% | 34.53% |
| | PAT/ Turnover | 26.38% | 22.48% | 21.85% | 18.51% | 17.20% | 25.08% | 26.31% | 17.98% | 18.28% | 22.44% |
| | PBT / Capital Employed | 25.51% | 37.84% | 59.25% | 54.40% | 49.61% | 39.82% | 28.35% | 18.21% | 15.23% | 18.02% |
| | PAT / Net Worth | 16.89% | 25.05% | 39.08% | 36.23% | 34.51% | 28.09% | 19.49% | 11.99% | 10.02% | 11.71% |
| | Turnover / Net Worth (number of times) | 0.64 | 1.11 | 1.79 | 1.96 | 2.01 | 1.12 | 0.74 | 0.67 | 0.55 | 0.52 |
| | Sundry Debts / Turnover (Month's Turnover) | 2.87 | 2.35 | 1.91 | 1.31 | 1.00 | 1.59 | 2.26 | 2.98 | 2.88 | 3.17 |

**Notes:**

* Turnover includes accretion/decretion to Work in Progress.

**The Company has adopted Indian Accounting Standards ('Ind AS') from April 1, 2016 and accordingly, financials from 2015-16 presented in accordance with Ind AS.

इंजीनियर्स इंडिया लिमिटेड (भारत सरकार का उपक्रम)
EIL ENGINEERS INDIA LIMITED (A Govt. of India Undertaking)

**Regd. Office: Engineers India House, 1, Bhikaji 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 52nd Annual General Meeting of the Members of Engineers India Limited will be held on Tuesday, the 19th day of September, 2017 at 3.00 p.m. at Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Standalone as well as Consolidated Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of Directors and Auditors thereon.

2. To consider declaration of final dividend on equity shares.

3. To appoint a Director in place of Shri Ajay Narayan Deshpande (DIN: 03435179), who retires by rotation and being eligible, offers himself for reappointment.

4. To fix remuneration of Auditors for the financial year 2017-18 and, if thought fit, to pass with or without modification(s), 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 2017-18."

**SPECIAL BUSINESS**

5. To appoint Shri Vipin Chander Bhandari (DIN: 07550501) as Director (HR) of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

   **"RESOLVED THAT** in accordance with the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Vipin Chander Bhandari (DIN: 07550501), who was appointed as an Additional Director in the capacity of Director (HR) of the Company by the Board of Directors with effect from 26th August, 2016 pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from Shri Vipin Chander Bhandari himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Director in the capacity of Director (HR) of the Company, liable to retire by rotation, and to hold office for a period of five years with effect from 26th August, 2016 or till the date of his superannuation or until further orders of the Government, whichever is the earliest, on such terms and conditions including remuneration as set out in the Statement pursuant to Section 102 of the Act annexed to the Notice convening this Annual General Meeting."

6. To appoint Shri Rakesh Kumar Sabharwal (DIN: 07484946) as Director (Commercial) of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

   **"RESOLVED THAT** in accordance with the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Rakesh Kumar Sabharwal (DIN: 07484946), who was appointed as an Additional Director in the capacity of Director (Commercial) of the Company by the Board of Directors with effect from 27th September, 2016 pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from Shri Rakesh Kumar Sabharwal himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Director in the capacity of Director (Commercial) of the Company, liable to retire by rotation, and to hold office for a period of five years with effect from 27th September, 2016 or till the date of his superannuation or until further orders of the Government, whichever is the earliest, on such terms and conditions including remuneration as set out in the Statement pursuant to Section 102 of the Act annexed to the Notice convening this Annual General Meeting."

7. To appoint Ms. Shazia Ilmi Malik (DIN: 07777804) as Non-official Part-time Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

   **"RESOLVED THAT** in accordance with the provisions of Section 149, 152 read with Schedule (iv) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof

for the time being in force), Ms. Shazia Ilmi Malik (DIN: 07777804), who was appointed as an Additional Director (Non-official Part-time Independent) of the Company by the Board of Directors with effect from 27th March, 2017 pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from Ms. Shazia Ilmi Malik herself in writing proposing her candidature for the office of Director, be and is hereby appointed as Non-official Part-time Independent Director of the Company, not liable to retire by rotation, and to hold office till 30.01.2020 or until further orders of the Government, whichever is earlier, on such terms and conditions including remuneration as set out in the Statement pursuant to Section 102 of the Act annexed to the Notice convening this Annual General Meeting."

8. To appoint Shri Jagdish Chander Nakra (DIN: 07676468) as Director (Projects) of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Jagdish Chander Nakra (DIN: 07676468), who was appointed as an Additional Director in the capacity of Director (Projects) of the Company by the Board of Directors with effect from 12th April, 2017 pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Act, received a notice from Shri Jagdish Chander Nakra himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Director in the capacity of Director (Projects) of the Company, liable to retire by rotation, and to hold office for a period of five years with effect from 12th April, 2017 or till the date of his superannuation or until further orders of the Government, whichever is the earliest, on such terms and conditions including remuneration as set out in the Statement pursuant to Section 102 of the Act annexed to the Notice convening this Annual General Meeting."

By order of the Board

Place: New Delhi
Date : : August 4, 2017

(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. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 setting out the material facts in respect of special business is annexed herewith.

3. Members are requested to:-

   (i) bring their copy of Annual Report and Attendance Slip, duly completed and signed, to the meeting.

   (ii) quote their Folio/Client ID & DP ID Nos. in all correspondence with the R&TA/Company.

   (iii) note that due to strict security reasons, eatables and other belongings are not allowed inside the Auditorium.

4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 13th September, 2017 to Tuesday, 19th September, 2017 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.

6. Dividend, if any, approved at the 52nd Annual General Meeting of the Company be paid to those shareholders whose names appear:

   a. As Beneficial Owners as at the end of the business hours on Tuesday, 12th September, 2017 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 Tuesday, 12th September, 2017.

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 Ltd., Karvy Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032 (Tel No.040-67162222, Fax No.040-23001153, Email:einward.ris@karvy.com, Website : www.karvy.com or 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 Ministry of Corporate Affairs has notified provisions relating to unpaid/ unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the Companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The details of the unpaid/unclaimed amounts lying with the Company as on 19th September, 2016 (date of last Annual General Meeting) are available on the website of the Company www.engineersindia.com and on Ministry of Corporate Affairs' website. The shareholders whose dividend/shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

12. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.

13. Members who have not encashed their dividend warrants pertaining to previous seven years 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. The subsequent due dates of transfer of unpaid/unclaimed dividend and corresponding shares to IEPF for the respective financial years have been provided in the Corporate Governance Report and also at Company's website.

14. 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.

15. 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.

16. Pursuant to the requirements of Corporate Governance, brief resume of the Directors proposed for appointment/ reappointment are annexed with the Notice.

17. 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.

18. Electronic copy of the Annual Report for the financial year 2016-2017 is being sent to all the Members whose e-mail ids are registered with the Company/Depository Participants(s)/RTA 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 2016-2017 is being sent in the permitted mode.

19. 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 onwards, in EGM Notice and in Postal Ballot Notice issued to the Shareholders in respect of approval of Amendment in Articles of Association and Buyback of Shares of the Company. 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 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.

20. 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 at the Registered Office of the Company so that the same may be attended to appropriately.

21. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility through M/s Karvy Computershare Private Limited (KCPL) to exercise their right to vote on resolutions proposed to be considered at the 52nd Annual General Meeting (AGM) of the Company by electronic means and the business may be transacted through e-Voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by KCPL.

22. The facility for voting through ballot paper shall be made available at the venue of 52nd AGM and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

23. The members who have cast their vote by remote e-voting prior to the 52nd AGM may also attend the 52nd AGM but shall not be entitled to cast their vote again.

24. The remote e-voting period commences on Friday, 15th September, 2017 at 9.30 a.m. (IST) and ends on Monday, 18th September, 2017 at 5.00 p.m. (IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 12th September, 2017, may cast their vote by remote e-voting. Remote e-voting shall not be allowed beyond the said date and time and the remote e-voting facility shall be blocked thereafter. Once the vote on a resolution is cast by the member through remote e-voting, the member shall not be allowed to change it subsequently or cast the vote again.

25. The process and manner for remote e-voting is as under:

    A. In case a Member receives Notice of 52nd AGM through email [for members whose email IDs are registered with the Company/Depository Participant(s)/RTA]:

        i. Initial password is provided in the body of the e-mail.

        ii. Launch internet browser by typing the following URL:https://evoting.karvy.com.

        iii. Enter the login credentials i.e., User ID and password mentioned in your email. 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 votes.

        iv. After entering the details appropriately, click on LOGIN.

        v. You will reach the Password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        vi. You need to login again with the new credentials.

        vii. On successful login, the system will prompt you to select the EVENT i.e., Engineers India Limited.

viii. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution then enter all shares and click "FOR"/ "AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account.

x. Cast your votes by selecting an appropriate option and click on "SUBMIT". 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 subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer through 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 documents should be in the naming format "Corporate Name_EVENT No."

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the "download" section of https://evoting.karvy.com or call M/s Karvy Computershare Private Limited on 1800 345 4001 (toll free).

B. In case a Member receives physical copy of the Notice of 52nd AGM [for members whose email IDs are not registered with the Company/Depository Participants(s)/RTA or requesting physical copy] :

i. User ID and Initial password as provided.

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

26. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 12th September, 2017.

27. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of 52nd AGM and holding shares as of the cut-off date i.e. Tuesday, 12th September, 2017, may obtain the login ID and password by sending a request at mohsin.mohd@karvy.com.

28. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the 52nd AGM through ballot paper. A person who is not a member as on cut-off date should treat this Notice for information purposes only.

29. Shri Santosh Kumar Pradhan, Practising Company Secretary (C.P. No. 7647) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

30. The Chairman & Managing Director shall, at the 52nd AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the 52nd AGM but have not cast their votes by availing the remote e-voting facility.

31. The Scrutinizer shall after the conclusion of voting at the 52nd AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the 52nd AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman & Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

32. The Results declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company at http://www.engineersindia.com and on the website of KCPL at https://evoting.karvy.com immediately after the declaration of result by the Chairman & Managing Director or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

33. The Notice of the 52nd AGM is also placed on the website of the Company at www.engineersindia.com and on the website of KCPL at https://evoting.karvy.com.

34. Details of the person who can be contacted for any grievances connected with facility for voting by electronic means:-

Shri Mohsin Uddin, Manager
M/s Karvy Computershare Private Limited
Karvy Selenium Tower-B, Plot No. 31&32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad-500 032
Toll Free No. 1800 345 4001
Email: evoting@karvy.com

35. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 52nd Annual General Meeting i.e. Tuesday, 19th September, 2017.

36. The Route Map of the venue of 52nd AGM along with prominent land-mark is given in the Annual Report.

37. **No Gifts, gift coupons or cash in lieu of gifts shall be distributed to Members in the Annual General Meeting or afterwards.**

By order of the Board

Place: New Delhi
Date : August 4, 2017

(Rajan Kapur)
Company Secretary

# Statement pursuant to Section 102 of the Companies Act, 2013

**Item No. 5**

Shri Vipin Chander Bhandari was appointed as Additional Director in the capacity of Director (HR) w.e.f. 26.08.2016 by the Board of Directors of the Company pursuant to Article 83 and 93-A of the Articles of Association of the Company, applicable provisions of Companies Act, 2013 and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31018/3/2014-CA/FTS:32590 dated 26.08.2016. In terms of the provisions of the Companies Act, 2013, his tenure as Additional Director expired on 19.09.2016. Therefore, his appointment was renewed and accordingly, he was appointed as Additional Director in the capacity of Director (HR) w.e.f. 19.09.2016. Pursuant to Section 161 of the Companies Act, 2013, Shri Vipin Chander Bhandari shall hold office upto the date of this Annual General Meeting. The Company has received valid notice along with requisite deposit from Shri Vipin Chander Bhandari under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Director (HR) of the Company. Brief resume containing, inter-alia, the statutory disclosures of Shri Vipin Chander Bhandari has been given in the Annexure to the Notice of 52nd Annual General Meeting. Shri Vipin Chander Bhandari's appointment is for a period of five years with effect from 26th August, 2016 or till the date of his superannuation or until further orders of the Government, whichever is the earliest. He is liable to retire by rotation. The appointment of Functional Directors are in the pay-scale of ₹ 75,000-1,00,000 p.m. on the terms and conditions approved by the Government of India.

Your Directors recommend the resolution for approval of members.

None of the Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of AGM Notice, except Shri Vipin Chander Bhandari who is proposed to be appointed. This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

All documents referred above 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.

**Item No. 6**

Shri Rakesh Kumar Sabharwal was appointed as Additional Director in the capacity of Director (Commercial) w.e.f. 27.09.2016 by the Board of Directors of the Company pursuant to Article 83 and 93-A of the Articles of Association of the Company, applicable provisions of Companies Act, 2013 and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31018/2/2015-CA/FTS:38384 dated 27.09.2016. In terms of Section 161 of the Companies Act, 2013, Shri Rakesh Kumar Sabharwal shall hold office to the date of this Annual General Meeting. The Company has received valid notice along with requisite deposit from Shri Rakesh Kumar Sabharwal under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Director (Commercial) of the Company. Brief resume containing, inter-alia, the statutory disclosures of Shri Rakesh Kumar Sabharwal has been given in the Annexure to the Notice of 52nd Annual General Meeting. Shri Rakesh Kumar Sabharwal's appointment is for a period of five years with effect from 27th September, 2016 or till the date of his superannuation or until further orders of the Government, whichever is the earliest. He is liable to retire by rotation. The appointment of Functional Directors are in the pay-scale of ₹ 75,000-1,00,000 p.m. on the terms and conditions approved by the Government of India.

Your Directors recommend the resolution for approval of members.

None of the Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of AGM Notice, except Shri Rakesh Kumar Sabharwal who is proposed to be appointed. This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

All documents referred above 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.

**Item No. 7**

Ms. Shazia Ilmi Malik was appointed as Additional Director (Non-official Part-time Independent) w.e.f. 27.03.2017 (date of allotment of her DIN) by the Board of Directors of the Company pursuant to Article 83 and 93-A of the Articles of Association of the Company, applicable provisions of Companies Act, 2013 and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31034/1/2016-CA/FTS:46118 dated 31.01.2017. The tenure of Ms. Shazia Ilmi Malik as per said Government of India letter is till 30.01.2020 or until further orders of the Government, whichever is earlier. In terms of Section 161 of the Companies Act, 2013, Ms. Shazia Ilmi Malik shall hold office up to the date of this Annual General Meeting. The Company has received valid notice along with requisite deposit from Ms. Shazia Ilmi Malik under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director. In view of the background and vast experience, it will be in the interest of the Company that she continues as Non-official Part-time Independent Director of the Company. Brief resume containing, inter-alia, the statutory disclosures of Ms. Shazia Ilmi Malik has been given in the Annexure to the Notice of 52nd Annual General Meeting. Ms. Shazia Ilmi Malik's appointment is upto 30.01.2020 or until further orders of the Government, whichever is earlier. She is not liable to retire by rotation. Being the Non-official Part-time Independent Director, Ms. Shazia Ilmi Malik is entitled to receive the sitting fees for attending each meeting of the Board of Directors and committee(s) thereof, along with expenses incidental thereto.

Your Directors recommend the resolution for approval of members.

None of the Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of AGM Notice, except Ms. Shazia Ilmi Malik who is proposed to be appointed. This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

All documents referred above 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.

**Item No.8**

Shri Jagdish Chander Nakra was appointed as Additional Director in the capacity of Director (Projects) w.e.f. 12.04.2017 by the Board of Directors of the Company pursuant to Article 83 and 93-A of the Articles of Association of the Company, applicable provisions of Companies Act, 2013 and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C-31018/1/2015-CA/FTS:36381 dated 12.04.2017. In terms of Section 161 of the Companies Act, 2013, Shri Jagdish Chander Nakra shall hold office to the date of this Annual General Meeting. The Company has received valid notice along with requisite deposit from Shri Jagdish Chander Nakra under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Director (Projects) of the Company. Brief resume containing, inter-alia, the statutory disclosures of Shri Jagdish Chander Nakra has been given in the Annexure to the Notice of 52$^{nd}$ Annual General Meeting. Shri Jagdish Chander Nakra's appointment is for a period of five years with effect from 12$^{th}$ April, 2017 or till the date of his superannuation or until further orders of the Government, whichever is the earliest. He is liable to retire by rotation. The appointment of Functional Directors are in the pay-scale of ₹ 75,000-1,00,000 p.m. on the terms and conditions approved by the Government of India.

Your Directors recommend the resolution for approval of members.

None of the Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of AGM Notice, except Shri Jagdish Chander Nakra who is proposed to be appointed. This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

All documents referred above 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.

By order of the Board

Place: New Delhi
Date : August 4, 2017

(Rajan Kapur)
Company Secretary

**Annexure to AGM Notice**

## Brief Resume of Director, retiring by rotation and eligible for re-appointment vide Item No. 3 of Notice of 52nd AGM:

**Item No. 3**

| | | |
|---|---|---|
| Name | : | **Shri Ajay Narayan Deshpande** |
| Father's Name | : | Late Shri Narayan Raghunath Deshpande |
| Designation | : | Director (Technical) |
| Official Address | : | Engineers India Limited<br>1, Bhikaji Cama Place,<br>New Delhi-110066 |
| Date of Birth | : | 2nd January, 1958 |
| Qualifications | : | Chemical Engineering – Nagpur University<br>Post Graduate in Systems & Management, IIT, Delhi<br>Advance Management Programme at ASCI-Hyderabad |
| Experience | : | He has worked in various capacities of the Company over the past 37 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 information technology in the Technology Division. He also has exposure to Project Management having worked in execution of Projects. He is responsible for the Company's technology initiatives and for meeting the MOU targets on R&D and Sustainability. He has co-authored twelve patent applications on behalf of the Company. He has served as part time Director for two years on the Board of CEIL, an EIL subsidiary for certification services and is presently part time Director on Board of a JV Company of EIL for Ramagundam Fertilizer Project. As full time Director (Technical) of EIL, he is responsible for all Technology and Engineering Divisions within the Company. He is a member of the MoP&NG Steering Committee on Make in India and is anchoring the Start-up India initiative of the Company as well. He has been conferred with Fellowship of INAE in 2016 and with Fellowship of IIChE in 2017. |
| Other Directorships | : | Ramagundam Fertilizers and Chemicals Limited |
| Other Committee Memberships / Chairmanships | : | Nil |
| Number of Board Meeting(s) attended | : | 8 |
| Shareholding in EIL | : | 7880 equity shares |
| Relationship between Directors / Key Managerial Personnel inter-se | : | None |

## Brief Resume of Additional Directors vacating office at 52nd AGM and proposed to be appointed vide Item Nos. 5 to 8 of Notice of 52nd AGM:

**Item No. 5**

| | | |
|---|---|---|
| Name | : | **Shri Vipin Chander Bhandari** |
| Father's Name | : | Shri Vidya Sagar Bhandari |
| Designation | : | Director (HR) |
| Official Address | : | Engineers India Limited<br>1, Bhikaji Cama Place,<br>New Delhi-110066 |
| Date of Birth | : | 22nd February, 1960 |
| Qualifications | : | B.Sc Engineering in Electrical from Delhi College of Engineering, 1981.<br>MBA from FMS, University of Delhi. |
| Experience | : | He joined EIL in 1981 as a Management Trainee and has vast and rich experience of more than 35 years in the areas of Design and Engineering, Project Management and Human Resource Management. He started his career as a design engineer and has worked in a wide variety of projects of Refineries, Petrochemicals, Gas Processing, Onshore and Offshore Pipeline, Offshore Platforms etc. He was the Project Manager for the Prestigious Guru Gobind Singh Refinery Project of HMEL which set international benchmarks in project execution. Subsequently, he spearheaded EIL's diversification into Power and Renewable energy sectors. He has been deeply involved in various strategic exercise and developing the Mentoring process and Management Pipeline Programme at EIL. He is a Chartered Engineer and a member of the Institution of Engineers. |
| Other Directorships | : | Nil |
| Other Committee Memberships / Chairmanships | : | Nil |
| Number of Board Meeting(s) attended | : | 5 |
| Shareholding in EIL | : | 280 equity shares |
| Relationship between Directors / Key Managerial Personnel inter-se | : | None |

**Item No. 6**

| | | |
|---|---|---|
| Name | : | **Shri Rakesh Kumar Sabharwal** |
| Father's Name | : | Shri Krishan Lal Sabharwal |
| Designation | : | Director (Commercial) |
| Official Address | : | Engineers India Limited<br>1, Bhikaji Cama Place,<br>New Delhi-110066 |
| Date of Birth | : | 20th May, 1962 |
| Qualifications | : | B.E. Mech. from Punjab Engineering College<br>MBA from IGNOU<br>LLB from DU<br>Certificate in Export Marketing from IIFT |
| Experience | : | He has more than 33 years of experience in various positions in all areas of commercial function since 1983. He has hands on experience in all areas of international and domestic commercial domain. He is well conversant with various aspects of International trade, EXIM procedures, taxation, legal aspects etc. He has proven competence in systems development. His job responsibilities include establishing fair and transparent systems, planning manpower allocation, finalizing e-enabling strategies including e-procurement, evaluation techniques, negotiation methodologies and interface management, development of suitable commercial procedures, finalization of detailed contractual terms for domestic and global commerce. He was also posted in Dubai for independently leading entire materials function for Gasoline Facilities Project of Iso Octane Company, Dubai during 1998 – 1999. He has successfully demonstrated leadership skills over the years. He has successfully managed various functions including day-to-day operations under complex management situations. He was also actively involved with IT Applications in various business processes in Engineers India Limited and has been spearheading IT applications in Commercial Function for the last several years. He is also Member of All India Management Association, Indian Institute of Materials Management and Indian Institute of Foreign Trade. |
| Other Directorships | : | Nil |
| Other Committee Memberships / Chairmanships | : | Nil |
| Number of Board Meeting(s) attended | : | 5 |
| Shareholding in EIL | : | 7400 equity shares |
| Relationship between Directors / Key Managerial Personnel inter-se | : | None |

**Item No. 7**

| | | |
|---|---|---|
| Name | : | **Ms. Shazia Ilmi Malik** |
| Father's Name | : | Late Mohd. Ishaq Ilmi |
| Designation | : | Non-official Part-time Independent Director |
| Official Address | : | E-355, II Floor, Greater Kailash-II, Delhi-110048 |
| Date of Birth | : | 7th June, 1970 |
| Qualifications | : | Masters degree in Mass Communication Broadcast & Journalism from Jamia Milia University and Diploma in Film Production |
| Experience | : | She has 16 years of experience in electronic journalism, of which seven years were in India's prime Hindi news channel "Star News". She had regularly anchored daily news bulletins and specials, covering a large spectrum from international politics to local elections. This included travelogues, election specials, developmental news reports and several exclusive interviews. She produced and directed several current affairs shows as part of her television career. Issuse covered, produced/directed travel shows, documentaries, current affairs, panel discussions and talk shows. She is a gender activist, dynamic political leader, film maker, former television journalist, anchor and Spokesperson of the Global Citizen Forum and Member of the Film Certification Appellate Tribunal (FCAT). She is also a brand ambassador for the Prime Minister's "Swachh Bharat Mission" (Clean India initiative), 2014. She was among the nine, selected by Delhi Government to spread the message of cleanliness and hygiene in Delhi. She was a founder member of India's "Aam Aadmi Party" and served in the party's National executive Committee from 2012-2014. She quit the party in May 2014. She was the spokesperson and media strategist for the "India Against Corruption" movement led by social activist Anna Hazare during 2011-2012. The campaign was to institute an Ombudsman popularly known as "Jan Lokpal Bill". The campaign caught the imagination of millions of Indians and became a widespread protest across the nation. She has led campaigns and spoken out on gender issues over the years. She led scores of protests at Jantar Mantar and other places across the city for women's safety and empowerment. She has participated in various national and international conferences and seminars on women's rights and issues. |
| Other Directorships | : | Nil |
| Other Committee Memberships / Chairmanships | : | Nil |
| Number of Board Meeting(s) attended | : | Nil |
| Shareholding in EIL | : | Nil |
| Relationship between Directors / Key Managerial Personnel inter-se | : | None |

**Item No. 8**

| | | |
|---|---|---|
| Name | : | **Jagdish Chander Nakra** |
| Father's Name | : | Shri Tara Singh Nakra |
| Designation | : | Director (Projects) |
| Official Address | : | Engineers India Limited<br>1, Bhikaji Cama Place,<br>New Delhi-110066 |
| Date of Birth | : | 19th January, 1961 |
| Qualifications | : | B.E (Mechanical)-Punjab Engineering College, Chandigarh.<br>Post Graduate Diploma in Management Studies, Jamnalal Bajaj Institute of Management Studies, Mumbai University |
| Experience | : | He has varied experience of about 36 years in the fields of Projects, Construction & Marketing. Before taking over charge as Director (Projects), he was Executive Director - Incharge (Projects) in Engineers India Limited (EIL). He joined EIL in 1983 as a Mechanical Engineer (Construction) in the Ocean Engineering Division. He subsequently served in various capacities in Marketing and Project Divisions. He has led the Marketing teams to generate business for EIL in India and abroad as well as Project Management teams for implementation of major projects. Prior to joining EIL, he worked as Mechanical Engineer in JagatJit Cotton Textile Mills (JCT), Fibre Division, Hoshiarpur from 1981 to 1983 |
| Other Directorships | : | Nil |
| Other Committee Memberships / Chairmanships | : | Nil |
| Number of Board Meeting(s) attended | : | Nil |
| Shareholding in EIL | : | 8534 |
| Relationship between Directors / Key Managerial Personnel inter-se | : | None |

# Directors' Report

**To**
**The Shareholders**
**Engineers India Limited**

Dear Members,

Your Directors have great pleasure in presenting the 52nd Annual Report for the financial year ended March 31, 2017 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

**2016-17 in Retrospect**

Your Company put up a stellar performance during FY2016-17 with regard to securing new jobs across its business operations. The Company's sustained business development initiatives coupled with proactive engagement with various stakeholders resulted in securing jobs worth ₹ 5,708 Crores during the year, the highest ever order booking in a single year. The key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with the corresponding performance for the previous year are as under:

**Financial Performance** (Figures in ₹ Lakhs)

| Sl. No. | Description | Actual 2016-17 | Actual 2015-16 |
|---|---|---|---|
| **A.** | **INCOME** | | |
| i) | Consultancy & Engineering Contracts | 116507 | 100746 |
| ii) | Turnkey Contracts | 28357 | 50356 |
| iii) | Other Income | 22366 | 24779 |
| | **TOTAL INCOME** | **167230** | **175881** |
| **B.** | **EXPENDITURE** | | |
| i) | Cost of rendering services | 114961 | 131408 |
| ii) | Depreciation & Amortization | 2251 | 2492 |
| | **Total** | **117212** | **133900** |
| **C.** | **PROFIT BEFORE TAX (A-B)** | **50018** | **41981** |
| D. | Provision for Current tax | 21480 | 12383 |
| E. | Provision for Deferred Tax | (3958) | 2434 |
| F. | Earlier Year Tax Adjustments, Short/ (Excess) | (8) | (455) |
| **G.** | **PROFIT FOR THE YEAR (C-D-E-F)** | **32504** | **27619** |
| **H** | **OTHER COMPREHENSIVE INCOME** | **(2323)** | **(225)** |
| **I.** | **TOTAL COMPREHENSIVE INCOME** | **30181** | **27394** |

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

| Consultancy & Engineering Projects | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|
| **Segment Revenue** | | |
| Consultancy & Engineering Projects | 116507 | 100746 |
| Turnkey Projects | 28357 | 50356 |
| **Total** | **144864** | **151102** |
| **Segment Profit From Operations** | | |
| Consultancy & Engineering Projects | 35920 | 26456 |
| Turnkey Projects | 10355 | 1218 |
| **Total (A)** | **46275** | **27674** |
| Interest | 317 | 24 |
| Other un-allocable expenditure* | 18306 | 10448 |
| **Total (B)** | **18623** | **10472** |
| **Other Income (C)** | **22366** | **24779** |
| **Profit Before Tax (A-B+C)** | **50018** | **41981** |
| **Income Tax Expense** | **17514** | **14362** |
| **Profit for the year** | **32504** | **27619** |
| **Capital Employed **** | **277596** | **275701** |

* Includes ₹ 9,062.88 lakhs on account of provision for increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs with effect from 01 January 2017.

** Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

**Dividend**

The Board of Directors of the Company has recommended a final dividend of ₹ 0.50 per share (of face value of ₹ 5/- per share) for the financial year 2016-17, in addition to ₹ 2.50 per share interim dividend already paid during the year. With this, the total dividend for the financial year 2016-17 works out to ₹ 3.00 per share amounting to ₹ 20216.20 Lakhs excluding dividend distribution tax. The payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company which shall be paid to the Members whose names appear in the Register of Members as well as beneficial ownership position provided by NSDL/ CDSL as on 12th September, 2017.

Dividend Distribution Policy is available on the website of the Company http://www.engineersindia.com.

**Changes in Share Capital and Disinvestment by the Government of India**

The Memorandum and Articles of Associations of the Company were amended with the approval of the Shareholders in December, 2016 and June, 2017 in order to enable the Company for issue of Bonus shares and for offer of Buyback of shares of the Company.

During the year, the Authorized Share Capital of the Company was increased from ₹ 300 crores (60 crore equity shares of ₹ 5/- each) to ₹ 400 crores (80 crore equity shares of ₹ 5/- each).

Your Company issued bonus shares in the ratio of 1:1 in January, 2017. Consequently, the paid-up share capital increased from ₹ 168.46 crore to 336.94 crore (67,38,73,200 equity shares of ₹ 5/- each).

The President of India acting through the Ministry of Petroleum and Natural Gas disinvested by selling 1675326 equity shares (0.497% of the paid up share capital of the Company) of the Company out of their shareholding by "Offer for Sale (OFS)" to the eligible employees of the Company in October, 2016. The shares were offered to the Eligible Employees of the Company at a discounted price of ₹187.29 per equity share (i.e. price is at 5% discount to the cut-off price of ₹197.15, which was the lowest cut-off price (Retail Category) for the Offer for Sale through Stock Exchange Mechanism undertaken by the President of India (acting through the MoPNG, GoI) on January 29, 2016) Further, the Government of India also disinvested 90,15,823 equity shares in January, 2017 and 34,59,433 equity shares in March, 2017 in Engineers India Limited in favour of CPSE ETF (an exchange traded fund comprising PSU stocks). Consequently, the holding of the President of India in the equity share capital of the Company was reduced to 57.02 per cent comprising of 38,42,24,594 equity shares of ₹ 5/- each.

**Buyback of Shares**

The Board of Directors of the Company at its meeting held on March 20, 2017 had, subject to the approval of the shareholders of the Company by way of Special Resolution through postal ballot and subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved buyback of not exceeding 4,19,61,780 equity shares of the Company, from all the members holding equity shares of the Company on a proportionate basis through the "Tender Offer" route in accordance with the applicable statutory provisions at a price of ₹ 157 (Rupees One Hundred Fifty Seven only) per equity share payable in cash for an aggregate consideration not exceeding ₹658.80 crores. The Buyback shall be up to 25% of the aggregate of fully paid up share capital and free reserves of the Company as per audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of Board meeting recommending the proposal of the Buyback). The Shareholders of the Company have approved the Buyback by Special Resolution through postal ballot and voting process, the results of which was declared on 15.6.2017. M/s IDBI Capital Markets & Securities Limited and M/s Karvy Computershare Private Limited are acting as the Merchant Banker & Broker and Registrar to the Buyback Offer respectively. The Buyback process will be completed as per the statutory timelines.

**Investor Relations**

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

Your Management is responsive for ensuring that the performance of the Company is accurately reported to its Shareholders, Investment Community, concerned Regulators and public on a regular basis.

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

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

**Management Discussion & Analysis**

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

**Business Responsibility Report**

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

**Consultancy Assignments (Domestic)**

**Offshore Oil and Gas**

During the year, EIL continued to make considerable progress in Offshore Oil & Gas and LNG sectors.

The following consultancy assignments were successfully completed during the year:

- PMC for Dahej LNG Terminal Ph-III A Expansion Project of Petronet LNG Limited.
- Consultancy services for post-award activities for Oil and Natural Gas Corporation's (ONGC) BPA- BPB revamp project.
- Detailed Feasibility Report and Detailed Project Report to provide handling equipment at Berth No.8 for containers and clean cargo at New Mangalore Port.

During the year, EIL secured the following orders against stiff competition and implementation has taken off in right earnest:

- Bid Package Preparation and Responding on Technical Queries of the bidders for the Modification Jobs at ONGC's B193 Process platform.

Additionally, the following projects are currently under execution:

- Pre-award activities for ONGC's Water Injection South (WIS) Platform.
- Construction of fifth oil berth at Jawahar Dweep Island of Mumbai Port Trust.
- Life Extension of Well Platform Project of ONGC.
- Underwater structural repair of HC Platform in Heera Field of ONGC.
- Technical Bid Evaluation of EPC packages of Chhara LNG Project of HPCL Shapoorji Energy Pvt. Limited (HSEPL), a Joint Venture

between Hindustan Petroleum Corporation Limited (HPCL) and Shapoorji Pallonji Ports Private Limited.

**Pipelines**

EIL has a significant track record in design, engineering and execution of cross-country pipelines for transportation of crude oil, refined petroleum products, natural gas and LPG. The following assignments were successfully completed during the year:

- DFR for augmentation of Barauni-Bongaigaon Section of Naharkatiya-Baurauni Crude Oil Pipeline for Oil India Limited (OIL).
- DFR for Palanpur-Vadodara pipeline and Marketing Terminal project for HPCL.
- 36" HDD Satluj River crossing and 18" HDD Yamuna River crossing for GAIL.
- 18"/ 16" x 275 km Natural Gas Pipeline from Vijaipur to Kota and Spurline to Chittorgarh for GAIL.

The following major pipeline projects are in progress:

- DFR of 327 km Multi product Bina – Panki Pipeline of Bharat Petroleum Corporation Limited (BPCL).
- PFR of 1864 km long Middle East to India deepwater pipeline of South Asia Gas Enterprise Private Limited. The maximum depth at which pipeline has to be laid (3512 m under sea level) is a world record.
- Upgradation of pumping stations for Naharkatia-Barauni Crude Oil Pipeline of OIL.
- Upgradation project for enhancement of pumping capacity of Barauni-Bongaigaon-Guwahati Sector of Naharkatia-Barauni Crude Oil Pipeline for OIL.
- 18" x 45 km Re-routing of Mumbai-Manmad Pipeline for BPCL.
- 24"/18"/8"/4" x 243 km Replacement of KG Basin Pipeline for GAIL.
- 12"/ 8" x 450 km Kochi - Salem LPG Pipeline for KSPPL.
- 36" x 680 km, 18" x 43 km and 12" x 19 km Mehsana-Bhatinda Pipeline Project for GIGL.
- Engineering, Procurement, Inspection and Expediting Services for Mundra-Bhatinda Pipeline Capacity Expansion of HPCL-Mittal Pipeline Limited.
- EPCM services for capacity augmentation of Jamnagar-Loni LPG Pipeline for GAIL.
- Modification/ Revamp of Vijaipur and Vaghodia HBJ/ DVPL system for GAIL.
- EPCM services for 30"/ 24"/ 18"/ 12" x 827 km Dobhi-Durgapur-Haldia Natural gas pipeline of GAIL.
- EPCM services for 36" x 357 km Vijaipur – Auraiya Natural Gas Pipeline of GAIL.
- EPMC services for Palanpur-Vadodara Pipeline and Mundra-Delhi Pipeline capacity expansion Project of HPCL.
- PMC Services for 30"/12" x 450 km Mallavaram to Ramagundam Pipeline Project of GITL.

**Petroleum Refining**

EIL has carved a niche as one of the leading engineering consultancy service providers to the refinery sector in India, having executed a large number of greenfield refineries, Diesel Hydro-desulphurisation projects, Fuel Specification Upgradation Projects and revamp/ modernization projects for most of the oil & gas majors in India.

The following Refinery Projects were successfully completed during the year:

- Consultancy Services for FCCU Riser Displacement Study for Essar Oil Refinery, Jamnagar.
- NHT/ISOM at BPCL Mumbai Refinery by converting existing process units (NHDS to NHT and CRU to ISOM units) to maximize production of BS-IV MS and also to produce world class 'Food Grade Hexane'.
- Diesel Hydrotreater (2.6 MMTPA) and Associated Utilities / Offsite at BPCL Mumbai Refinery to produce Diesel conforming to BS IV standards.
- Integrated Refinery Expansion Project of BPCL Kochi Refinery for enhancing the refining capacity to 15.5 MMTPA.
- Shutdown activities of HCU revamp at BPCL Mumbai Refinery.
- New Coke Chamber for Delayed Coker Unit and allied facility project at Barauni Refinery of Indian Oil Corporation Limited (IOCL) was commissioned successfully during the year. The technology was indigenously developed with joint partnership of EIL and IOCL R&D.
- RO Plant at IOCL Barauni Refinery.
- INDAdeptG Project at IOCL, Guwahati Refinery.
- Pre-project activities of Vizag Refinery Modernization Project, HPCL.
- DFRs for HPCL's new / existing (upgradation) of marketing terminals across the country.

During the year, the Company achieved significant progress on the following major projects:

- Distillate Yield Improvement Project at IOCL, Haldia Refinery, for which Engineering, Ordering and equipment delivery are in advance stage of completion. Coke drum, a critical equipment, has been received at site.
- Revamp and Capacity Enhancement Project (Phase-II) at BORL Bina Refinery to increase the refining capacity from 6.0 MMTPA to 7.8 MMTPA. This includes Crude Oil storage capacity enhancement by addition of four new tanks at Vadinar (Gujarat) and installation of new Mainline Pumps and Chemical Dosing system at main and intermediate pumping and pigging stations. Basic Design (BDEP) for all units has been completed and procurement activity is nearing completion. The first intermediate shutdown has been successfully completed and site activities are progressing in full swing.
- EPCM services for 0.7 MMTPA DHDT and Supporting Facilities project at Numaligarh Refinery of NRL. Engineering and procurement are nearing completion and construction activities are in full swing.

- Tail Gas Treatment Unit (TGTU) at BPCL Mumbai Refinery for additional recovery (more than 99.9%) of Sulphur from acid gases from existing SRU.
- Construction works are in advance stage for HGU Revamp, SRU/O2 Enrichment, SWS Revamp and CDU-III Revamp of BPCL Mumbai Refinery.
- EPCM Services for LPG Import facility at Haldia for BPCL. Engineering and procurement are in progress.
- MR-II Tankages project at Mumbai, HPCL for which Engineering and procurement are in progress.

The following major projects were secured by the Company in the Petroleum Refining sector during the year and good progress has been achieved in these projects:

- EPCM services for BS-VI up-gradation project for six Refineries of IOCL at Vadodara, Panipat, Mathura, Haldia, Bongaigaon and Digboi with the following units / revamps to be done at the project site.

| | | | |
|---|---|---|---|
| A. | Panipat Refinery | : | DHDT, HGU (LEPC mode), SRU, TAME, ARU, SWS, PRIME G Revamp, Utilities and Tanks |
| B. | Vadodara Refinery | : | DHDT, HGU, FCCGHDS, ARU, Revamp of CCR & ISOM, Utilities and Tanks |
| C. | Haldia Refinery | : | DHDT, H2SO4, ARU, SWS, Revamp of Prime G, Utilities and Tanks |
| D. | Mathura Refinery | : | Revamp of DHDS, Prime G and Tanks |
| E. | Bongaigaon Refinery | : | NHT, SRU, ARU, Revamp of DHDT and HGU |
| F. | Digboi Refinery | : | Revamp of DHDT |

- EPCM Services for BS-VI up-gradation of HMEL consisting of a New DHDT (1.9 MMTPA), H2 Revamp & Offsite.
- PFR of West Coast Refinery: A consortium comprising IOCL, HPCL and BPCL intends to jointly set up a mega refinery-cum-petrochemical complex on the West Coast, primarily to cater to the growing fuels and petrochemicals requirements of the country, besides addressing the additional objective of selective export of the produce.
- PFR of Cauvery Basin Refinery (CBR): Chennai Petroleum Corporation Limited is planning to expand the capacity of their existing 1.0 MMTPA Cauvery Basin refinery by adding grassroot facilities with refining capacity of 9.0 MMTPA. The refinery at present produces only BS III grade fuel specifications as refinery processes only sweet crudes and there are no hydrotreatment facilities available at CPCL CBR. The expansion of refinery will enhance production along with improvement in quality of fuel conforming to BS-VI. PFR has been completed by EIL.
- EPCM services for BS-VI Projects and Associated Facilities at MRPL Refinery, Mangalore to upgrade their products to BS-VI standards. Work has been started with BEDP finalization and detailed engineering activities are underway.
- EPCM services for Mumbai Refinery Expansion Project, HPCL. This project envisaged an expansion of additional 2.5 MMTPA associated with product quality improvement to meet BS-VI requirements. It involves revamp of APS, NHT/ ISOM, NHT/ CCR, CCR-PSA, Prime-G and DHT. It also involves new units of HGU, PRU, VPS and utilities like CPP, SCW, BCW, N2, IA/PA and loading gantry.
- PMC and EPCM services for Vizag Refinery Modernisation Project, HPCL comprising of capacity expansion to additional 9 MMTPA. This shall also have new process units of CDU, HGU, FCHCU, NISOM, SRU and RUF. In addition to these new units, revamp of DHDT, NHT, CCR-PSA and PRU is planned to meet the BS-VI fuel quality requirement. The associated utilities like CPP, CT, IETP, N2 plant, new tankages etc. are also in the project scope. Offsite works of civil, structural, piping, electrical and instrumentation are part of the OBE scope of works awarded separately.
- PMC and EPCM services for Gasoline Hydrotreating Unit Project at BPCL, Mumbai Refinery to produce BS-VI quality Gasoline.
- EPCM services for BS-VI Projects at BPCL Kochi Refinery, Kochi.
- EPCM services for Heat Traced Pipeline project with associated facilities at BPCL, Mumbai Refinery.
- EPCM services for Heat Traced Pipeline project with associated facilities at BPCL, Kochi Refinery.

**Petrochemicals**

EIL has been involved in the establishment of a large number of mega petrochemical complexes in India. The Company has provided engineering consultancy services for various processes including Gas based/Naphtha based cracker complexes and Aromatic plants comprising Naphtha splitters, pre-treaters/reformers, Benzene-Toluene extraction units, pyrolysis gasoline hydrogenation units, Xylene fractionation and isomerization units including overall integration and optimization of such complexes.

The following Petrochemical Projects were successfully completed during the year:

- Petrochemical Project-II at GAIL Pata and Vijaipur has been stabilized and started commercial production.
- Successful completion of study of various projects for strengthening GAIL's Petrochemical – 1 (PC-1) essential utilities to cope with grid power disturbance, survival and early restoration of Plant Production (Project Excellence at PC-1, GAIL Pata).
- DFR for standalone Petrochemical Complex in Andhra Pradesh for GAIL.
- Dahej Petrochemical Complex of ONGC Petro additions Limited (OPaL) consisting of Dual Feed Cracker, HDPE, PP and Butene units, LLDPE/HDPE Swing Unit along with Utilities and Offsite including Captive Power Plant has been commissioned and dedicated to the nation by Hon'ble Prime Minister of India Shri Narendra Modi on March 7, 2017.

Significant progress has been made on the following petrochemical projects:

- Propylene Derivative Petrochemical Plant (PDPP) of BPCL Kochi Refinery comprising Acrylic Acid Unit, Oxo-Alcohol Unit and Acrylates Unit. For this project, engineering and procurement activities are in full swing while Construction activities are progressing well.

The following major projects were secured by the Company in the petrochemical sector during the year:

- DFR of GAIL Pata and Kakinada.
- Additional jobs to increase operations flexibility of C2C3 recovery plant at GAIL Vijaipur.
- Licensor Selection and DFR for HMEL Petrochemical plant at Bhatinda.

**Strategic Storages**

The Strategic Crude Oil Storage Programme is the flagship energy security initiative of the Govt. of India which aims at creating a buffer stock of crude oil in underground caverns to meet requirements in case of any disruption of supplies from abroad.

Under Phase-I of the Strategic Storage programme, EIL is providing PMC services to Indian Strategic Petroleum Reserves Limited (ISPRL) for construction of underground unlined rock cavern storages in Vishakhapatnam, Mangalore and Padur having a total capacity of 5.33 MMT. During the year, Mangalore storage has been commissioned while Padur storage has been mechanically completed. Mangalore-Padur Pipeline Work and 110 KV HT line works are in progress and shall be completed this year.

**Metallurgy**

The following key metallurgy assignments were completed during the year:

- Consultancy services for swing unit feasibility study and rectifier system study of 220 KV switchyard system at Smelter-1 of Vedanta Limited, Jharsuguda.
- Consultancy services for implementation of Fume Treatment Plant in the existing Baking Furnace at Smelter Plant, Angul of NALCO.
- Scoping study for Structural Integrity at Hindalco, Renukoot.

The following projects are in progress:

- 4$^{th}$ Stream upgradation project for Mines (6.3 Million TPY to 6.825 Million TPY) and Alumina Refinery (5.25 Lakh TPY to 7.00 Lakh TPY) at NALCO, Damanjodi.
- Consultancy services for procurement and installation of Reclaimer and Associated Facilities in NALCO's Alumina Refinery at Damanjodi, Odisha.
- Consultancy services for implementation of revised plant operation philosophy (Electrical) for NALCO's Alumina Refinery at Damanjodi.
- Consultancy services for 2$^{nd}$ raw water intake pump house and pipeline at NALCO, Damanjodi.
- Detailed Feasibility Report for mechanised production and evacuation for Kurmitar Iron Ore Mines of Odisha Mining Corporation Limited.
- Modified Mining Plan and Feasibility Report of Lanjigarh Bauxite Mines in Kalahandi and Rayagada District for Odisha Mining Corporation Limited.
- Consultancy services for the feasibility study and making scheme for complete revamping of Rectifier Station-1 at Hirakud, Hindalco.
- Detailed Feasibility Report for Kodingamali Bauxite Mines of Odisha Mining Corporation Limited.

**Infrastructure**

In Infrastructure sector, EIL is making strong footholds by providing a wide spectrum of services such as Project Management, Third Party Inspection (TPI), Quality Assurance, Independent Engineer and Lender's Engineer services, Project Appraisal and Project Execution Services in some of the important projects of key clientele in the sector.

The year marks completion of following major projects:

- PMC Services for Construction of Rajiv Gandhi Institute of Petroleum Technology (RGIPT) at Jais.
- PMC Services for Construction of NCR Biotech Science Cluster Phase-1 Extension works at Faridabad.
- Preparation of Smart City proposals for Moradabad, Rampur and Rae Bareli in the Smart Cities Challenge Round 1.
- Consultancy services for preparation of Master Plan and DPR for development of Vijayawada Airport to international standards.

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

- PMC Services for Data Centre Hyderabad for SBI.
- PMC services for rejuvenation of 9 cities of Odisha under AMRUT Scheme.
- PMC Services for Development of IIT Patna Campus.
- PMC Services for Establishment of Main Campus of Central University of Punjab at Bathinda.
- PMC Services for execution of balance works of Konark Sun Temple for Indian Oil Foundation.
- PMC services for Headquarter Building of UIDAI in Delhi.
- Extension of TPI services for Infrastructure Projects of Pune Municipal Corporation.
- PMC Services for Housing Project of Gujarat Housing Board

Securing of following major infrastructure projects during the year not only reflects client's confidence in EIL's services in the form of repeat orders to EIL, but also the steadying and strengthening presence of the Company in Airport and Smart Cities segments:

- PMC Services for Construction of NCR Biotech Science Cluster Phase-2 works at Faridabad.
- PMC Services for Terminal Building and associated facilities for Leh Airport.
- Preparation of Smart City proposals for Rampur in the Smart Cities Challenge Round 2.
- Review of Master Plan for Development of Greenfield International Airport at Mopa, Goa.
- Preparation of DPR and Master Plan for Rajkot Airport.

**Fertilizers**

EIL is leveraging its capabilities and global network to tap significant business opportunities presented by fertilizer sector in India and Overseas. As part of strategic investments in the Fertilizer sector, EIL has

taken equity participation in Revival of Ramagundam Fertilizer Project along with National Fertilizers Limited and Fertilizer Corporation of India Limited. A joint venture Company M/s Ramagundam Fertilizers and Chemicals Limited has been formed to pilot this project. EIL is executing this project on EPCM Mode.

During the year, substantial progress in engineering and ordering has been achieved after receipt of the process design packages from the process licensors. Major engineering activities have been completed and critical packages have been awarded. Site activities have already started and civil works are in full swing. The project is slated for completion in FY 2018-19.

**Water and Waste Management**

EIL has the expertise to undertake a multitude of Water Treatment projects such as Raw Water intake and treatment systems, Desalination plants, Cooling Water plants, Water Injection plants, Demineralization Plants, Condensate Polishing plants etc. The Company has also evolved basic engineering for standard modules for municipal sewage treatment plants as well as standalone recycle plants.

The following Water and Waste Management projects were completed during the year:

- Preparation of DPR for abatement of Pollution in Buddha Nala in Ludhiana City for PWSSB.
- Condition Assessment and Feasibility Study of Sewerage Infrastructure in 38 towns under the Namami Gange Programme.

During the year the Company achieved significant progress for following projects:

- Execution of entry level activities including development of Ghats and Crematoriums within the state of Uttar Pradesh and Implementation of Sewerage Infrastructure works at Mathura under the Namami Gange Programme.
- Technical and Financial Audit of Infrastructure works in various Urban Local Bodies (ULB) of Punjab for Punjab Municipal Infrastructure Development Company (PMIDC).
- PMC Services for sewerage system in Ponda Colony – Zones IA & IB of Goa for Sewerage and Infrastructure Development Corporation of Goa Limited (SIDCGL).
- PMC Services for the Interceptor Sewer Project of Delhi Jal Board (DJB) for abatement of pollution in River Yamuna. Package-1 has been already handed over to DJB and the other packages 2-6 are under progress.
- EPCM Services for Effluent Treatment Plant at Tengakhat, Assam for OIL.
- PMC services for ETP revamp at BPCL, Mumbai Refinery.

**Nuclear Power**

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

**Overseas Assignments**

EIL has leveraged its strong track record in the Indian hydrocarbon sector to successfully expand its international operations. Over the years, the Company has emerged as a global player with the execution of a number of prestigious assignments for international energy majors in Middle East, Africa and South East Asia.

During the year, the following overseas projects were completed:

- Design of 18'' and 12" Crude Oil Pipeline for Kenya Petroleum Refineries Limited, Kenya.
- FEED package for replacement of 5 CDU Heaters with high efficiency heater at Bahrain Petroleum Company (BAPCO), Bahrain.
- PMC services for RFCC unit revamp and various unit improvement works at Sohar Refinery for Orpic, Oman.
- PMC services for Pipeline projects of GASCO, UAE.
- PMC services for EPC of Upgrade and Replacement of Substations project Phase-1 of ADGAS, UAE.
- Protection Relay Coordination Study for the Abu Dhabi Refinery Division Electrical Power Network for TAKREER, UAE.
- FEED and Detailed Engineering Services for Air Emission Measurement System in Ruwais Refinery (East) for TAKREER, UAE.
- FEED for Implementation of Air Emission Measurement System at Abu Dhabi Refinery for TAKREER, UAE.

EIL achieved substantial progress in the following major projects:

- EIL is providing EPCM services for the prestigious Dangote Refinery and Petrochemical Project comprising a 460,000 BPSD grassroot Petroleum Refinery and 830 KTPA Petrochemical Complex at Lekki Free Trade Zone, Nigeria for Dangote Oil Refining Company (DORC). The major process units in Refinery include Crude Distillation Unit (CDU), a Residue Fluid Catalytic Cracking unit, MS Block, a Mild Hydrocracker unit, Alkylation and Sulphuric Acid Regeneration Unit, Product Treatment units, Polypropylene Unit, Sulphur block and associated Utilities generation and Offsite facilities. The Project facilities include crude oil receipt and storage including two SPMs with associated offshore/ onshore pipelines. The product dispatch facilities include product disposal through road as well as ships. Dispatch of products comprises of pumping facility, onshore and offshore pipeline as well as three SPMs.

  Additionally, EIL is also providing class room and on the job training to Nigerian Executive Trainee Engineers from DORC. The Trainee Engineers of DORC have been provided an insight into various facets of Project Management, Process Design, Detailed Engineering and Construction Management as well as detailed information about DORC Refinery by in-house faculty.

  The major achievements in the year include:

  - Engineering of Dangote Refinery has been successfully completed.
  - Stage-III, 3D Modelling of all the Units, Offsite & Utilities has been completed.
  - HAZOP and SIL of all the Units / Offsite / Packages have been completed.
- Revamp/Expansion of Dangote Refinery from 23 MMTPA to 35 MMTPA: With this revamp in CDU, SWS, ARU, SRU, RFCC Gasoline, Offsite & Utilities, this will become the largest single train refinery of the world.

- PMC services for 3 MMTPA Eastern Refinery Limited Grass Root Refinery in Bangladesh having 17 units like CDU, VDU, SAT GAS, LPG Treating Unit, NHT, ISOM, CCR, KTU, DHDT, HCU, VBU, SWS, ARU, SRU and H2.
- Under PMC services for Rehabilitation and Adaptation of Algiers Refinery of SONATRACH having new units of MS Block, RFCCU, SRU, and revamp of exiting units, substantial progress has been achieved on construction front.
- PMC services for the Rehabilitation of Ethylene Plant of SONATRACH at Skikda, Algeria. The project activities are progressing well.
- PMC services for execution of 1900 TPD Ammonia Plant in Central Sulawesi, Indonesia. The project is in advance stage of construction and is scheduled for commissioning in FY 2017-18.
- DFR of 270 km White Petroleum Oil (Multiproduct) Pipeline from Chittagong to Dhaka for Padma Oil Company Limited, Bangladesh.
- PMC services for Liwa Plastics Project of Orpic, Oman.
- Design Consultancy and Project Management Consultancy services for miscellaneous tank farm, piping, instrumentation and control system, inspection, repair, maintenance and upgrade works at various depots of ADNOC-Distribution, UAE.
- Installation of Chemical injection Skids and Solar power systems in US and ZK WHTs of ADMA-OPCO, UAE.
- PMC services for Al Dabbiyah ASR gas development project of ADCO, UAE.
- Consultancy Study for Wastewater Management at Ruwais Refinery - East and Abu Dhabi Refinery Division for TAKREER, UAE.
- Project Management Assistance (PMA) services for improvement of Fire fighting Facilities at Abu Dhabi Refinery for TAKREER, UAE.
- Pre-FEED and FEED for Enhancement of Sales Gas Export from ASAB for GASCO, UAE.
- Conduct Study on Upgradation of DEO Flow Meter Skids in Train-1, 2 and 3 in GASCO Ruwais, UAE.

**Turnkey Projects**

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

The following LSTK Project was mechanically completed during the year:

- Coker Block of Resid Upgradation Project of CPCL, Chennai comprising DCU of 2.2 MMTPA and LPG CFC Treating Unit of 8.8 TPH.

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

- Modification work is in progress at Hazira Plant under Daman Development Project of ONGC on OBE basis.

During the year, EIL was successful in securing the following projects on OBE basis, which are now in progress:

- Installation of Lean Gas Compressor at Hazira Plant of ONGC.
- Project Offsite, Utilities and PRU revamp jobs under Vizag Refinery Modernization.
- BS-VI Auto Fuels Project at CPCL, Chennai.

**Performance of Divisions**

**Process Design & Development**

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

- Pre-commissioning & commissioning for Integrated Refinery Expansion Project at BPCL's Kochi Refinery for enhancing crude processing capacity from 9.5 to 15.5 MMTPA.
- Detailed Feasibility Report for Petrochemical Complex based on imported and indigenous feed stock for GAIL (India) Ltd.
- Study Report for Expansion of Guru Gobind Singh Refinery of HMEL to 18 MMTPA with Integrated Petrochemical Complex.
- Configuration Study, Licensor Selection and Feed Revalidation for Sonaref Refinery of Sonangol, Angola.
- Feasibility Report and Licensor Evaluation for BS-VI Fuel Quality Upgradation project of six IOCL refineries.
- Consultancy Services for VGO HDT and SRU revamp and additional Offsite under LCEP of GGS Refinery.
- Conceptual Study for a mega Refinery-cum-Petrochemical Complex on West Coast of India.
- New Licensed DHDT unit of 1.2 MMTPA capacity at IOCL, Haldia using EIL/IOCL joint technology to meet BS-VI requirement.
- New Licensed NHT unit for 0.235 MMTPA capacity at IOCL, Bongaigaon Refinery using EIL/IOCL joint technology to meet BS-VI requirement.
- Feasibility Study for HMEL Integrated Petrochemical Complex.
- DFR for BS-VI implementation in HMEL Refinery.
- Detailed Feasibility Report updation for Rajasthan Refinery Project for HPCL.
- PFR for Middle East to India Deepwater Pipeline Project of SAGE.
- PFR for Russia - India pipeline.
- LNG Carrier Top side facility design to be provided for 10000/2000 T tank (In-house Design initiative with KSL).
- PFR for New SPM & COT for HMEL.
- DFR for Setting up New SPM system with associated pipelines and integrating the same with existing SPM at Kochi Refinery Ltd.
- DFR for Land based LNG terminal in Bangladesh.
- Modification work at Hazira Plant under Daman Development Project of ONGC on OBE basis.
- Technical study for evaluation of coil bowing in condensate crude heater (12-F-101) for M/s ENOC, Dubai.
- Basic design and detailed engineering FEED package for replacement of 5 CDU heaters with a single high efficiency crude heater for BAPCO, Bahrain.

- Study report on revamp, basic design and detailed engineering of VDU-II furnace of IOCL Haldia Refinery.
- Preheat Train Optimization of heat exchangers for IOCL BS-VI project of DHDT Haldia & DHDT –BGR.
- Configuration study for Captive Power Plant for integrated methanol & acetic acid project of Assam Petro-Chemicals Limited (APL) at Namrup, Assam.
- Configuration study for EPCM services for CPP revamp at HPCL Mumbai Refinery.
- Configuration study for PMC services for CPP revamp at HPCL VRMP Refinery.
- FEED & detailed engineering for emission measurement system for M/s TAKREER, Abu Dhabi.
- DFR for capacity expansion of IOCL's Gujarat Refinery from a crude processing capacity of 13.7 MMTPA to 18 MMTPA.
- Licensor selection for BS-VI MS Block, BDEP for utilities & offsite and DFR for BS-VI MS Block for BPCL Kochi.
- Detailed engineering for grass root Diesel Hydrotreater unit for BPCL's Mumbai Refinery. Design and detail engineering of new and revamped, associated facilities i.e., CDU-3 (RMP), SWS, ARU, HGU, Utilities and Offsites.
- Detailed engineering of CDU/VDU and other open art treating units, utilities and offsite of BORL's Bina refinery.
- Revalidation of HPCL's Vizag Refinery Modernization Project DFR for 100% BS-V quality MS and Diesel production.
- Licensor selection for Residue Upgradation facilities of HPCL's Vizag Refinery Modernization Project.
- Configuration study for BS-VI Autofuels production and 18 MMTPA debottlenecking for MRPL integrated refinery and aromatic complex.
- Basic engineering and design services for FCC feed preparation unit for Essar Oil Limited at Vadinar Refinery, Gujarat.
- License, Engineering, Procurement and Construction management (LEPCM) Services for 500 TPD Methanol & Acetic Acid plant of APL.
- EPCM services and detail engineering of Aishwarya Project of IOCL, Haldia Refinery.
- EPCM services for Revival of Ramagundum Fertiliser Project for RFCL, Ramagundum.
- Licensor evaluation for PFCC Gasoline treatment Unit, MRPL, Mangalore.
- License & BDEP preparation for New SRU with TGTU, MRPL, Mangalore.
- OBE execution of offsite facilities and PRU as part of VRM project, HPCL, Visakhapatnam.
- Pre-commissioning and commissioning of Coke Chamber replacement and modernization of Coker-A of IOCL's Barauni Refinery.
- Commissioning of grass root Crude Distillation Unit (CDU-4) at BPCL's Mumbai Refinery for 6 MMTPA crude processing facility.
- Commissioning of CDU/VDU & DHDT Unit of IREP, BPCL Kochi Refinery.
- Commissioning of INDADEPT–G Unit at IOCL, Guwahati Refinery.
- Commissioning of NHT/ISOM at BPCL, Mahul Refinery, Mumbai.

**Engineering**

During the year, the Engineering Divisions of EIL continued their efforts towards providing optimized and value added services for all ongoing projects consistent with the client requirements and objectives of the Company. The various divisions maintained focus on key areas like System Improvement and quality of deliverables, enhanced productivity by adopting knowledge from past data, repeatability of design, enhanced software application and implementation of Electronic Data Management System (eDMS) along with improved information exchange and communication systems resulting in lesser manual interfaces. Major emphasis was laid on Automation and Standardization of systems, implementation of Internal Audit and Monitoring and updation of specifications standards and guides. Some of the major activities undertaken are as under:

**Equipment Division**

- Designed Column Condenser Packages having Internal Cooling/condensing/spraying system in Propylene Derivatives Petrochemical Project (PDPP), Kochi.
- Carried out Design of Converters with ETDD help having flexible tubesheets in PDPP, Kochi.
- Executing MAN Reactor Package Unit as PMC in PDPP, Kochi.
- PPU Product Bagging Silos, in PPU unit of Dangote Refinery under Ineos Licensing has been designed by EIL after developing design software. This is being done for the first time.
- For RFCL, complete urea handling, storage, bagging and automatic wagon loading philosophy and scheme has been developed in-house for the first time in EIL.
- Maiden development of Urea Prilling tower GA drawing for RFCL. Complete general arrangement as per the Licensor's requirement has been developed in-house.
- Food Grain Storage and Handling system of 50000 MT capacity developed in-house for the first time in EIL for Central Warehousing Corporation.
- Procurement of Multiwalled Urea Reactor, Ammonia Converters for RFCL.
- Design of 3 tube sheet exchanger with a column at top and vessel at bottom MP Decomposer for RFCL.
- Design of equipment with 25 Cr- 22 Ni which is Urea grade austenitic SS material for RFCL.
- Design of Double Walled tank LPG Storage tank for BPCL, Haldia.
- A unique and extremely challenging revamp involving a record duty augmentation of ~40% was done for the Coker heater for IOCL-Barauni Coker-A unit. The highlights of this revamp were:
  - Increasing the length of the heater by ~6 meters.
  - Shifting the heater casing outwards to bring the return bends and adjacent tube area inside the firebox and contribute to heat transfer.

- Removing a cast support beam which was inside the firebox and prone to repeated failures by using an alternative improved tube support arrangement using spring hangers. This also helped create additional space for adding more tubes.
- Using the existing convection coils in steam service for hydrocarbon service instead.
- The additional components required were sourced from the adjacent identical heater which was to be decommissioned, resulting in major cost savings.

This revamp was successfully executed in a 2 month shutdown schedule. The heater and the unit post revamp are under successful operation.

- Study Report on Coil Bowing of Condensate Crude Heater 12-F-101 for ENOC Dubai.
- Hot Oil Heater for DORC Project
  - Non Uniform Firing (i.e. double or single firing) in each pass.
  - Bottom Support Heater arrangement used for the first time in significantly large absorbed Heat Duty (38.78 MM Kcal/hr) of Heater.
  - Top Guided spigot arrangement for ensuring Radiant Coil vertical stability.
- Prime G Heater , M/s IOCL Haldia
  - Smallest absorbed Heat Duty (0.72 MM kcal/hr) Heater ever done.
  - Special consideration for ensuring structural integrity like stack seating directly on radiant columns.
  - Ensuring critical aspects of ergonomics/access/approach requirements in miniature sized heater.
- First Domestic heater conceptualized/designed considering full shop modularization of Radiant Section for M/s NRL.
- Replacement of 5 CDU Heaters with a single High efficiency Heater for BAPCO Bahrain.
  - Preparation of completely engineered FEED for Heater for the first time for an International Client.
  - Quantity estimation done within +/- 10 % accuracy.
- **Installation of Trays in Horizontal condition for BORL**

  To minimize the installation time, Trays have been installed in new column top sections in horizontal condition (in pre-shutdown activity), which have been done for the first time in EIL. Column top has been erected in dressed up condition including internals, Platform & ladders. Final review of Tray installation has been done after erection of column top i.e. in Vertical condition.

  **Installation of Partial packing & associated internals in Horizontal condition for BORL**

  As the distributor needs to be precisely installed for proper functioning, it is not recommended to install the same in horizontal condition. Hence, to minimize the installation time in new column Top section for 15-CC-202 having two random packing Beds, approx. 75% of random packing, support plate & bed limiters for both the beds have been installed in horizontal condition except Distributor in pre-shutdown activity. After erection of new column top, remaining 25% of packing has been filled by opening only one piece of Bed limiter. Subsequently Distributors have been installed in Vertical condition. This concept was also implemented for the first time in EIL.

  Adoption of above philosophy has resulted in replacement of 3 column Tops within short available time during shut down, leading to timely completion of job.

- Basic engineering and procurement of two nos. Extruder and Pelletiser package, each of design capacity 72.6T/hr (biggest Extruder handled by EIL so far), for two nos. trains of PP unit (500kTPA) of Dangote Refinery.
- Largest Propylene based Refrigeration system (16846 TR) has been procured for PDPP job.
- Fully Automatic drum filling system has been adopted for first time in EIL for PDPP final product dispatch. Due to space problem, multitier storage system has been adopted. Empty drum storage, filling system and filled drum storage also kept under same roof.
- All floating roofs for storage tanks are being designed by EIL.
- Procurement and detail engineering activities completed and package despatched to HMEL site for VPSA Oxygen plant package, having capacity of 146 TPD, within a short span of one year where Oxygen compressors, Air blowers and Vac. Pump are involved.
- Procurement and detail engineering of Electrically actuated "Coke drum bottom unheading system" is being carried out for the first time in EIL, for BORL capacity enhancement project.
- Basic design & engineering and procurement of "Crude Oil Blender" is being carried out for the first time in EIL, for BORL capacity enhancement project.
- High Pressure Vessels & Exchangers have been designed & engineered conforming to ASME Section-I (Boiler Code) for Dangote job for the first time.
- Design of Ethylene & Propylene Double Walled Storage Tanks of HMEL job.
- Procurement of welded diaphragm type High Pressure Heat Exchangers was done for Ramagundam Fertilizer Project.

**Electrical Division**

- Implementation of 132KV Gas Insulated Indoor Switchboard Panels for one of the projects being executed in EPCM mode. Till recently, EIL had been going in for maximum 66KV as primary distribution voltage for mega projects like OPaL (PMC mode) and under execution for DORC projects being executed in conventional mode. For IOCL Haldia BS-VI Project, 132KV indoor GIS is being procured in view of space constraint in existing 132 KV Switchyard.
- Development and implementation of new specifications for XLPE insulated Fire Retardant Low Smoke Extra High Voltage Cables, suitable working voltage being enhanced from 66KV to 220KV. This has been implemented in view of mega projects like DORC and VRMP wherein 66KV voltage cables have been used. In IOCL

Haldia BS-VI Project, 132 KV EHV cables are being procured & used.

- Use of energy efficient electrical equipment/systems has been initiated in all projects. As a responsible corporate with concern for global warming and carbon foot print, use of energy efficient motors of min. 1E2 type and 100% LED fixtures for lighting of process / offsite and utilities has been initiated. This has been made a standard practice for all projects being handled. For one of the projects, energy efficient motors of category 1E3 are being deployed. Besides this, all distribution transformers having rating upto 2500KVA, 33KV (Primary Voltage) complying to star 1 (Efficiency class) rating as per latest Govt. of India Gazette Notification order No.S.O.4062(E),S.O.513(E) are being procured and used in all current projects under execution .

**Focused Services for corrosion protection and refurbishment of existing facilities:**

- Design and implementation of Impressed current CP System for over 40 year old NF Platform of ONGC having sacrificial CP System (first time in India).
- Revamping the Corrosion Protection system for LPG mounded storage tanks at GPU, Usar/Mangalore Refinery.
- Carrier and casing pipe shorting problem rectification in cross country pipeline.
- Cathodic Protection audit for entire KG Basin pipeline network and resigning and installation of CP system.
- CP System of under execution 500 km subsea pipeline of DORC.
- New design and implementation of Mumbai-Manmad rerouting pipeline having very high AC/DC Interference zone area including HDD portion along the ROU.
- CP design, survey and installation of new Pipeline along with five existing pipelines from Jawahar Dweep to Pirpau, Mumbai Port Trust.
- Miscellaneous troubleshooting/consulting related to Corrosion Protection & Cathodic protection activities in IOCL /ONGC/GAIL etc.

**Instrumentation Division**

- For Dangote Refinery in Lagos, Nigeria, state-of-the-art control system is being implemented for entire refinery complex with advance solutions for Oil Movement System, Blending Automation, Lab Information Management, Plant Information Management etc. all integrated with Enterprise Level Management Information System for unified operation and information. When completed, this will be one of the largest Control Systems of the world.
- Replacement of existing Control System with advanced Distributed Control System for Isomerisation job of BPCL Mumbai and commencement of successful operation within 4 week's time, a benchmarking timeline for revamp/modernisation jobs as per international norms.
- Study and assessment of Air Emission monitoring for existing Refinery complexes at Ruwais and Abu Dhabi along with FEED and detail engineering based on Predictive Emission Monitoring Systems approved by latest international standard of USA EPI, for the first time by EIL.
- For Vadinar–Bina cross country pipeline of BORL, successfully carried out Survey, study and recommendation of existing telecom network to ensure increased system availability for pipeline operation and upgrading with latest Telecom systems. The technical solution offered will enhance the pipeline operation with existing telecom infrastructure like Optical Fiber Network.
- Desander project is being executed for the first time in Offshore for GSPC. State of the art instrumentation and Automation Systems like Sand detectors, automated operation and safety systems are being considered.

**Project Services – Costing**

Cost Engineering Department of EIL provides cost related services for various projects in all fields of operations from inception to commissioning and beyond, for domestic as well as overseas jobs. Cost Engineering provides services such as preparation of capital cost estimates and financial/economic analysis for diverse activities ranging from technology selection to preparation of feasibility reports and option study estimates for investment decisions pertaining to projects handled by EIL in various areas like Refineries, Petrochemicals, Fertilizer, Cross country pipelines, Power projects, Metallurgy, Mines, Strategic Storage, Offshore Oil & Gas, Infrastructure (such as Namami Gange and AMRUT) etc. It provides cost estimates for procurement and tendering, 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 in EPC contracts. Cost Engg is also providing independent services like Project cost estimation, feasibility studies and review of the cost estimate prepared by others.

Cost engineering has been maintaining historical data related to procurement and tendering of individual items ranging from nuts/bolts/gaskets to packages worth Thousands of Crores of Rupees since past two decades, which is unparalleled worldwide. This data bank is constantly updated based on the projects handled by EIL. The data bank has captured the historical data for all the projects handled by EIL, at item, unit and project levels. Cost Engineering prepares thousands of cost estimates annually, worth Crores of Rupees for various projects/items with a wide range of value. This vast database provides capabilities for valuable support in decision making regarding investments, bid evaluation and award of contracts as well as effective cost control services.

**Project Services - Planning**

The Planning Division continued to provide planning, scheduling, monitoring, project risk management and material control 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 modes. The Division also continued to provide project monitoring services to the Ministry of Petroleum and Natural Gas, as in the preceding years.

**Supply Chain Management**

The Supply Chain Management (SCM) Division, through its experienced manpower, provides end-to-end Supply Chain Management Services to various domestic and global Clients besides serving EIL's in-house requirements. These services include Supplier/Contractor Registration & Revalidation, Contracting & Purchasing of goods/services/works, Expediting, Inspection, Logistics, Supplier/Contractor Performance Review etc. Supply Chain Management

Division contributes to successful execution of projects being set up through procurement of works, material and services with specified quality within designated time at the most competitive price in a fair, just and transparent manner.

This Division, in order to excel in its services, has been continuously improving its systems and working procedures by introducing and upgradation of IT tools, newer technologies, guidelines, database and most importantly, updation of knowledge and skills of its officials. This has resulted in efficiency, effectiveness and transparency in procurement.

Entire procurement function and all associated activities in EIL are IT enabled from the receipt of an indent up to Inspection, Dispatch, Transportation of all Materials/Equipment and receipt of Materials/ Equipment at Site. For this purpose, in house developed software i.e., EPS, IPMS & TEMS etc. are being used which link all procurement functions across various geographical locations i.e., receipt of Indent, floating of enquiries, receipt of Bids, evaluation and award. During the entire procurement cycle, complete transparency is maintained by adopting e-tendering supported by NIC (National Informatics Centre). EIL was one of the earliest PSUs that had implemented e-Procurement as well as reverse auction for contracting and purchasing.

In the current year, orders for ₹ 840 Crores of direct purchase and contracts were placed on suppliers/ contractors globally for various OBE/LSTK/Depository projects. For Inhouse requirements of EIL, orders for ₹ 96 Crores of direct purchase and contracts were placed. In addition, orders for ₹ 8200 Crores were placed for other projects of various Clients, where EIL was a consultant.

EIL is in a continuous process of stimulating and promoting local/ domestic manufacturing and production capacities besides providing support to priority sectors in becoming more competitive and export oriented. EIL has also been in the forefront in supporting Government of India's initiatives in enhancement of indigenous vendors' involvement in Government Procurement.

Under the Government of India "Start-up India" Campaign, EIL has implemented the policy to encourage start-ups in the Company's Procurement.

EIL, through its commitment and dedication has been instrumental in implementation of Government of India's Public Procurement Policy (PPP)-2012 for Micro and Small Enterprises, and ensured increased participation of MSEs in the Company's procurement. EIL has procured goods and services of ₹ 53 Crores from micro and small enterprises, which is around 33% of the total value of direct purchase orders for goods and service contracts, placed by EIL during the year 2016-17.

SCM Division carried out in process and pre-dispatch inspection of critical equipment at suppliers' works as well as Project sites through its regional Procurement Offices, located all over the country and overseas offices located at London, Shanghai and Milan. Major items inspected included Reactors (Chrome Moly) Dia 5 M, Weight -385 MT for BPCL DHT Project, Coke Drum with Dia 9.15 M, Weight – 530 MT for IOCL Aishwarya Project, and many other large sized equipment. These items were delivered to site ahead of schedule. Columns for BORL Project were partly fabricated at shop and balance work completed at site to meet shutdown schedule.

EIL is also pursuing several initiatives like focus on import substitution, vendor interaction to upgrade indigenous manufacturing processes and technologies, online empanelment of prospective vendors and skill development of vendors through continuous interaction, assessment, evaluation and feedback in line with Government of India's "Make in India" initiative with an aim to get global recognition for the Indian economy. Under Government of India's "Make in India" drive, several steps have been taken to increase the local content as well sensitizing Overseas industry to set up their plants in India. Under its online 24x7 web based online system, data base of capable manufacturers is enhanced on regular basis. Against HCU-Revamp Project of BPCL Mahul Refinery, "Thermal mixing injection device" a M/s Chevron Lummus Global licensed equipment was fabricated in India under the Make in India initiative at EIL's approved fabricator. Mixing device is the first of its kind manufactured indigenously, saving considerable foreign exchange for the years to come.

**Construction**

The Division offers the entire gamut of services for Construction Management including Contract Administration, Construction Quality surveillance, Feedback Analysis, HSE and Warehouse Management for various projects of EIL, withstanding diverse challenges and local impediments associated with climatic conditions, difficult terrain and space constraints etc. which are unique to the nature of the project. During 2016-2017, Construction Division continued to provide Construction Management Services for various clients at more than 60 diverse domestic project locations and 4 overseas locations.

Concurrent prestigious commitments for the Division include Integrated Refinery expansion Project at Kochi, Aishwarya project at IOCL Haldia Refinery, Revival of Ramagundam Fertilizer Complex, Daman Development Project at Hazira, DCU for CPCL at Chennai, Banggai Ammonia plant at Indonesia, Rehabilitation Project at Algeria, Dangote Refinery at Nigeria and GASCO, Abu Dhabi. Construction activities commenced for the following new domestic/overseas projects during the year:

- MR-II project of HPCL, Mumbai
- MREP of HPCL, Mumbai
- VRMP of HPCL, Vizag
- SBI Data center, Hyderabad
- BS-VI projects of IOCL at Panipat, Vadodara, Haldia, Mathura, Bongaigaon and Digboi
- BS-VI project of HMEL, Bathinda
- BS-VI project of CPCL, Chennai
- IIT Patna
- LPG, BPCL-Haldia

The Construction Division leverages its highly skilled and motivated team for establishing and monitoring adherence of Construction Quality Management system. The system advocates quality plans, inspection test plans and implementation of special processes for concreting, welding involving latest NDT techniques, digital radiography, ultrasonic test etc. during all phases of construction to ensure trouble free commissioning/operation of critical units. The Construction activities for the following Projects/Units were completed during the year:

- DCU Barauni & RO, IOCL Barauni Refinery
- Dahej Expansion Project
- RGIPT, Rae Barely

- INDAdeptG Project, IOCL, Guwahati
- NHT ISOM, Mumbai
- RO plant at Gujarat Refinery, Vadodara
- HPCL Green R&D center, Bengaluru
- Opal Petrochemical Complex, Dahej
- VKPL, GAIL Kota
- DHT, Mumbai
- ADGAS, Abu Dhabi

The Construction Division deployed a host of innovative construction techniques and improvised equipment/machineries to minimize construction schedule across project sites, as mentioned below:

- Modular construction of Tech Structure and Pipe rack.
- Use of Pre-fabricated structures
- Use of Auto Blasting and auto beveling machines
- Use of monsoon shelter/hanging platform
- Introducing extensive use of Auto UT/TOFD techniques as an alternative to hazardous conventional NDT method like radiography.

The Company's commitment towards adherence of world-class Health, Safety and Environment standards in the execution of projects was epitomized by the multitude of accolades received from clients, during the year:

- 60 Million LTA free man-hours at GAIL PC-II , Pata
- 60 Million LTA free man-hours at IREP of BPCL, Kochi
- 8 Million LTA free man-hours at Banggai Ammonia plant, Indonesia
- 5.3 Million LTA free man-hours at Coker-A project of IOCL, Barauni
- 5 Million LTA free man-hours at Aishwarya project of IOCL, Haldia

**Environmental Engineering**

EIL is committed to ensuring compliance to all health, safety and environment requirements during delivery of products/services to customers. Minimizing environmental impact by conserving resources, reducing waste generation and preventing pollution in all our activities have always been an integral part of our policy. The Company has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL helps enable the adoption of innovative & integrated water and wastewater management for industries & municipalities, while working to increase environmental, social and economic benefits.

EIL's commitment to sustainable environment is underscored by the fact that the Company has a dedicated environment & water group, which has completed several hundred projects in diversified fields of environmental engineering, including water & waste water treatment; effluent recycle and zero discharge projects; Environmental Impact Assessment studies; environmental audits; air quality assessment, modeling & control; ground water monitoring studies; solid & hazardous waste management; oily sludge management; volatile organic carbon (VOC) & fugitive emissions control; site assessment and remediation; environmental health & risk management; environmental management plans; etc.

Some of the major projects for which good progress has been achieved during the year include:

- PMC services for complete water block package consisting of water and wastewater treatment & recycle facilities for Ramagundam Fertilizer Complex of RFCL.
- PMC services for an integrated effluent treatment & recycle plant and RO based sea water desalination plant for production of fresh water for HPCL Visakhapatnam Refinery Modernization Project to conserve fresh raw water natural resources.
- PMC services for a Sewage Recycle Plant for CPCL Manali Refinery to produce fresh water from secondary treated sewage to conserve fresh raw water natural resources.
- PMC services for the construction of new Effluent Treatment Plant for M/s Oil India Limited (OIL). This ETP is designed to treat Produced water or the formation water from oil collection system (OCS) and reuse treated water for reinjection purposes.
- PMC services for AMRUT project in Odisha (Atal Mission for Rejuvenation and Urban Transformation) for construction of Septage treatment plants and construction/rehabilitation of Raw Water Treatment Plants.
- Consultancy services to TAKREER for study of their existing Wastewater Management facilities at Ruwais Refinery East & Abu Dhabi Refinery, UAE.
- During the year, new RO based effluent recycle plant for IOCL Gujarat Refinery, for which EIL provided PMC services, was successfully commissioned during the financial year.
- EIA studies for IOCL Styrene & Ethylene recovery projects at Panipat Naphtha Cracker Complex, HPCL's Propylene Recovery and GTs, BPCL BS-VI MS project of Kochi refinery, BPCL Gasoline Treatment Unit of Mumbai refinery were successfully carried out by EIL for its clients and Environment Clearance has been obtained from MoEFCC.
- EIL has been accredited by Quality Council of India (QCI) for carrying out EIA studies in India. The accreditation was renewed and valid for another three years (up to the year 2019). EIL has now been accredited in thirteen sectors. The new sectors that have been added include 'Offshore and Onshore Oil and gas exploration, development & production'.

As part of MoU with MoP&NG, EIL is continuing its efforts towards Sustainable Development initiatives. Biodiversity Improvement Project (Phase V) with plantation target of about 500 saplings of different species and development of nursery for flowering plants in EIL's Gurugram Complex have been planned for the current financial year.

**Research & Development**

EIL has continually endeavoured to deliver optimum services to clients by providing value addition and leveraging technological advances. It is with this objective of fostering spirit of innovation and creativity in the organization that the Research and Development Division was established. R&D has contributed significantly in the consolidation of existing capabilities, development of new technologies and hardware besides enhancement of the portfolio for special technology related

services. The Division is pursuing developmental activities, both in-house and in collaboration with academic institutes like IIT Delhi and other R&D organizations like IOCL(R&D), CSIR-IIP, BPCL(R&D) etc. Apart from these established R&D organizations, EIL (R&D) has also been collaborating and cooperating with small companies to promote the creative ideas generated by them.

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

**Technology development projects initiated in following domains:**

- Membrane process for oxygen enrichment through air separation
- Membrane process for removal of wax from solvents
- Technology for removal of heat stable salts from amines using resin
- Process for $CO_2$ capture from flue gases
- Above ground sulfur seal pot for Sulphur Recovery unit
- Improved model for steam jet ejector design & performance prediction
- Performance Prediction Model for Desalter
- Boiler and GT-HRSG simulator
- Databank for potential coal for gasification initiated
- Development of capability for Energy Optimization in Refining Sector
- Radio tracer studies with spherical/extrudates type of catalyst to characterize hydrodynamics of improved 3 phase reactor configuration for hydroprocessing applications
- An initiative titled EngSUI has been launched in support of the Government of India's flagship program Start-Up India, which seeks to promote innovation in the hydrocarbon value chain through collaboration with Incubation Centres at leading academic institutes.

**Technology commercialization efforts:**

- Go ahead letter secured from IOCL for following technologies developed jointly with IOCL(R&D)
  - Implementation of indJet unit (demo) at IOCL Barauni
  - Implementation of indeSelect unit at IOCL Guwahati
  - Implementation of indDSK unit at IOCL Paradip
- Scoping Study Report completed on Integration of Gas Gathering Station with Solar Block at Kadi, Mehsana for ONGC Energy Ltd (OEC).
- Feasibility Report prepared for 2G Ethanol Plant for HPCL.
- Licensor selection and Detailed Feasibility Report (DFR) for 2G Ethanol Plant at 3 locations for HPCL is in progress.
- DFR for 2G Ethanol Plant at one location for IOCL is in progress.
- DFR for 2G Ethanol Plant at 3 locations for BPCL has also been initiated.
- DFR for 2G Ethanol Plant for MRPL has also been initiated.
- Energy Efficiency Improvement Studies for 15 PSU Refineries are in progress.
- As part of BEE's PAT Cycle 3, scientific methodology developed to calculate MTOEs and identify threshold energy consumption limits for the units in petrochemical complexes.
- TGT Technology has been accepted by MRPL for Grass root design of TGTU.
- Two-day Technology Seminar conducted on the Theme "Advanced Technologies for Productivity Improvement in Refineries". It was extremely well received with delegates from IOCL Mathura, IOCL Panipat, IOCL Jawaharnagar, IOCL BGR, IOCL Guwahati, IOCL Paradip, BPCL MR, NRL and HPCL Visakh in attendance.

**Initiatives taken for strengthening technology tie ups:**

Renewal of membership for FY 2016-17 for

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

**Patents / Trademarks filed / granted:**

During the year 7 patents were filed as below:

1. A method and device for above ground liquid sulphur seal with degassing
2. De-foaming cyclonic device in Pre-flash drum
3. System for gas-liquid distribution on a catalyst bed in a trickle bed type cross flow reactor
4. Novel water cooled flat plate type distributor with integrated fines capturing system for high pressure and high temperature fluidised bed coal gasifier
5. Flat plate type distributor for fluidised bed gasifier handling high ash coal
6. Desalter feed inlet device
7. Desalter Internals

The following patent has been granted this year:

1. Patent No. 274583 dated 29/07/2016: Novel Process for Regenerative Sulfur Dioxide Removal from Gases.

Furthermore, applications for registration of Trademarks pertaining to 12 in-house technologies have been made so far including 3 new applications during the year to enhance the brand image of the Company. Of these, 10 have been granted in the present Financial Year. R&D developed technology was also highlighted through publications and presentations at various national and international forums.

**Information Technology Services**

Information Technology Services (ITS) Division continued to make advances, providing high-tech IT enabled services to EIL's mainstream activities by developing/implementing IT solutions to deliver better

quality services with emphasis on increased efficiency and improved productivity. Various initiatives were taken during the year as enumerated below:

- **Up-gradation of IT Infrastructure**
  - Procurement of Hardware and software for SP3D (Smart Plant 3D).
  - Procurement of Laptop/Printers/Plotters for end users at construction sites.
  - Enhancement of Perimeter Network security through next generation firewalls, web security gateways.
- EngSUI web portal has been launched as an initiative by EIL under the Hon'ble Prime Minister's flagship programme of Startup India. EngSUI is intended to build the eco-system for encouraging Startups in India. EIL has taken up a mission to empower this Start up revolution in India through Incubation, Cultivation and Fostering of worthy ideas.
- System developed for Marketing Deptt. for post award Job Management and effort distribution.
- Web based system developed for progress monitoring of critical milestones of equipment erection at project site by planning and construction engineer.
- Web based "HR Dashboard" system developed for Management to provide information related to headcount, summary indicators, HR performance measure and employee information.
- Web based "Separation System" application revamped for HR, automating complete processing of employee separation and having interfaces with other HR and finance applications e.g. payroll, timesheet, leave management, PF System, DCS system etc.
- Financial Accounting Systems were enhanced to enable them to capture additional IndAS related parameters. Systems developed to capture change events like EMI change, partial pre-payment, change in deposit term etc. New modules developed to measure long term deposits (Security deposits, Employee loans & Advances) at the present value of expected future cash flows, compute interest income and amortise expenses over the period of deposit and account for them in the books of accounts.

**Sustainable Development**

EIL's sustainability mandate has evolved from compliance to environmental regulations and norms in a way that make it a responsible organization, transparent to all its stakeholders. The Company's project designs support sustainability right from conceptualization to plant commissioning and subsequently, the commercial operation. Energy efficiency, resource optimization and safety of plant personnel and society at large are the cornerstones of our business operation. They also ensure business continuity.

EIL has refocused its engineering philosophy and business models to achieve long term sustainable growth. It has also initiated evaluation and reporting of performance on the triple bottom lines pertaining to economic, social and environmental aspects. The sustainability initiatives at EIL shall definitely, propel the organization on an upward growth trajectory.

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

**Corporate Strategy & Business Development**

Corporate strategy and plans for diversification are imperative for any organization with a vision and long term perspective. Corporate Strategy and Business Development (CS&BD) division performs the role of evaluating market opportunities, pursuing business development initiatives, venturing into new geographies, initiating tie-ups with licensors/vendors /collaborators and augmenting the portfolio of EIL by diversifying into sunrise sectors.

The division has been mapping the evolving market scenarios and developing strategies required for envisioned growth of the organization. In the current market scenario, it is essential that EIL, while harnessing its core strengths, should also explore projects in sunrise sectors and new geographies. Thus, the CS&BD Division while focusing on core hydrocarbon sector requirements; also are seeding ideas and exploring business possibilities with new and potential clients.

As part of enhanced value creation, CS&BD has been in continuous dialogue with various licensors/technology providers, with the objective of collaboration and provision of a bouquet of niche services to our delighted owners.

The CS&BD Division has initiated sustained business development activities in sunrise sectors like Water and Waste Water Treatment, SMART Cities, PCPIRs etc as a part of expansion initiatives in new lines of business. Sustained BD efforts are also under progress with ULBs, Municipal Corporations and respective state governments in this direction. EIL has also initiated active suo motu studies and opportunity mapping in Port & Terminals, LNG value chain and Defence sector in alignment with Government of India initiatives and an enhanced presence in these domains.

Through a self sustaining seeding exercise and extensive outreach approach, Corporate Strategy & BD division is focused towards enhancing the footprint of EIL and augmenting the current business portfolio.

**HSE Management System**

During this year, EIL continued to accord highest priority to Health, Safety & Environment (HSE) across its operations. The Company maintained its OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environmental Management system) certification after satisfactory verification of the HSE Management System by third party during this year. Apart from ensuring effectiveness of the HSE Management system, these certifications provide an edge in securing business, especially overseas.

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

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

On the construction front, the specification for HSE Management at construction sites, which specifies the HSE requirements to be complied by construction agencies, has been revised during this year in line with the current trends and to improve the HSE performance. Quantitative scoring system for measuring contractor's HSE compliance, upfront analysis of HSE aspects of the construction site through constructability study are a couple of other examples of improvements implemented during this year. Slews of other improvements have been planned and are in the pipeline for implementation.

**Quality Management System**

Quality is inbuilt into the processes, workplace, deliverables and services of EIL. During this year, the Company's Quality Management System was upgraded and assessed against the requirements of the latest version of ISO 9001, i.e. ISO 9001:2015. The certification agency declared that the QMS of the Company conforms to the requirements of ISO 9001:2015 standard. The certificate of approval is valid up to 13.10.2018.

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

The Quality Management System of EIL's UAE (Abu Dhabi) office was also independently audited and assessed during transition cum certification audit and was certified to ISO 9001: 2015 standard. In addition, the Company participated as a prominent and active member in various committees for formulating products and quality system standards by Bureau of Indian Standards.

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

**Risk Management**

EIL's Risk Management policy with a robust supporting risk management structure & frame work facilitates identification and assessment of new risks and review of already identified 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 & impact of the risk, the requisite controls and mitigation action plans have been designed and implemented for risk treatment.

The objective of risk management in the Company is to act as an enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost, time and quality, resulting in improved turnover and profitability.

To cover all the elements of risks at enterprise level, the identified 25 nos Risks have been divided into following nine categories:

Risk compliance verifications are conducted regularly to test the compliance of controls & mitigation action plans and the summary is reported to the Risk Management Committee of the Board (RMC) & the Audit Committee. The risk identification & assessment processes and risk audit process are being handled through "Enterprise Risk Management System (ERMS)" software.

Project Management being one of the most important deliverable of EIL, Project Risk Management has been implemented for high value and important projects as per the criteria approved by the RMC. The risks severities are categorized in critical, major, cautionary and minor based on Risk Score (probability multiplied by overall impact). A risk report, issued monthly, along with mitigation action plans is circulated to all concerned regularly for action.

The status of Enterprise Risk Management (ERM) & Project Risk Management (PRM) Systems is presented to the Risk Management Committee of the Board, the Audit Committee and the Board of Directors. The reporting structure meets regulatory requirements.

EIL issues a digital news letter titled "Risk Screen". The "Risk Screen" is emailed to all employees of the Company. This spreads awareness about various risk management activities/achievement, new topics/ practices/ updates on ERM or PRM and to create enthusiasm in them to proactively control risks in their work processes & areas.

EIL is committed to further strengthen its risk management capabilities in order to protect interests and enhance shareholder value.

**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.

As part of observing Vigilance Awareness Week 2016, a series of programs were held in line with this year's theme "Public

participation in promoting integrity and eradicating corruption." During the period, three seminars were organized on the topic "Best practices in e-procurement system-typical challenges and learnings from various PSUs", "Case studies on Vigilance cases in PSUs" and the third was organized with the help of SCM Department on the subject "Upliftment of SC/ST entrepreneurs through public procurement support and Vigilance awareness" with an intention to create awareness about Public Procurement, its imperatives, precautions to be taken, opportunities for SC/ST Entrepreneurs in EIL and the benefits provided under various schemes. Dalit Indian Chambers of Commerce and Industries (DICCI) supported the meet by nominating 32 members. Besides all the above, awareness programs /competitions were organized involving local community, at Colleges/ Schools in the local areas around various sites.

As per directions issued by the Central Vigilance Commission and the Department of Public Enterprises, details of vigilance activities were also presented to the Board for the period ending June 2016 and December 2016.

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

- **Leveraging Technology**

  Reverse auctioning, e-tendering, e-payment, e-receipt, etc are already implemented in the Company and being monitored regularly against the set targets. Clearance of vendors' bills on 'First in, First Out' (FIFO) under Bill Tracking system (BTS) is ensured. 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**

  There exists a policy for hiring of Retired/Ex-employees of EIL and 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 done on monthly basis.

- **Integrity Pact**

  EIL is committed to higher ethical standards in contracts and procurement as well as transparency in all of its business dealings. In EIL Integrity Pact Program was adopted in November, 2011 for all Contracts & Purchases on EIL's account for enquiries having threshold value over ₹5 Crore. The threshold value has now been lowered from ₹5 Crore to ₹ 1 Crore.

- **Online Vigilance Clearance (OVC) & Scrutiny of IPRs**

  On line Vigilance Clearance and Immovable Property returns of employees is being carried out through Vigilance website - "Avalokan" on OVC portal.

**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 competent 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**

People are at the heart of Company's business as the quality of services that the employees deliver directly impacts the results of the organization. HR thus endeavours at developing a motivated workforce which is committed and aligned with the organization's strategic goal and objectives. Employee-centric policies and development initiatives drive the human resource to deliver their best. The policies are regularly re-visited and updated to keep them relevant.

HR has enhanced its strategic role with the business and got directly associated with different project verticals providing services in delivery of projects.

As on March 31 2017, EIL has 2939 employees, including 2387 professionally qualified employees. Approximately 3.19% of our employees are located outside India functioning in international work environments.

- **Talent Acquisition**

  Our talent acquisition strategy aims at identifying and developing a well equipped talent pool. Diverse recruitment models are employed to meet dynamic business needs with intake of fresh talent, domain specialists, short term hiring through outsourcing and onboard consultants/advisors. Planned job rotation has been implemented for optimum utilization of available human resources.

- **Performance Management System**

  In the area of Talent Assessment and Appraisal, EIL has in place a robust and transparent Performance Management System that gives weightage to both performance and potential. The Performance Management System is an online process. 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 welfare measures towards enhancement of the quality of work life for employees. Various employee welfare initiatives were taken ranging from holding talk-cum-interactive sessions on Health & Lifestyle Enrichment, extension in medical benefits, coping with stress etc. besides sports and other family get-togethers for enhancing the quality of life.

- **Thrust on Sports**

  Providing a supportive role towards employee health & fitness, EIL promotes a culture of sports by organizing weekend sessions and interdepartmental tournaments for various sports. Employees are encouraged to participate in trekking expeditions and sport tournaments at regional and national levels. The employees participated in 9 PSPB tournaments. An active member of Petroleum Sports Promotion Board (PSPB), EIL hosted the PSPB Cricket Tournament at Palam Air Force Cricket Ground, New Delhi where 8 teams including EIL team participated.

- **Annual Awards**

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

  - Best employee of the year in Staff Category
  - Young Executive of the Year
  - Innovation Awards–Individual Innovation, Team Innovation
  - Technical Paper Writing

  Annual Awards for year 2015-16 were presented on the occasion of 70th Independence Day on August 15, 2016. A total of 32 employees were awarded in different categories.

- **Training & Development**

  Training Division extends strategic support through effective delivery of training program in alignment with changing business needs, organizational strategies and competencies requirement of the employees.

  In the year 2016-17, employees were provided need based training programs on Business Prospects, Company's Structure & Implementation, Planning & Scheduling, Grooming of youngsters, Improvement in terms and conditions of contract to avoid litigations, Legal Overview & Contract Management. Participants rated these programs as very significant considering knowledge delivery by internal faculty.

  234 employees were also nominated to external training programs organized by reputed organizations and institutions. 23 domain training program were organized for the employees during the year.

  Officials from reputed Oil Sector Companies viz. IOC, HPCL, BPCL, ONGC, CPCL, NRL, MRPL & Essar participated in Open House programs on Engineering (Design) & Laying of Subsea & Onshore Pipelines, Management and Control of Effluent in Oil Industry, Engineering (Design) of Piping/Equipment Layout, Environmental Impact Assessment, Selection Requirements of Rotary Equipments, Pumps, Compressors and Turbines, PLC & DCS Overview and SCADA System, Preparation and Finalization of Electrical Design Basis and Selection of Electrical Equipment in Hazardous Area, Design Aspects of Refractory's and Insulation for Oil & Gas Industry, Revamping of Process Units, Procedure for Rapid Risk Analysis / Quantitative Risk Analysis (QRA), Development of Plot Plan and Fire Protection System.

  Customized training on Civil and Structural Engineering, HAZOP and Electrical Calculations were conducted for international client, M/s BAPCO-Bahrain. Program on Tankages & Interconnected Piping & Pressure Vessels was organized for IOC at Panipat, Bongaigaon and Mumbai. A customized training on Off-shore engineering for Engineers from ONGC also commenced in January 2017 and is continuing.

  As a part of thrust on skill development, 55 Apprentices are undergoing training in Construction, Process, Electrical, Instrumentation, Structural, Pipelines, Equipment and Off-shore Pipelines Departments.

- **Mentorship Development**

  With an objective to foster professional relationships and provide a forum for offering constructive advice to support the career development of the mentee, EIL supports a Mentorship Development Programme allocating trained mentors in the ratio of 1:3 (Mentor: Mentee) for all new entrants to the organization. Structured interactions are encouraged for building positive relationships between the mentor & mentees for long time benefits, both to the mentee and the organisation.

- **Leveraging IT in HR**

  IT assisted HR processes are regularly updated to comply with existing rules and policies with emphasis on ease of use and user friendly GUIs (Graphic User Interface). More than 700 news items/reports were uploaded on web based EIL Connect which recorded more than 18 Lakh hits during the financial year, thus continuing its efficacy in maintaining an interactive environment with employees located in India and abroad.

- **HR Initiatives**

  Assessment & Development Centres (ADCs) were conducted for 49 senior management personnel during November/December 2016, for assessing officers in both individual and group based environments, for all round development.

- **Implementation of Government Directives on Scheduled Caste/Scheduled Tribes**

  With a view to accelerate the pace of socio-economic development of the nation, EIL has been endeavouring towards safeguarding the interests of SC/ST employees.

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

  Scholarships were awarded by EIL to 33 SC and ST (SC-23 and ST-10) undergraduate engineering students. The percentage of employees belonging to Scheduled Castes and Scheduled Tribes was 18.98% and 4.5% respectively, out of the total employee strength of the Company (as on March 31, 2017). Regular meetings were held with representatives of SC/ST Welfare Association and Liaison Officers for redressal of their grievances/ concerns.

- **Initiatives for the benefit of Persons with Disabilities (PwDs)**

  EIL is implementing the provisions of the Persons with Disabilities Act, 1995 by way of providing reservation for PwDs. Special Recruitment Drive for PwDs was carried out in FY 2016-17. As on March 31, 2017, there are 43 (i.e., 1.46%) PwD employees on the rolls of the Company.

- **Women Development**

  Women constitute approximately 12.3% of EIL's human resource, wherein 85% are in the officer cadre. EIL has in place, a Women Forum comprising of senior officials as Patron, Chairperson and Co-Chairperson, to cater to the development needs of women employees.

  Adequate opportunities are made available to women employees for participation in National as well as International Conferences and Symposiums so that they benefit from the knowledge of Industry and Domain Best Practices.

**Corporate Social Responsibility**

EIL's CSR policy aims at creating a sustainable environment through its activities for community and environment.

As per Companies Act 2013, a budgetary allocation of 2% of the net profit achieved during three immediately preceding financial years has been made in the financial year 2016-17 for CSR activities.

**Education:** EIL supported educational programmes for providing basic formal education to 60 children belonging to underprivileged segment of society in Delhi/NCR and informal education for around 300 migrant children engaged at construction sites in Gurugram, Haryana. For imparting computer literacy amongst children from underdeveloped areas in Delhi/NCR, a project titled 'Computer Literacy to 136 Underprivileged Children' was supported. Other major CSR activities in this area include construction of compound wall at Municipal Primary School, Kasi Koil Kuppam, Thiruvallur, Tamil Nadu and support to Nirmithi Kendra for construction of Government School Building in Kabennur, Dharwad, Karnataka.

**Health Care:** Significant initiatives in the health care sector include support towards installation of medical equipment for project on 'Breaking the barriers of poverty through reduction of disease burden' for underprivileged people in slums of Delhi and providing Mobile Medical Care Units for affording health care services in villages of Odisha.

**Drinking Water/Sanitation:** EIL supported the construction/ maintenance of sanitation facilities in schools of Assam, Bihar, Odisha and Tamil Nadu under Swachh Vidyalaya Project. The Company also supported installation of RO plants at 6 locations of Kakinada, Andhra Pradesh and construction of 20 RO Plants in Dharwad District, Karnataka.

**Rural Electrification:** EIL supported installation of more than 100 Solar Photovoltaic based LED Street Lighting Systems each in Bhadohi and Shrawasti Districts of Uttar Pradesh.

**Women Empowerment:** Conducted a functional literacy programme for economic empowerment of 120 tribal women of Bolangir District, Odisha as well as skill training programme for 49 women inmates of District Jail, Gautam Budh Nagar at Kasna, Greater Noida in Tailoring, Dress Making and Beautician trades.

**Upliftment of underprivileged:** CSR activities aimed at upliftment of underprivileged sections of society include support for construction of first floor of 'NAB Home for the Aged Blind' at Dwarka, installation of Solar PV Plant at Ramakrishna Mission Ashram, New Delhi and distribution of adult diapers among bedridden and elderly patients residing across 30 slum areas of Delhi.

The Company also conducted camps for distribution of assistive aids and appliances to poor & needy Persons with Disabilities (PwDs) at Bhubaneswar, Bolangir, Paradeep Districts of Odisha & Dibrugarh District of Assam while another ten camps are envisaged to be organized across EIL's areas of operation. Another initiative in this area was support for establishment of Vivekananda Centre for yoga, naturopathy and research at Delhi which is under progress.

**Community Development:** Construction of RCC retaining wall / road side drains / Compound wall at Yanam.

**Vocational Training/Skill Centres:** EIL supported training for employment generation and skill development of 55 candidates belonging to SC, ST, OBC and BPL categories at Bharuch, Gujarat. The Company also supported skill development training to 1600 candidates belonging to SC/ST/OBC Women and EWS of society in Assam, Andhra Pradesh, Haryana, Uttar Pradesh, Madhya Pradesh and Jharkhand. Similar training programmes were organized for 300 Persons with Disabilities (PwDs) in Assam, Gujarat, Haryana, Karnataka, Rajasthan, Tamil Nadu and Telangana. EIL also supported the establishment of Skill Development Institutes at Kochi and Visakhapatnam.

**Make In India**

"Make In India" is a flagship initiative launched by the Hon'ble Prime Minister with an objective to revive and revitalize the manufacturing sector in the country. As part of the "Make In India" campaign, your Company has been pursuing several initiatives:

- Identification of current imports with specific focus on import substitution
- Contribution to Government's Policy formulations to encourage indigenization
- Vendor interaction to upgrade indigenous manufacturing technologies
- Indigenization of equipment manufacturing to increase domestic content
- Vendor enlistment through continuous interaction, assessment and evaluation
- Online empanelment of prospective suppliers
- Continuous interaction with other organizations towards collaborative research in order to promote indigenous technology
- Relaxation of PTR criteria for 51% owned subsidiaries
- Local skill development initiatives and creating enabling platforms

EIL is piloting the midstream sectors for Make In India initiative under MoP&NG and is a member of the Steering Committee set up for the purpose. To this effect, regular supplier meets are being organized for interaction with the specific domain based industries and empanelment of suppliers through an online web based process. Towards the Make In India campaign, apart from regular vendor meets, dedicated workshops are also being organized with select domestic and overseas stakeholders in Mumbai and Delhi for sensitizing the manufacturing sector to various policy initiatives being contemplated by the Govt. of India and Oil & Gas sector.

EIL has been actively engaged with MoP&NG and other Oil & Gas sector organizations for this initiative through participation in several stakeholder meets and contributing to various draft policy formulations such as Purchase Preference Policy which has now being mandated under the ambit of Make In India.

**Official Language**

With an objective to promote the usage of Official Language in communications, various initiatives like organising workshops & conferences, competitions for the Undertakings under the aegis of TOLIC, Gurugram and New Delhi, facilitating Unicode tools in all computers etc. were undertaken. During Hindi Fortnight celebrations from September 1 – 14, 2016, various competitions were organized to encourage the progressive use of Hindi. On this occasion, HODs/ Heads of office and respective Hindi Coordinators who undertook maximum work in Hindi during the year were felicitated. The Company was bestowed with the 2nd Prize of Petroleum Rajbhasha Shield by the Ministry of Petroleum & Natural Gas for the excellent work done for propagation of Hindi during FY2015-16.

**Awards and Accolades**

EIL was the proud recipient of the following awards and accolades during the year:

- Special Commendation of SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management 2014-15 in Institutional Category-I (Maharatna & Navratna PSEs).
- FICCI Sustainability Award 2016 for Best Green Process in Petrochemicals Sector for Tail Gas Treating Unit (TGTU) technology developed by EIL.
- India Pride Award 2015-16 in the "CSR/Environment Protection & Conservation" category by Dainik Bhaskar Group.
- Governance Now PSU Award 2016 for Corporate Social Responsibility.
- 9th CIDC Vishwakarma Awards for Best Construction Projects for Revamp of CRU & NHDS for NHT/ISOM, BPCL Refinery, Mumbai.
- 9th CIDC Vishwakarma Award for Construction Health, Safety & Environment for Dahej Petrochemical Complex, Dahej (Gujarat).
- Shri Ashwani Soni, former Director (Projects), EIL was awarded the IIT BHU Alumni Excellence Award 2016-17 for outstanding contribution to hydrocarbon industry and unparalleled professionalism.
- UIDAI Data Center Project was bestowed with NDTV Property Award – Best Environment Friendly Project of India.
- UIDAI Data Center Project secured IGBC (CII) LEED Gold Rating Certificate.
- EI Bhawan at Chennai, which houses EIL's Regional Office was bequeathed with GRIHA 4 star rating Certificate.

**Joint Ventures**

**Ramagundam Fertilizers and Chemicals Limited (RFCL)**

RFCL has been incorporated as a joint venture Company of Engineers India Limited (EIL), National Fertilizer Limited (NFL) and Fertilizer Corporation of India (FCIL), for setting up a new Urea and Ammonia plant at Ramagundam in Karimnagar district of Telengana. The JV will be responsible for setting up a fertilizer complex consisting of ammonia & urea plant of 2200 TPD and 3850 TPD capacity respectively. During the year, substantial progress in engineering and ordering has been achieved after receipt of the process design packages from the process licensors. Major engineering activities have been completed and critical packages have been awarded. Site activities have already started and civil works are progressing in full swing. The project is slated for completion in FY 2018-19.

**Subsidiary Companies**

**Certification Engineers International Limited (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, VMC, SMC, RMC, RINL, GSPL, BPCL, Reliance Industries Ltd., KRCL and various State Governments such as TEDA, VMSS, Rajasthan Housing Board and others, notable among these being:

- ONGC- Certification Services for Life Extension of WPP (Tender II) and TPI services for Sagar Samrat Conversion Project.
- Konkan Railway Corporation Ltd - Quality assurance services.
- VMC, SMC, RMC, Rajasthan Housing Board - TPI for various infrastructure projects undertaken by Municipal Corporations.
- GSPL/GIGL - TPI for various Pipeline Projects.
- TEDA – Third Party Inspection Services for SPV Home lighting system.
- Reliance Industries Ltd, for marketing terminals at Chennai, Kanpur and Haldia- Third Party Inspection Services
- Bharat Oman Refineries Limited – Expediting services
- HPCL Mittal Energy Limited – Expediting services
- ONGC Petro additions Limited-Third Party construction supervision of Unit and offsites

Apart from these, CEIL secured many Third Party Inspection assignments from clients like MDL, Empire Industrial Equipment, DRDO, Afcon Infrastructure Ltd., Jindal Saw Ltd. ERDMP & statutory audit assignments from GAIL, IOCL, Cairn India Ltd. etc.

The Board of Directors of the Company has recommended for the financial year 2016-17, a final dividend of ₹ 350/- 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 2016-17 works out to ₹ 550/- per share. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result into total dividend outflow of ₹ 550/- Lakhs and dividend distribution tax of ₹ 111.97 Lakhs aggregating to total outflow of ₹ 661.97 Lakhs.

**Corporate Governance**

The Company is committed to good Corporate Governance as per the requirements of SEBI Regulations and DPE Guidelines in this regard. The Board of Directors support the broad principles of Corporate Governance. In addition to the basic issues, EIL Board lays strong emphasis on transparency, accountability and integrity. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, the Report on Corporate Governance, together with the Auditors' Certificate on compliance of conditions of Corporate Governance, along with the Management's Reply on the comments of Auditors is annexed to this report.

**Number of Meetings of the Board**

The Board met eight times during the financial year 2016-17, the details of which are given in the Corporate Governance Report annexed to this Report which forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

**Composition of Audit Committee**

The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of Audit Committee like composition, terms of reference, meetings held are provided in the Corporate Governance Report annexed to this Report.

**Declaration by Independent Directors**

The Company has received necessary declaration from each independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

**Training of Independent Directors**

The Company has a well defined Training Policy for training to Board Members which inter-alia include the various familiarisation programmes in respect of their roles, rights, responsibilities in the Company, nature of the industry in the Company operates, business model of the Company etc. Further, the same is also taken care during the various strategy meets of the Company and different presentations in the Board/Committee meetings on the statutory Laws. The details of such familiarisation programmes/Training Policy have also been posted on the website of the Company at the http://engineersindia.com/corporate-governance/m-160 web-link.

**Directors and Key Managerial Personnel (KMP)**

- **Inductions**

  Shri Vipin Chander Bhandari was appointed as Additional Director in the capacity of Director (HR) w.e.f. 26th August, 2016 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/3/2014-CA/FTS:32590 dated 26th August, 2016. In terms of the provisions of the Companies Act, 2013, his tenure as Additional Director expired on 19.09.2016. Therefore, his appointment was renewed and accordingly, he was appointed as Additional Director in the capacity of Director (HR) w.e.f. 19.09.2016. Shri Rakesh Kumar Sabharwal was appointed as Additional Director in the capacity of Director (Commercial) w.e.f. 27th September, 2016 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/2/2015-CA/FTS:38384 dated 27th September, 2016. Ms. Shazia Ilmi Malik was appointed as Additional Director (Non-official Part time Independent) w.e.f. 27th March, 2017 (date of allotment of DIN) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31034/1/2016-CA/FTS:46118 dated 31st January, 2017. Shri Jagdish Chander Nakra was appointed as Additional Director in the capacity of Director (Projects) w.e.f. 12th April, 2017 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/1/2015-CA/FTS:36381 dated 12th April, 2017.

- **Re-appointments**

  In accordance with the provisions of the Articles of Association of the Company, Shri Ajay Narayan Deshpande, Director (Technical) would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment. In accordance with the provisions of the Companies Act, 2013, Shri Vipin Chander Bhandari, who was appointed as Additional Director in the capacity of Director (HR), Shri Rakesh Kumar Sabharwal, who was appointed as Additional Director in the capacity of Director (Commercial), Ms. Shazia Ilmi Malik who was appointed as Additional Director (Non-official Part time Independent) and Shri Jagdish Chander Nakra who was appointed as Additional Director in the capacity of Director (Projects) after the date of last Directors' report, shall vacate their offices at the ensuing Annual General Meeting. Necessary notices have been received from them under section 160 of the Companies Act, 2013, proposing their candidature for appointment. The same has also been given on the website of the Company at http://engineersindia.com/corporate-governance/m-160. The Board recommends their appointment. Brief resume of the Directors seeking appointment/ reappointment together with the nature of their expertise in specific functional areas, disclosure of relationships between Directors inter-se, names of companies in which they hold Directorships and the membership/chairmanship of Committees of the Board along with their shareholding in the Company etc. as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and other statutory provisions are given in the Annexure to Notice of 52nd Annual General Meeting.

- **Retirements**

  After the date of last Directors' Report i.e. 3rd August, 2016, Shri Ashwani Soni, Director (Projects) ceased to be Director of the Company w.e.f. 1st January, 2017 due to his retirement on attaining the age of superannuation on 31st December, 2016. Shri Ram Singh, Director (Finance) ceased to be Director of the Company w.e.f. 1st May, 2017 due to his retirement on attaining the age of superannuation on 30th April, 2017. The Board placed on record its sincere appreciation for the valuable services rendered and contributions made by Shri Ashwani Soni, Director (Projects) and Shri Ram Singh, Director (Finance) of the Company.

- **Additional Charge**

  Shri Sanjay Gupta, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Commercial) for a period of 3 months w.e.f. 1.06.2015 to 31.08.2015 or till the appointment of regular incumbent to the post or until further orders whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/3/2015-CA/FTS:38389 dated 25.06.2015 which was further extended to 30.11.2015, 30.05.2016 and 30.08.2016 vide Ministry of Petroleum & Natural Gas, Government of India, letter bearing the same nos. dated 29.07.2015, 31.12.2015 and 30.06.2016 respectively. With the appointment of Shri Rakesh Kumar Sabharwal as Additional Director in the capacity of Director (Commercial) w.e.f. 27th September, 2016, the additional charge

of Director (Commercial) entrusted with Shri Sanjay Gupta, Chairman & Managing Director was vacated.

Shri Sanjay Gupta, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (HR) for a period of 3 months w.e.f. 1.07.2016 or till the appointment of regular incumbent to the post or until further orders whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/01/2016-CA/FTS:44014 dated 8.08.2016. With the appointment of Shri Vipin Chander Bhandari as Additional Director in the capacity of Director (HR) w.e.f. 26th August, 2016, the additional charge of Director (HR) entrusted with Shri Sanjay Gupta, Chairman & Managing Director was vacated.

Shri Sanjay Gupta, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Projects) for a period of 3 months w.e.f. 1.01.2017 to 31.03.2017 or till the appointment of regular incumbent to the post or until further orders whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/03/2016-CA/FTS:46388 dated 31.01.2017. With the appointment of Shri Jagdish Chander Nakra as Additional Director in the capacity of Director (Projects) w.e.f. 12th April, 2017, the additional charge of Director (Projects) entrusted with Shri Sanjay Gupta, Chairman & Managing Director was vacated.

Shri Sanjay Gupta, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Finance) for a period of 3 months w.e.f. 1.05.2017 or till the appointment of regular incumbent to the post or until further orders whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/2/2017-CA/FTS:47938 dated 28.04.2017 which was further extended to 31.10.2017 vide Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/3/2017(4273)dated 25.07.2017

**Secretarial Auditor**

M/s Agarwal S. & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2016-17 along with the Management's Reply on the comments of Secretarial Auditor is annexed to this Report.

**Vigil Mechanism/Whistle Blower Policy**

The Company has formed the Whistle Blower Policy/Vigil Mechanism and no personnel have been denied access to the Audit Committee. The same has also been given on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

**Transfer of Amounts/Securities to Investor Education and Protection Fund**

A detailed disclosure regarding the same has been given in the Corporate Governance Report which is annexed to this Report. The same has also been given on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

**Listing on Stock Exchanges**

The Company is listed on the BSE Ltd. and National Stock Exchange of India Ltd. The Company has paid Listing fees for the Financial Year 2016-17 to the above Stock Exchanges in time.

**Nomination and Remuneration Committee**

EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors, both Executive and Non-Executive are made by the Government of India and are being paid remuneration as per the terms of their appointment. The Company has a Nomination and Remuneration Committee and detailed disclosure in this regard has been given in the Corporate Governance Report which is annexed to this Report.

**Performance Evaluation of the Board**

EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

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

In line with the provisions of the Companies Act, 2013 and the Listing Agreement, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company at http://engineersindia.com/corporate-governance/m-160. The Company gives the disclosure regarding material transactions with related parties on quarterly basis along with the compliance report on Corporate Governance. As per requirements of Section 134 (3) of Companies Act, 2013 read with rule 8 of Companies (Accounts) Rule, 2014, particulars of contracts or arrangements with related parties as referred in section 188 (1) of the Companies Act, 2013 is annexed to this report. During the year, there were no material RPTs. Further, suitable disclosure as required by the Accounting Standards has been given in the Notes to the Financial Statements.

**Details of Loans/Investments/Guarantees**

In compliance with the provisions of the Companies Act, 2013, the details of investments made and loans/guarantees provided as on 31.03.2017 are given in the respective Notes to the financial statements.

**Extract of Annual Return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed to this report.

**Cost Auditors**

EIL does not fall under the cost audit rules and therefore, there is no requirement of cost audit for the Company in terms of amended Companies (Cost Records and Audit) Rules.

**Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo**

In accordance with the provision of the Companies Act, 2013 and rules framed thereunder, particulars relating to Energy Conservation Technology Absorption are given under Research & Development and Sustainable Development Sections of the Directors' Report.

Information regarding imports, foreign exchange earnings and expenditures etc. (excluding exchange difference on conversion of foreign currency) is as following:

(Figures in ₹ Lakhs)

| Sl. No. | PARTICULARS | STANDALONE | |
|---|---|---|---|
| | | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
| **a)** | Expenditure (disbursement basis) in foreign Currency on account of: | | |
| (i) | Know how and professional fees including sub-contracts (others) | 1808.76 | 908.12 |
| (ii) | Sub-contractor/Construction Material turnkey projects | 1610.75 | 10699.63 |
| (iii) | Others (foreign travel, living allowance, membership fees, agency commission, foreign office expenses) | 4499.47 | 5404.98 |
| **b)** | | | |
| (i) | Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 85.80 Lakhs (Previous year: ₹243.92 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹50.17 Lakhs (Previous year: ₹183.26 Lakhs) incurred in local foreign currencies. | 30059.73 | 32922.37 |

**Significant and Material Orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**Other Disclosures**

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2016-17:-

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole–time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

Further, the names of Companies which have become or ceased to be its subsidiaries during the year are NIL whereas the companies which have become or ceased to be joint ventures or associate companies during the year are NIL.

During the financial year 2016-17, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

**Code of Conduct**

EIL has formulated a Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Board Members and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by C&MD is given under para 2(e) of the Report on Corporate Governance annexed to this Report. The Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel are given on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

**Right to Information**

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 01, 2016 and March 31, 2017, a total of 145 (one hundred forty five) applications were received by the Company and all of them were disposed of by providing requisite information as per rules. Apart from RTI applications, the Company also received appeals against the decision of CPIO, which too were duly attended to and appropriately disposed of by the First Appellate Authority.

**Directors' Responsibility Statement**

Your Directors state that :

a. in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, have been followed and there are no material departures from the same;

b. the Directors 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 as at March 31, 2017 and of the profit of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a 'going concern' basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Auditors**

M/s Arun K Agarwal & Associates, Chartered Accountants were

appointed as Auditors of the Company for the financial year 2016-17 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, Axis Bank and IndusInd Bank.

**Particulars of Employees**

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government Companies are exempted from inclusion of the statement of particulars of employees. The information has, therefore, not been included as part of the Directors' Report. However, the same information is open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.

**Acknowledgement**

Your Directors are grateful for all the help, guidance and support received from Ministry of Petroleum & Natural Gas and from other Ministries of the Government of India. Your Directors are also grateful to the Bankers, Statutory Auditors, Comptroller & Auditor General of India and the investors for their continued patronage and confidence in the Company.

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

Your Directors thank all associates, vendors and contractors within the country and abroad, for their continued support without which EIL could not have achieved the desired results. Your Directors are grateful to all the Foreign Missions in India and Indian Missions abroad in countries where EIL has business operations for their continued help and support.

Your Directors wish to convey their appreciation to all employees for the valuable services and cooperation extended by them and are confident that they will continue to contribute their best towards achieving still better performance in future.

For and on behalf of the Board of Directors

Place: New Delhi
Date : August 3, 2017

Sanjay Gupta
Chairman & Managing Director

# Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2016-17 and the business outlook for this year:

**1. Business Overview**

For the year 2016-17, the Company secured business worth ₹ 5,708 Crores with segment-wise breakup as follows:-

- Domestic Consultancy : ₹2,032 crores
- Domestic Turnkey : ₹3,412 crores
- Overseas Consultancy : ₹264 crores

Major contribution in order inflows, in both Consultancy and Turnkey business, was accounted for by BS-VI Projects being implemented across refineries in India, and the brown-field expansion at Vizag Refinery of HPCL.

**Domestic**

In the upstream segment, EIL was awarded Consultancy Services for bid package preparation for the modification jobs at Process Platform of B&S assets of M/s ONGC.

In the downstream segment, the major consulting orders secured in the Refining sector include EPCM services for BS-VI projects of IOCL, HMEL, MRPL and BPCL, Low Cost Expansion Project of Bhatinda Refinery of HMEL, PMC/EPCM services for Mumbai Refinery Expansion Project of HPCL, PMC services for Vizag Refinery Expansion Project of HPCL, Licensor selection and preparation of DFR for Green Field Petrochemical Complex at Bhatinda for HMEL , Energy Efficiency and Improvement Studies for 15 PSU Refineries, Feasibility Studies for 2G Ethanol plant for HPCL & MRPL, Licensor selection and BDEP package for Indselect G unit, INDAdept Unit and DCU Naptha Splitter unit of Guwahati Refinery of IOCL, PMC/EPCM services for GTU Project of Mumbai Refinery for BPCL, EPCM services for Western Gateway Project Early Production Facilities of H-Energy Gateway Private Limited and PMC services for implementation of Propylene Derivative Petrochemical Project (PDPP) at Kochi Refinery of BPCL.

In the transportation of POL, major assignments secured include PMC services for Capacity Augmentation of Jamnagar-Loni Pipeline of GAIL, EPCM services for enhancement of pumping capacity of Barauni-Bongaigaon sector of Oil India Limited, PMC services for Vijaypur-Auraiya Project of GAIL, PMC services for increasing operational efficiency and flexibility of operation in HVJ & DVPL system of GAIL and PMC services for Dobhi- Haldia pipelines of GAIL.

In the Infrastructure sector, EIL has secured entry level activities for Namami Gange Projects for towns and cities situated on the banks of river Ganga in UP. EIL has also bagged PMC services for construction of New Domestic Terminal building and associated works at Leh Airport for AAI.

In the Turnkey domain, EIL was successful in securing the job for the execution of Utilities & Offsites and PRU revamp of Vizag Refinery Modernization Project of HPCL and BS VI Projects of CPCL at Manali Refinery on OBE mode of implementation.

**Overseas**

Major jobs were secured in overseas markets with award of consultancy orders from Bangladesh, Algeria and Nigeria. These projects were secured against stiff international competition and further strengthened EIL's credentials to carry out mega overseas projects.

Region-wise orders secured are highlighted below:

**South-East Asia**

EIL secured a major assignment of Project Management Consultancy Services for "Installation of Eastern Refinery Limited (ERL) Unit-2" of Bangladesh Petroleum Corporation (BPC).

In Bangladesh, EIL secured three more assignments viz. FEED, DFR & Preparation of Tender Package for Pipeline for Transportation of White Petroleum Oils (Multi-products) from Chittagong to Dhaka for Padma Oil Company Limited (A Subsidiary of Bangladesh Petroleum Corporation), Pre-feasibility Study for Petrochemical Project for Super Petrochemical (Pvt.) Limited, Bangladesh & DFR for LNG Re-gasification Terminal at Kutubdia Island for Petronet LNG Limited, Bangladesh.

In Vietnam, EIL bagged an assignment for verification of Feasibility Study for Petrochemical Complex in South of Vietnam for Longson Petrochemical Company for Vietnam Petroleum Institute.

**Middle East**

In UAE market, EIL secured handful of Consultancy, Design, FEED assignments from our regular Clients viz. TAKREER, GASCO, ENOC and others. Beside assignment from Owner Companies, EIL also secured breakthrough Engineering jobs from EPC contractors.

Under the long term General Engineering Services Agreement, BAPCO awarded Safety Study Assignments for HAZOP and SIL Study for Falcon Cement Metering Station.

This year, EIL provided a number of training sessions for BAPCO in Bahrain.

In Kuwait, EIL secured two assignments viz. Detail Engineering Services for Supply and Installation of VSM Pumps at GC 06 and GC 20 and new 20" pipeline from GC 09 to CMM for Arabi Enertech, and Consultancy Services for PHA Revalidation Closeout for Kuwait Aviation Fuelling Company.

Saudi Arabian Fertilizer Company (SAFCO), engaged EIL for two assignments viz. PHA Revalidation Studies and PHA Study for Ammonia, Urea, Utility and Compound Fertilizer Plants.

**Africa**

In Africa, EIL secured a major assignment for Study & PMC Services for Rehabilitation of Ethylene Unit at Skikda Petrochemical Complex for Sonatrach, Algeria.

In addition, a number of additional works were awarded by Dangote, Nigeria, Sonatrach, Algeria and Indorama Eleme Fertilizers & Chemicals Company, Nigeria. In Kenya, EIL bagged two engineering assignments of Early Oil Pilot Project of Kenya Petroleum Refineries Limited (KPRL) under stiff global competition.

**2. Business Environment & Future Outlook**

**India**

With investor friendly policies of GoI and boost in domestic consumption, the demand of fuel products will continue to grow in years to come. It is anticipated that the downstream product consumption shall rise by around 9% this year, keeping the country steadily ahead of the others in race.

Other areas which shall have direct impact on growth of the Oil & Gas industry in the country are clean fuel projects of MoP&NG and increase in transport demand & air travel, in addition to the growth for petrochemical products.

"Make in India" initiative of Hon'ble Prime Minister of India would help country's oil & gas industry to further grow and add to its share in GDP.

With focus on clean fuel and augmentation of refinery product streams, the Company is optimistic that with capex investments announced by all the Public sector Refining Companies, the coming years would offer a number of opportunities. Further, projected demand as indicated above along with the fact that a number of refineries in North America and Europe are being shut down due to environmental concerns, capacity expansions in refining sector are expected in India.

As mentioned above and due to environmental concerns, all the Public Sector refineries have to upgrade immediately for the transition to Bharat Stage VI norms by the deadline of April, 2020. This would involve capex investment by refineries to comply with the directive of the Hon'ble Supreme Court. EIL anticipates a considerable capex in refineries due to the same which augurs well for the Engineering services market of EIL.

**Overseas**

According to the IEA, global investments in oil and gas fell by 24% in 2016 compared with 26% in 2015, marking one of the biggest back to back drops in history. However, IEA expects investments to recover in 2017. As crude oil prices are strengthening, some of the projects in International market are expected to be put off hold.

MENA region is pursuing its planned investment plans in hope of early recovery of prices. Major investments are expected in Iran, KSA, UAE, Algeria and Kuwait but as of today majority of projects continue to be in study and planning phase. Key challenges faced in MENA region are the subdued crude prices and financing or government funding for investments. The prices have to an extent recovered from their 2016 levels, but the same are expected to be range bound within current levels and further improvement is not expected soon. Further, Iran continues to be under watch in post sanctions era and investors are cautious of entering in a big way.

Despite some downside risks, general expectations for demand growth for oil products in the near future remain bullish. Higher demand for oil products envisaged will therefore encourage refiners to maximise throughputs, amid new capacity coming on line in Middle East and Asia.

EIL is executing grassroot refinery & petrochemical complex for Dangote Oil Refining Company (DORC). With current growth trends of fuel consumption and improved GDP numbers for some of the major nations in African continent, EIL expects future business opportunities in oil & gas sector in this region as well.

With its engineering hub in Abu Dhabi, EIL is well positioned to actively participate in these upcoming opportunities in MENA and African region.

**3. Financial Performance**

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

**(Figures in ₹ Lakhs)**

| Sl. No. | Description | Actual 2016-17 | Actual 2015-16 |
|---|---|---|---|
| **A.** | **INCOME** | | |
| i) | Consultancy & Engineering Contracts | 116507 | 100746 |
| ii) | Turnkey Contracts | 28357 | 50356 |
| iii) | Other Income | 22366 | 24779 |
| | **TOTAL INCOME** | **167230** | **175881** |
| **B.** | **EXPENDITURE** | | |
| i) | Cost of rendering services | 114961 | 131408 |
| ii) | Depreciation & Amortization | 2251 | 2492 |
| | **Total** | **117212** | **133900** |
| **C.** | **PROFIT BEFORE TAX (A-B)** | **50018** | **41981** |
| D. | Provision for Current tax | 21480 | 12383 |
| E. | Provision for Deferred Tax | (3958) | 2434 |
| F. | Earlier Year Tax Adjustments, Short/ (Excess) | (8) | (455) |
| **G.** | **PROFIT FOR THE YEAR (C-D-E-F)** | **32504** | **27619** |
| **H** | **OTHER COMPREHENSIVE INCOME** | **(2323)** | **(225)** |
| **I.** | **TOTAL COMPREHENSIVE INCOME** | **30181** | **27394** |

**3.1 Segment wise Performance**

In line with the Indian Accounting Standard (Ind AS-108) "Operating Segments", the Company has (segmented) strategized its business activity into two business segments i.e. Consultancy & Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risks and rewards of these segments. Segment results are given below:

**(Figures in ₹ Lakhs)**

| Consultancy & Engineering Projects | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|---|---|
| **Segment Revenue** | | |
| Consultancy & Engineering Projects | 116507 | 100746 |
| Turnkey Projects | 28357 | 50356 |
| **Total** | **144864** | **151102** |
| **Segment Profit From Operations** | | |
| Consultancy & Engineering Projects | 35920 | 26456 |
| Turnkey Projects | 10355 | 1218 |
| **Total (A)** | **46275** | **27674** |
| Interest | 317 | 24 |
| Other un-allocable expenditure* | 18306 | 10448 |
| **Total (B)** | **18623** | **10472** |
| **Other Income (C)** | **22366** | **24779** |
| **Profit Before Tax (A-B+C)** | **50018** | **41981** |
| **Income Tax Expense** | **17514** | **14362** |
| **Profit for the year** | **32504** | **27619** |
| **Capital Employed **** | **277596** | **275701** |

* Includes ₹ 9,062.88 lakhs on account of provision for increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs with effect from 01 January 2017.

** Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

**3.2 Financial Performance in relation to Operational Performance**

The Company has registered turnover of ₹144864 Lakhs in FY2016-17, as stated in the audited financial statement. The revenue from consultancy business is ₹116507 Lakhs and from Turnkey Project was ₹28357 Lakhs.

The Company has recommended a final dividend of ₹ 0.50 per share (Face value ₹5/- per share) in addition to interim dividend of ₹ 2.50 per share paid during the year.

**4. Risk & Concerns**

The Company has a Risk Management policy with a robust risk management framework which facilitates assessment of new risks and review of presently identified risks. The process is based on identified risks and risk events or factors which require regular assessment and quick response. Based on the probability and impact of the risk, requisite controls and action plans have been designed and implemented.

The objective of risk management in the Company is to act as an enabler in maintaining its knowledge backed 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 the field of risk management, Risk Audits assess the status of risks at a particular point (duration) of time and help in quick re-assessment of existing controls/action plans.

The elements of risk have been identified by the Company and disclosed for the benefit of all stakeholders. To cover all the elements of risks at enterprise level, all risks have been divided into categories.

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). Risk compliance verifications are conducted regularly to test the compliance of controls and the same is reported to the RMC. The risk identification & assessment processes and risk audit process are being handled through Enterprise Risk Management System (ERMS) software which is subject to continuous refinement.

Based on periodic reviews and implementation of recommendations resulting from reviews, the ERM process is continuously improved and strengthened. Project Risk Management has been implemented for high value, important projects in line with the criteria approved by the RMC. A risk register is prepared by listing all possible risk events of every discipline associated with the project. A Risk Management Team is constituted for the project, which approves the risk registers and meets every month to update them, while focusing on mitigation of the identified risks continuously. The risk severities are categorized as critical, major, cautionary and minor based on the probability and overall impact. Project Risk Management helps in facilitating the management in risk mitigation for effective project implementation. A risk report, issued monthly, along with mitigation action plans is circulated to all concerned regularly for necessary action.

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

To create awareness and increase the involvement of employees, a bi-monthly, digital risk newsletter 'Risk Screen' is being published by your Company. It is being shared with all the employees to inform them about various risk management activities/achievements, new topics/practices/ updates on ERM or PRM and generate enthusiasm in them towards risk control in their work process and areas.

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

**5. Internal Control Systems**

The Company has adequate systems of internal controls and documented procedures covering all financial and operating functions, in place. These have been designed to provide reasonable assurance with regard to maintenance of proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses

and ensuring reliability of financial and operational information. The Company has continued its efforts to align all its processes and controls with global best practices.

Some significant features of the internal control systems are:

- Preparation and monitoring of annual budgets for all operating and service functions.
- Well established reviews by Internal Audit teams and reports to management / audit committee regularly on the adequacy and compliance of internal controls across the organization.
- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Corporate policies on accounting and capital acquisition.
- 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**

EIL has signed an Memorandum of Understanding (MoU) for 2017-18 with the Ministry of Petroleum & Natural Gas (MoP&NG). The MoU targets to evaluate performance include parameters on turnover, operating profit, new business secured, research & development etc., thus focusing on profitability and sustainable growth.

**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. In order to maintain leadership position and consolidate business in the core area, EIL has therefore, made significant suo-motu 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 Company's presence in Middle East, focus on South East Asia and Central Asia as new geographies and strengthening its presence in African continent where Company is executing large projects in Nigeria & Algeria.

Aligning with the Government of India's vision, Company has completed detailed project reports for the flagship BS VI project of the OMCs, which has translated into execution of the projects with a stipulated timeline. Similarly, Company has also forayed into the SMART City Mission and successfully completed SMART City Proposals for three cities namely Moradabad, Rampur and Rae Bareli of Uttar Pradesh. Further, EIL has also completed the DPR for capacity expansion of the CPCL Nagapattinam refinery so as to supplement the augmentation of refining capacity of the country.

**7.1 Human Resources**

EIL provides best opportunities for its employees to enable them to reach their full potential. It has an enabling environment to ensure professional development and career growth of its people. As a nerve centre of the organization, the HR function aims at fuelling the growth ambitions of the organization by equipping the Human Assets for effective & efficient delivery as well as providing them a nurturing environment. Endeavours taken during the year have consolidated the initiatives taken in the past and built on them further for creating systems towards sustainable performance

The year focused on strengthening HR's role by aligning HR with taskforces, to cater to the requirements of various taskforces/project teams for the time bound delivery, enhanced productivity and overall reduction of efforts on various projects thereby intrinsically enhancing the capacity of the Company.

The HR strategy during the year aligned its HR function to the EIL's Business Strategy. The HR Strategy helped in proactively facilitating the achievement of organizational plans, targets and challenges through timely identification, preparation and deployment of appropriate human resources.

**Some of HR's key initiatives and best practices**

- The robust and transparent Performance Management system has been reviewed during the year which enables fostering a performance based culture and performance assessment in line with Industry best practices. EIL has an online performance appraisal process and promotion policy for officers, which have been modified and implemented to drive higher employee engagement.
- EIL has been updating its systems & procedures based on employees' feedback through various surveys and other prevalent feedback mechanism.
- Recognition of individual contribution as well as team efforts of Young Talent, Functional Experts, Innovators and Supporting Staff has also been done by way of Annual Awards which were presented to deserving employees in recognition of exemplary contributions made in their area of work. Technical Paper writing Competitions were held to encourage the employees share their knowledge & experience which helped in putting the tacit knowledge of employees duly documented.
- Continuous Learning & Development (Training) is in place as the said function was engaged in the task of creating multifarious learning opportunities for employees. The core competencies of the employees were strengthened by designing and organizing Domain Specific/Specialized Training Programmes. The managerial and behavioural capabilities were strengthened through adequate focus on soft skills programmes.
- Training Division has organized programmes for Clients in its newly acquired Profit Centre role in the financial year.
- Career spanning from Learning to Leadership : - Prime focus is given for Leadership Development within the organisation for sustainable growth as EIL places high value on nurturing & developing its people. Some of the ongoing initiatives are Leadership Development Program - Aarohan and Assessment & Development Centre (ADC) for creation of a pool of leadership talent for future succession roles.
- Continuous employee welfare related activities are in place and updations /modifications are done from time to time for betterment of employees. In order to meet the expectations and aspirations of employees, policies regarding Advances, HRA, Achievement & Recognition and

medical facilities were revised and made more employee-centric.

- Supporting the well-being of the employees, thrust was laid on Sport and fitness activities, e.g. encouraging employees to participate in PSPB tournaments. For creating awareness on health issues, talk-cum-interactive sessions were conducted under Health & Lifestyle Enrichment program.
- Facilities for employees were enhanced including Cafeteria and state-of-the-art Gymnasium at Gurugram office Complex. Auditorium, Guest House and Management Trainee Hostel at Gurugram Complex were also operational during the year.
- Open Communication Channels - Absence of Hierarchical Barriers.

**7.2 Marketing**

FY 2016-17 has been one of the most successful years for EIL in terms of order book. Some of these achievements have been in the area of BS-VI projects of IOCL, HMEL, MRPL and BPCL. Another feather in the cap is the Namami Gange Project job which will enable EIL to develop track record and open the doors for more such assignments.

The Company has continued to build further on its strengths in the hydrocarbon business in Middle East. In addition to the Middle East, Africa, CIS and South East Asia have also been targeted as potential regions.

EIL is also undertaking various initiatives for offering its services in MENA and South East Asian Region. Potential business opportunities have also been identified in UAE, Algeria, Iran, Oman, Bahrain, Kuwait, Nigeria and Mauritius wherein bids have been submitted.

EIL had made Feasibility Studies for some of the overseas downstream projects and we expect these projects to go in the execution phase, thereby providing us opportunities to offer our services for these projects in coming years.

Oil Companies have also entrusted EIL with the responsibility of technical advisory services on a number of overseas project initiatives, being discussed under G2G collaboration. Such joint initiatives may also bring forth potential project opportunities where EIL can play major role in coming years.

**7.3 Operational Improvements**

Keeping in view the Company's emphasis on improving the operational efficiency, various initiatives have been undertaken to move towards creating a robust Knowledge Management (KM) System. Electronic Document Management System (eDMS) is being utilized for live projects effectively for this purpose.

**7.4 Diversification**

While persistent focus on core hydrocarbon sector is underway, pursuing growth opportunities in other segments has become a key imperative for EIL. Having mapped the sunrise sectors and potential business opportunities thereof, EIL has initiated sustained business development activities in the sectors of Water and Waste Water Treatment, SMART Cities, PCPIRs etc as part of expansion into new lines of business.

Sustained Business Development efforts are also under progress with ULBs, Municipal Corporations and respective State Governments in this direction to secure business opportunities. In addition, EIL has also initiated active suo-motu studies and opportunities mapping in the Port & Terminals, LNG value chain and Defence sector in alignment with the Government of India initiatives and for having an enhanced portfolio in these domains.

Through a suo-motu seeding exercise and extensive outreach approach, it is focused to enhance the footprint of EIL and augment the current business portfolio.

**7.5 Cost Control & Monitoring**

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

**7.6 Corporate Social Responsibility**

The CSR Policy of the Company is aligned with the national focus on inclusive growth, DPE Guidelines on CSR and the Companies Act 2013. The CSR Committee of the Board and the CSR Council formed by EIL Management provide direction and oversee the CSR initiatives of the Company.

**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 the same using bioremediation process besides opting for energy efficient processes and treatment systems have driven the Company's green initiatives.

**9. Management Information System (MIS)**

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

**10. Disclosure by Senior Management Personnel**

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

**11. Cautionary Statement**

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

# Business Responsibility Report

**SECTION A: General Information about the Company**

1. **Corporate Identity Number (CIN):** L74899DL1965GOI004352
2. **Name of the Company:** Engineers India Limited
3. **Registered Address:** Engineers India House, 1, Bhikaji Cama Place, New Delhi- 110066
4. **Website:** http://www.engineersindia.com
5. **E-mail Id:** eil.mktg@eil.co.in
6. **Financial Year Reported:** 2016-17
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

   The Industrial activities carried out are described below. The code numbers of group, class and sub-class are assigned by National Industrial Classification, Ministry of Statistics and Program implementation.

| Group | Class | Sub-class | Description |
|---|---|---|---|
| 422 | 4220 | 42901 | Construction and maintenance of industrial facilities such as refineries, chemical plants, etc |
| 702 | 7020 | 70200 | Management consultancy activities |
| 711 | 7110 | 71100 | Architectural and engineering activities and related technical consultancy |
| 721 | 7210 | 72100 | Research and experimental development on natural sciences and engineering |

8. **List three key products / services that the Company manufactures / provides (as in balance sheet):** Consultancy & Engineering Projects, Turnkey Projects and Research & Development.
9. **Total number of locations where business activity is undertaken by the Company:**

   **(i) Number of International locations (as on 31.03.2017):** 19 (UAE, Bahrain, Kuwait, Iran, Oman, Saudi Arabia, Qatar, Turkey, Malaysia, Indonesia, Mongolia, Bangladesh, Vietnam, Algeria, Ghana, Kenya, Nigeria, Angola, Mauritius)

   **(ii) Number of National locations (as on 31.03.2017):**

| Locations | No. |
|---|---|
| Corporate Office | 01 |
| R & D Complex | 01 |
| Regional Offices | 03 |
| Regional Procurement Offices | 12 |
| Construction Sites | 92 |

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

**SECTION B: Financial details of the Company**

1. **Paid up capital (INR):** 33693.67 lakhs (as on 31.03.2017)
2. **Total turnover (INR):** 144864.31 lakhs (FY 2016-17)
3. **Total profit after taxes (INR):** 32503.69 lakhs (FY 2016-17)

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** 3.38% of profit after tax during financial year 2016-17.

5. **List of activities in which expenditure in 4 above has been incurred:**

   CSR projects are in line with Schedule VII of the Companies Act 2013 focusing on sustained efforts to raise the quality of life of people from the deprived sections of society. These have further been categorized under various thrust areas as Education, Environment Protection/ Sustainability, Healthcare, Women Empowerment, Drinking Water/Sanitation, Upliftment of underprivileged, Rural Electrification, Community Development, Vocational Training/ Skill Centre and Rural Development projects.

   Details of Projects are provided as Annexure to Director's Report.

**SECTION C: Other Details**

1. **Does the Company have any Subsidiary Company / Companies.**

   EIL has one subsidiary company.

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

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

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

   Over the past five decades, EIL has been pursuing pioneering efforts towards indigenisation through development of local contractors & suppliers. The Company undertakes regular vendor interaction to upgrade indigenous manufacturing technologies, indigenization of equipment manufacturing to increase domestic content, vendor enlistment through continuous interaction, assessment & evaluation and online empanelment of prospective vendors. The sustained efforts of the Company in this direction have resulted in indegenisation to the tune of 90% in refinery plant & machinery.

   All equipment/materials is sourced through a large vendor database of more than 1500 suppliers developed over a period of time. Enlistment/ enhancement of vendor database is done through Company's website open to Vendors on 24X7 basis.

   EIL undertakes Business Responsibility initiatives with the support and cooperation of its various stakeholders and the community at large.

**SECTION D: BR Information**

1. **Details of Director responsible for BR:**

   **(a) Details of the Director responsible for implementation of the BR policy/policies:**

   **Director Name** : Shri Vipin Chander Bhandari

   **DIN** : 07550501

   **Designation** : Director (Human Resources)

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

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

   **Name** : Shri M.M. Saha

   **Designation** : Executive Director (HR)

   **Telephone number** : 011-26762901

   **e-mail id** : hr@eil.co.in

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

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Do you have policy / policies for Principle | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the policy been formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the policy conform to any national / international standards? If yes, specify? | EIL's policies conform to applicable guidelines, rules, statutes etc. issued by Government of India from time to time. | | | | | | | | |
| Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director? | EIL's policies are approved by Board / Competent Authorities as per Delegation of Power. | | | | | | | | |
| Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy? | The details are provided under each principle & information thereof. | | | | | | | | |
| Indicate the link for the policy to be viewed online? | The details are provided under each principle & information thereof. | | | | | | | | |
| Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the company have in-house structure to implement the policy / policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | EIL's Policies are reviewed/amended from time to time as per statutory guidelines and business requirement. | | | | | | | | |

EIL has various policies/procedures which incorporate the essence of above BR principles.

**3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year:**

The various principles enshrined in the BR are reviewed by the Board/Committees of the Board at regular frequency.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Sustainability Report is prepared as a part of Annual Report regularly. The Annual Report for the year 2015-16 can be accessed from the link: http://www.engineersindia.com/Common/Uploads/DownloadsTemplate/166_Download_Annual%20Report%202015-16.pdf

**SECTION E: PRINCIPLE WISE REPLY**

**Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.**

**PRINCIPLE 1 QUESTIONS**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.**

Various policies/rules such as Code of Conduct, CDA Rules, Whistle Blower Policy are applicable to all EIL employees including those on deputation to the Joint Venture Companies, Subsidiaries, etc. The Company's Vigilance Department deals with bribery and corruption related issues based on CVC guidelines and related circulars. The ambit of 'Integrity Pact' extends to Suppliers, contractors etc.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The details of complaints received from various stakeholders during the financial year 2016-17 are as under:

| Complaints | No. of complaints received | No. of complaints resolved | % Resolved |
|---|---|---|---|
| Grievances received from internal employees | 12 | 8 | 66.66 |
| Grievances received in CPGRAMS Portal | 25 | 19 | 76 |
| Complaints received in Complaint management system from all stakeholders | Nil | Nil | Nil |
| Investor Complaints | 251 | 251 | 100 |

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**PRINCIPLE 2 QUESTIONS**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

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. Being a consultancy organisation, EIL's primary responsibility is to address all the concern/ risk of environmental issues in our projects by considering the following:

**Design for Environment (DfE)**

Design for Environment (DfE), also known as eco-design, recognizes that environmental impacts must be considered during the new product design process, along with all of the usual design criteria. In all projects EIL give emphasis to systemic consideration of design performance with respect to environmental, health, and safety objectives over the full product life cycle.

**Cleaner Production Strategy**

Cleaner production (CP) is a strategy for enhancing productivity and environmental performance for overall socio-economic development. CP processes are those that produce less waste, whether in terms of liquid wastes discharged to waterways, solid wastes going to landfill or gaseous wastes discharged to the air. EIL is taking forward government's new initiatives for quality upgradation of refineries to produce BS-VI quality fuels which have low Sulphur and are environment friendly.

**Turning business processes green**

There are areas in any business processes that become a source of silent guzzlers with respect to Fugitive Emission, Energy Efficiency and water usages. These business processes require attention in order to improve our green cover. They are:

- Fugitive emission mitigation in hydrocarbon chain (exploration, processing, petrochemical)
- Energy efficiency in motors and drives
- Energy efficiency in the process & power generation
- Water use efficiency in all our projects making use of "4 R" concept ie. Reduce, Reuse, Recycle, Recover.

Our design considerations are always aligned towards addressing all above issues either in design or doing a separate studies/ audit to make the process green.

EIL's technology development efforts are aimed at serving the hydrocarbon industry with environment friendly and sustainable technologies, some of which are outlined below:

**Tail Gas Treating Unit (TGTU) for Sulfur removal**

Claus Tail Gas Treating process has been developed by EIL-R&D to effectively increase sulphur recovery of SRU by recycling Sulfur components. Claus process integrated with TGTU can result in 99.9% removal of Sulfur from acid & sour gases coming from amine regeneration & sour water stripper units, respectively, in the refinery.

**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 1200 ppmv to as high as 20 vol%, and produces a treated gas stream with less than 100ppmv $SO_2$ concentration. The 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.

**Ammonia Treating Process (ATP) technology**

Ammonia Treating Process (ATP) has been developed by EIL to convert ammonia in sour water stripper (SWS) gas to ammonium sulphate. This technology offers multi-fold advantages in the form of enhanced capacity & less back pressure to SRU unit ensuring its smooth and trouble free operation.

Reduction in NOx formation helps keep the total emissions in check. In addition, a value added product in the form of ammonium sulphate is recovered which can be used as fertilizer.

**Grid connectivity to refinery resulting in reduced emissions**

EIL has ushered in a new concept of sourcing power directly from grid through dedicated power line which has reduced the emissions of primary pollutants in the refinery. This has helped our clients in keeping existing limit of SOx emission under control even in the wake of an expansion.

**Design of Crude Distillation Unit (CDU)**

EIL has pioneered a new environment friendly approach to CDU design by way of extensive heat integration through pinch approach & reducing the energy number by approx 15%.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

**(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

**(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

EIL has been certified by NABET to carry out Environment Impact Analysis (EIA) for various projects. The Company has carried out EIA for the following projects addressing all environment and social concerns:

- Expansion of HPCL Mumbai Refinery and Tankages Project
- Styrene Recovery Project at IOCL Panipat
- Diesel Hydro-treating for Numaligarh Refinery
- BS VI projects for BPCL, HPCL, BORL, NRL & IOCL refineries

Additionally, EIL is also providing its consultancy services to all the above projects. EIL is implementing its technology for VOC reduction and control; recycle & reuse of waste water where we are achieving about 70% recycle water efficiency, thus reducing load on fresh water requirement.

EIL has also been providing solutions for water resources management while protecting or restoring our major water ecosystems. EIL has helped the adoption of innovative integrated water management for industries & municipalities, while working to increase environmental, social and economic benefits. The Company is providing its services for an integrated effluent treatment & recycle plant and RO based sea water desalination plant for production of fresh water for HPCL Visakhapatnam Refinery Modernization Project to conserve fresh raw water natural resources. In the waste water management segment, EIL is executing the Interceptor Sewer Project of Delhi Jal Board (DJB) which envisages laying of sewerage system along Najafgarh, Supplementary & Shahdara drains for abatement of pollution in River Yamuna.

The Company is also undertaking energy efficiency improvement studies for all PSU refineries of India to optimise energy numbers.

EIL extensively uses HAZID, Risk Analysis, HAZOP and SIL studies to identify the risks, address safety requirement and provide mitigation measures:

**HAZID:** Hazard Identification (HAZID) is a technique for early identification of potential hazards and threats associated with a Project. The major benefit of HAZID is that early identification and assessment of the critical HSE hazards provides essential input to project development decisions. This leads to a safer and cost-effective design option being adopted with minimum cost of change and time delay penalty.

**Risk Analysis:** The Risk Analysis (RA) study identifies the hazards associated within the facility siting, analyses the consequences of various credible leakage/failure scenarios, estimates the risk, and provides necessary mitigations to reduce the risk to acceptable limits. RA helps in project decisions for siting of a facility & approach to manage the residual risks during the life cycle of a project.

**HAZOP:** Hazard and Operability Study (HAZOP) is a systematic technique for identifying the potential hazards and operability problems associated with a Process system. The study involves an exhaustive workshop led by HAZOP chairman involving highly experienced multidisciplinary team from Process, Safety, Operation & engineering. The study is conducted on Piping & instrumentation Diagrams & requires details of Process Design Package of a facility.

**SIL:** Instruments and Protection systems play a significant role in the management of hazards associated with oil and gas installations. A safety instrumented system implements the safety instrumented functions required to achieve or to maintain a safe state of the process and, as such, contributes towards the necessary risk reduction to meet the tolerable risk criteria for a specific situation.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(i) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof in about 50 words or so.**

EIL provides Supply Chain Management Services to various domestic and global clients. Entire procurement function including receipt of an indent, inspection, dispatch, transportation of all Materials/Equipment and receipt of Materials/ Equipment at site are IT enabled. The Company leverages a wide array of software applications to link all procurement functions across various geographical locations. EIL was one of the earliest PSUs that had implemented e-Procurement as well as reverse auction for contracting and purchasing.

As part of its sustainable sourcing initiatives, EIL is continually endeavouring to promote local/domestic manufacturing and production capacities besides providing support to priority sectors in becoming more competitive and export oriented. EIL has also been in the forefront in supporting Government of India's initiatives in enhancement of capabilities and capacity of indigenous vendors under "Make In India" initiative of GoI.

EIL's steadfast efforts towards vendor development have resulted in a large vendor database of more than 1500 suppliers developed over a period of time. Enlistment/ enhancement of vendor database is being done through Company's website open to vendors on 24X7 basis. Another sustainable procurement initiative is the increased emphasis on transportation of large ODC equipment through road or multi model route.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. As per the Public Procurement Policy of the Govt. of India, purchase preference is given to Micro and Small Enterprises (MSEs) and PSUs. The procurement during the Financial Year 2016-17 from MSEs was approx. 33% against the mandatory target of 20% set by Govt. of India. Small companies are also encouraged to get enlisted with EIL through web based system.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

EIL is primarily a design engineering consultancy organisation which executes projects on behalf of its clients. However, the Company has imbibed the ethos of recycling in its in-house operations, wherein 100% of domestic sewage is being recycled and used in horticulture functions. EIL is also striving towards 100% recycling of electronic waste such as printers besides facilitating reuse of obsolete computers by enhancing their capability and providing them to needy schools as a social welfare initiative. With respect to optimising the use of papers, the Company is sensitising its employees towards reuse of used papers besides adopting intranet & e-newsletters for internal communications.

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

**PRINCIPLE 3 QUESTIONS**

**1. Please indicate the Total number of employees.**

The total number of employees as on 31.03.2017 was 2,939.

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

The total number of employees hired on temporary/ contractual/ casual basis as on 31.03.2017 was 409.

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

The total number of permanent women employees as on 31.03.2017 was 362.

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

The total number of permanent employees with disabilities as on 31.03.2017 was 43.

**5. Do you have an employee association that is recognized by management?**

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

**6. What percentage of your permanent employees is members of this recognized employee association?**

- EIL Employees' Association – 8% of total employees
- EIL Officers' Association – 91% of total employees

**7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| Sl. No. | Category | No of complaints filed during 2016-17 | No of complaints |
|---|---|---|---|
| 1. | Child labour/forced labour/involuntary labour | NIL | |
| 2. | Sexual harassment | | |
| 3. | Discriminatory employment | | |

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

| Sl. No. | Category | % of employees given safety & skill up-gradation training during 2016-17 |
|---|---|---|
| 1. | Permanent Male Employees | 50.76% |
| 2. | Permanent Women Employees | 69.34% |
| 3. | Casual/Temporary/Contractual Employees | 100% (Safety awareness training/ campaigns are organised for all site employees) |
| 4. | Employees with Disabilities | 44.19% |

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

**PRINCIPLE 4 QUESTIONS**

**1. Has the company mapped its internal and external stakeholders? Yes/No.**

Yes, the Company has mapped its internal and external stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes. The Company has identified its disadvantaged, vulnerable & marginalized stakeholders.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

At EIL, various initiatives are taken under Corporate Social Responsibility to assist socially and economically weaker segments of society to overcome hardship and impoverishment. Details of such projects have been provided as Annexure to Director's Report. EIL adheres to the Presidential Directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth.

EIL has also been committed towards fulfilment of its obligations towards the development of Micro and Small Enterprises, including SC/ ST Enterprises. EIL has successfully implemented the provisions issued through Public Procurement Policy, 2012 for MSEs and has achieved around 33% procurement of supplies & services from Micro and Small Enterprises during the year 2016-17.

This has involved concerted efforts in providing encouragement to such enterprises during enlistment as well bidding. EIL has been organising / participating in various seminars and Vendor Development Programme organised by Ministry of Micro, Small & Medium Enterprises to encourage development of MSME sector including SC/ST Entrepreneurs.

**Principle 5: Businesses should respect and promote human rights.**

**PRINCIPLE 5 QUESTIONS**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?**

EIL's Suppliers/Contractors/Subsidiary Company are separate legal entities having their own policies and procedure. Hence, none of these companies are covered by EIL's Policy on human rights etc.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Please refer to Principle 1, Question no 2.

**Principle 6: Business should respect, protect, and make efforts to restore the environment.**

**PRINCIPLE 6 QUESTIONS**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers /Contractors/ NGOs/ others.**

EIL is committed to doing its business with the principle of sustainable development keeping all HSE issues at the top. The policy on Health, Safety and Environment covers the Company only.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, EIL recognises the importance of issues like global warming and climate change. With the help of our design, we try to stay ahead of the curve in meeting the environment norms and our services are also aligned towards the same. The Company's environment friendly design expertise is being aptly demonstrated in the Dangote Refinery & Petrochemical Project in Lekki Free Trade Zone, Nigeria which complies with stringent international norms and emission standards.

EIL has also formed two separate divisions which look after Environment and Sustainability initiatives in the company. A link to the Corporate Sustainability webpage is: http://www.engineersindia.com/sustainability/m-120

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

Yes; they are identified for client's projects during preparation of EIA studies.

Various industries including petrochemical industry release flue gas to atmosphere which typically contains 5-15% $CO_2$. Approximately 55% of the currently observed global warming has been attributed to $CO_2$ in view of which $CO_2$ separation and capture technologies are gaining importance. $CO_2$ 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%.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, Whether any environmental compliance report is filed?**

No project related to CDM is being carried out by the Company.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage, etc.**

Yes; Company is developing norms for fresh water consumption for refinery along with Centre for High Technology. Company is also carrying out Energy improvement studies for refineries of all the public sector undertakings.

The Company has also diversified into renewable energy sector with the execution of solar and nuclear power projects. Major projects undertaken in the solar power sector include 125 MW solar thermal project for AREVA/Reliance ADAG and 5MW solar PV project of GAIL. In the nuclear power sector, the Company has provided its services for Kudankulam Nuclear Power Project of NPCIL and greenfield Nuclear Fuel Complex at Kota.

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

Yes. For projects where EIL provides its services like EIA Studies, the Environmental Clearance (EC) is dependent on the factors of emission/ waste which should be within permissible limits under statutory requirements.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**PRINCIPLE 7 QUESTIONS**

**1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

Yes, the details are given below:

| Association | National/ International |
|---|---|
| Fractionation Research Inc. | International |
| National Association of Corrosion Engineers | International |
| Heat Transfer Research Inc. (HTRI) | International |
| University of Manchester Institute of Science & Technology (UMIST) | International |
| Process Science & Technology Centre (Separations Research Program) | International |
| Bureau of Indian Standards (BIS) | National |
| British Safety Council | International |
| International Society for Rock Mechanics (ISRM) | National |
| Indian Nuclear Society (INS) | National |
| National Safety Council of India (NSCI) | National |
| Confederation of Indian Industry (CII) | National |
| Construction Industry Dev. Council | National |
| Federation of India Chambers of Commerce and Industry (FICCI) | National |
| Institution of Permanentway Engineers | National |
| Project Export Promotion Council of India Consultancy & Engineering Services | National |
| All India Management Association | National |
| Forum of Women in Public Sector | National |
| Institute of Public Enterprise | National |
| Project Management Associates | National |
| Indian Society for Training & Development (ISTD) | National |
| National Institute of Personnel Management (NIPM) | National |
| National HRD Network (NHRDN) | National |
| The Institute of Cost Accountants of India, Northern India Regional Council | National |
| Standing Conference of Public Enterprises | National |
| Institute of Directors(IOD) | National |
| The Institution of Engineers (India) | National |
| The Institute of Company Secretaries | National |
| International Market Assessment India Pvt. Ltd. (IMA) | National |
| Federation of Indian Petroleum Industry | National |

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

As a member of various prominent industry associations, EIL proactively participates in shaping the discourse on a wide spectrum of industry related issues. The Company also leverages these platforms to espouse constructive deliberations in the areas of energy conservation, sustainable development, corporate social responsibility etc, which facilitates the advancement of public good.

EIL is a part of the prestigious “Make In India” initiative of Government of India and is leading the midstream segment in the hydrocarbon sector. The Company has also contributed towards the new Public Procurement Policy for oil & gas sector. EIL was also a key member of the Committee formed to draw up the Hydrocarbon Vision plan for North East India.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**PRINCIPLE 8 QUESTIONS**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has specified programs in pursuit of CSR policy of the Company. The details of projects have been provided as Annexure to Director’s report.

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

The CSR programmes/projects are undertaken through various registered agencies, trusts, societies, companies, autonomous bodies or government departments.

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

Yes. Impact Assessment Studies are done for various CSR Projects as per recommendation of CSR Council.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

For the year 2016-17, the total contribution towards CSR activities has been ₹1099.69 Lakh. The details of projects have been provided as Annexure to Director's report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

At EIL, successful adoption of CSR projects by community is done through project implementing agencies. The projects are designed and taken up after consultation with the relevant stakeholders and on the basis of need assessment. Upon completion of the CSR Project, the created facility is handed over to the local bodies like Gram Panchayat and Block Level Authority for ensuring sustainability of the project.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**PRINCIPLE 9 QUESTIONS**

**1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year.**

No customer complaints are pending as on the end of FY2016-17.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

Not Applicable.

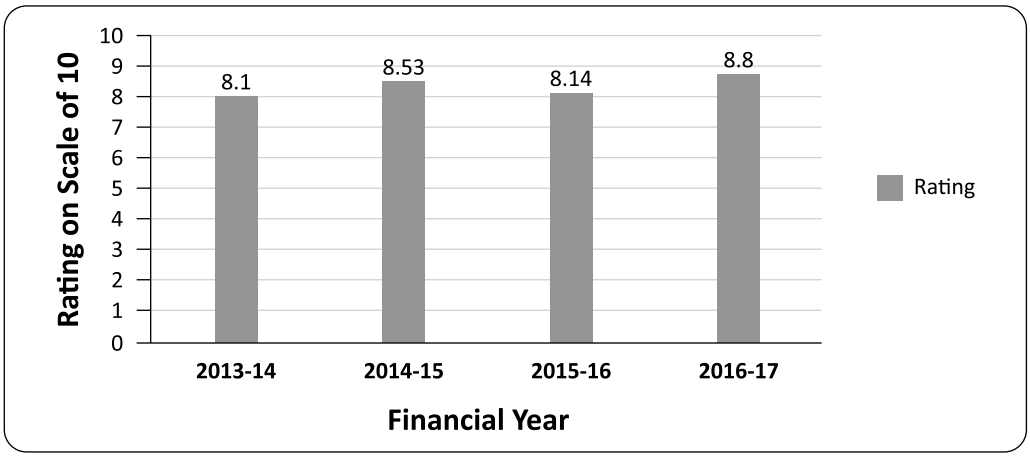
**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Nil.

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

Yes. Customer perception surveys are being carried out by Corporate Quality Assurance Department (CQAD) of the company as per relevant procedure, every year. While seeking feedback, Customers are requested to provide their rating in a scale of 1 -10 in respect of various attributes of EIL in a format/proforma. In addition, suggestion/comments are also being noted in one to one interaction with customer's senior level personnel by senior CQAD official. The trend of customer ratings for EIL for last 4 years is shown below:

| Financial Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|
| Average rating | 8.1 | 8.53 | 8.14 | 8.8 |



# Report on Sustainable Development

**Introduction**

"Engaging in social business is beneficial to a Company because it leverages on business competencies to address social issues, involves one-time investment with sustainable results, and produces other positive effects such as employee motivation and improved organizational culture." - Muhammad Yunus

In EIL we know that New Age values are conscious evolution, a non-sectarian society, global sharing, healing the environment, sustainable economies, self-determination, social justice, economic empowerment of the poor, love, compassion in action, and going beyond religious fundamentalism.

Our business mandate revolves around complying with the environmental regulations and norms in a way that make it a responsible Company and transparent to its entire stakeholder. Not long ago the concerns of ecologists were as irrelevant to business planners as those of ethicists are today. "Green" has gone from being a disparagement to becoming a badge that no smart Company would risk being without. Ethics are similarly en route to becoming a strategic imperative.

We, as a Company, focus on delivering projects as per our Corporate Quality and HSE policies, foster partnership with our esteemed customers, suppliers, contractors and the community, nurture and train our workforce for sustainability initiatives at individual as well as at society level, develop environment-friendly technologies to achieve better sustenance in our business and follow robust Corporate Governance policies based on an established code of ethics, transparency and scientifically developed Risk Management System.

Our project designs thrives on Energy efficiency, resource optimization and safety of plant personnel & society at large are the cornerstones of our business operations and also ensure the green design concept that entails optimization of raw material, energy, space, water and the desired product specification. Our focus as R&D intrinsic organisation is to offer green technologies to our clients, which reduce carbon footprint and increase plant yield. These technology initiatives include coal gasification, coal to liquid, $CO_2$ removal from natural gas and DHDT and sulfur removal technologies from the fuel.

EIL firmly believes in and has 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-freeman 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.

For us corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing us to do it but because it is good for our business. We continue to reinforce our social commitment through various programs organized at construction sites to develop artisans amongst the local community for their contribution during plant construction and to prepare them with the necessary skill sets to exploit various available employment opportunities in the long run. Our business operations support developing local manufacturers and suppliers as our partners.

During the year 2016-17, our CSR expenditure stood at ₹1099.69 Lakh which exceeded the annual expenditure target of ₹1030.08 Lakh as per Companies Act 2013.

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

Às an ardent backer of Sustainable Development, EIL is committed to:

- Carryout business operations in line with HSE and Environment Policy.
- Promote use of technology and best practices for improving carbon footprints in our business operations.

- Promote, Support and advice environment green practices to our clients.
- Aware employees so that they may integrate environmental considerations into their daily activity.
- Work with clients, partners, suppliers and subcontractors to build a common environmental management system for each project.
- Advocate with key stakeholders and decision makers viz. investors, clients, suppliers, government agencies and regulatory bodies, about sustainable development and energy efficient policies.
- Engage in community welfare programs for sharing amongst the unprivileged sections of the society.

Today, EIL's revenues generation flow mostly from Indian region, especially the Hydrocarbon and Petrochemicals segment, as other international market are struggling to cope with the changing geo-political. Sustainable growth of EIL in near to midterm shall be closely associated to the socio – political environment, economic growth and prospects of sustainable development and energy security in India.

**EIL's R&D Capability for Sustainable Technologies**

EIL's R&D is engaged in developing innovative solutions in hydrocarbon industry ever since 1970s. In the national market, EIL's designing capability can be judged from the fact that their designed refinery units refine more number of barrels of crude than anybody else in the market. Today, EIL through their R&D has been awarded 26 technology patents including 18 live patents and 24 other patent applications are 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 the 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 process (TGTU) has been developed by EIL-R&D to effectively increase sulphur recovery of SRU by recycling Sulfur components like $SO_2$, COS, $CS_2$, Sulfur, as $H_2S$ back to Claus section after Hydrogenation and selective absorption and regeneration of $H_2S$. Claus process integrated with TGTU can result in 99.9% removal of sulfur from acid & sour gases coming from amine regeneration & sour water stripper units, respectively, in the refinery. With environmental quality standards getting stringent especially in terms of sulphur components, tail gas treating unit is need of the hour. EIL has successfully implemented TGTU at following: A grass root 10 TPD SRU having an integrated Claus section & TGTU, 3 nos. of TGTU downstream of an existing 3 x 65 TPD SRU.

**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.

**Cleaner atmosphere with $SO_2$ Removal Process (SOR)**

$SO_2$ Removal Process (SOR) was jointly developed by Indian Institute of Petroleum (IIP) & EIL for flue gas desulfurization. The process can handle $SO_2$ concentrations varying from 1200 ppmv to as high as 20 vol%, and produces a treated gas stream with less than 100ppmv $SO_2$ concentration. The 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) has been developed by EIL to convert ammonia in sour water stripper (SWS) gas to ammonium sulphate. This technology offers multi-fold advantages in the form of enhanced capacity & less back pressure to SRU unit ensuring its smooth and trouble free operation.

Reduction in NOx formation helps keep the total emissions in check. In addition, a value added product in the form of ammonium sulphate 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 to 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 involve 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 sulphide concentration in the feed. The overall conversion achieved at the outlet of oxidation reactor is as high as 99.8%. The process used is found to be economical and environment friendly when compared with other technologies using chemical oxidation with $H_2O_2$ or wet air oxidation using patented process. The installed capacities include a unit of 5 m3/h.

**Environment Performance**

**Environmental Services to Industries**

EIL is a leading consultant in India in carrying out EnvironmentalImpact Assessment (EIA) studies and preparation of Environmental Management Plan (EMP) for new projects. A comprehensive and detailed EIA study helps in accurately predicting & assessing the environmental & socio-economic impacts of the proposed new facilities. Having accurately predicted the impacts, EIL ensures that all negative impacts are properly addressed and all mitigations measures are taken to ensure the sustainability of environment in the region. EIL also carries out Environment Health Risk Assessment study for its clients, which helps in tracing the impact of various pollutants on health of the people in the vicinity of the plant.

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

**Green Initiatives**

EIL has installed 90kWp Solar Photovoltaic (SPV) rooftop system grid connected without battery in compliance with Ministry of New & Renewable Energy (MNRE) guidelines in its EIL Gurugram building complex. The SPV system has generated approximately 3,56,860 KW of energy with a peak daily generation of above 400kW on an sunny day. Last year the total generation from solar SPV was around 90830 KWH which was contributed to the grid power. 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 the lead in addressing this problem and evolving a solution to the problem which is not only sustainable but also has environmental, social & economical acceptance. EIL's R&D & Environment Divisions in association with Indian Institute of Technology, Roorkee bring together extensive expertise in chemistry, biology and microbiology in carrying out research & development to offer confined reactor based solutions for bioremediation of oily sludge to its clients. Reactor-based bioremediation is a better alternative to land-farming as it offers onsite treatment of sludge thus avoiding off site transport of hazardous oily waste & is characterized by much higher rates of degradation due to minimization of mass-transfer limitation & increased desorption of contaminants by continuous mixing. Residual material after bioremediation is non-hazardous and contains inorganic clay, silt or sand, water, and very low levels of hydrocarbons. Residual solids can be de-watered & reused in asphalt or other industrial purposes.

**Water Conservation**

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

**Water Conservation at EIL's own facilities**

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

Water is primarily consumed in EIL offices for drinking, cleaning, washing, cooling, plantation/horticulture etc. The consumption of water at EIL Head Office at New Delhi is about 120 KL/D as against 175 KL/day reported last year, whereas at EIL Gurugram office it is about 150 KL/day. Water is sourced from the ground water for both New Delhi & Gurugram 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 sources it from surface water bodies), there is no significant impact of withdrawal on water sources in view of very minimal quantity of water withdrawn. There is an increasing awareness in the organization in managing water resources. Fourteen number of water recharge wells have been installed in and around EIL's Gurugram campus for recharging ground water. These will store 50000 m3 of surface run-off on their ground aquifer considering the yearly rain intensity of 600mm. The usage of water in the Company is in two categories.

i. At Delhi and Gurugram, where we have large office complexes, the water is used for domestic services. Sourcing of water at both the places is from ground water. In Gurugram campus, EIL has state-of-the-art MBR based sewage treatment plant where complete treated waste water is recycled for horticulture purpose within the premises.

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.

**Environment Management**

EIL is committed to ensuring compliance to all health, safety and environment requirements during delivery of products/services to customers. Minimizing environmental impact by conserving resources, reducing waste generation and preventing pollution in all our activities have always been an integral part of our policy. 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 and wastewater management for industries & municipalities, while working to increase environmental, social and economic benefits. EIL's commitment to sustainable environment is reflected from the fact that EIL has dedicated environment & water group in the Company, which has completed several hundred projects in diversified fields of environmental engineering, including water & wastewater treatment; effluent recycle and zero discharge projects; Environmental Impact Assessment studies; environmental audits; air quality assessment, modeling & control; ground water monitoring studies; solid & hazardous waste management; oily sludge management; volatile organic carbon (VOC) & fugitive emissions control; site assessment and remediation; environmental health & risk management; environmental management plans; etc.

Some of the major achievements of EIL during the Financial Year 2016-17 include the following:

- PMC services for complete water block package consisting of water and wastewater treatment & recycle facilities for RFCL Ramagundam Fertilizer Complex.
- PMC services for an integrated effluent treatment & recycle plant; and RO based sea water desalination plant for production of fresh water for HPCL Visakhapatnam Refinery Modernization Project to conserve fresh raw water natural resources.

- PMC services for a Sewage Recycle Plant for CPCL Manali Refinery to produce fresh water from secondary treated sewage to conserve fresh raw water natural resources.
- PMC services for a new RO based effluent recycle plant for IOCL Gujarat Refinery, which was successfully commissioned during the financial year.
- PMC services for the construction of new Effluent Treatment Plant for M/s Oil India Limited (OIL). This ETP is designed to treat Produced water or the formation water from oil collection system (OCS) and reuse treated water for reinjection purposes.
- PMC services for AMRUT project in Odisha (Atal Mission for Rejuvenation and Urban Transformation) for construction of Septage treatment plants and construction/rehabilitation of Raw Water Treatment Plants.
- Consultancy services are being provided to TAKREER for study of their existing Wastewater Management facilities at Ruwais Refinery East & Abu Dhabi Refinery, UAE.
- EIL has been accredited by Quality Council of India (QCI) for carrying out EIA studies in India. The accreditation was renewed and valid for another three years (up to the year 2019). EIL has now been accredited in thirteen sectors. The new sectors that have been added include 'Offshore and Onshore Oil and gas exploration, development & production'.
- EIA studies for IOCL Styrene & Ethylene recovery projects at Paniapat Naphtha Cracker Complex, HPCL's Propylene Recovery and GTs, BPCL BS VI MS project of Kochi refinery, BPCL Gasoline Treatment Unit of Mumbai refinery were successfully carried out by EIL for its clients and Environment Clearance has been obtained from MoEFCC.
- As part of MoU with MoP&NG, EIL is continuing its efforts towards Sustainable Development Initiative. Biodiversity Improvement Project (Phase V) with plantation target of about 500 individuals of different species and Development of Nursery for flowering plants in the EIL's Gurugram Complex have been planned for the current financial year.

**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 anda 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 inculcation of behavioural changes in our users has made a significant impact in our Company. EIL also offers its services to industries and municipalities to develop and implement scientific & sustainable methods for Solid & Hazardous Waste Management comprising segregation, storage, collection, transportation, treatment and disposal of waste by proper utilization of resources (men, money and materials) and as per the applicable provisions of The Solid Wastes (Managementand Handling) Rules, 2015; E-waste Management and Handling Rules,2016; Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2016; and other applicable rules, regulations and statutory provisions.

**Social Performance**

**Human Resources & Human Rights**

Human resources along with technology are the two prime resources of consulting organizations like EIL. Over the years, EIL has earned the reputation of being a veritable treasure of technical knowledge, skills and professional competence. Programmes such as skills management and lifelong learning support the continued employability of employees and assist them in managing career endings including HSE and Sustainability activities.

**Labour Practices Strategies**

Finding and retaining right people has always been a challenge for the high end consultancy companies as we require a flexible and highly skilled global workforce to deliver in often very demanding environments. We have two types of work force, one working at 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 the field are trained on labour related policies of the organization to maintain standards in services with regard to implementation of managing contractor's personnel. We have firm policies in place to select contractor, ensure they are accountable, monitor and audit them and report on their performance. We have also firm plans to focus on improving the quality of contractor personnel and the way to manage them.

**Social Strategy and Management Approach (Anti-Corruption strategies)**

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

Vigilance Department undertakes the following activities:

a. Punitive Vigilance activities:
   - Handling complaints including PIDPI complaints
   - Closure of complaints with Vigilance angles
   - Managing CTE paras

b. Preventive Vigilance activities
   - Undertaking CTE Type investigations
   - Undertaking system improvements
   - Monitoring implementation of System improvements
   - Monitoring implementation of rotation policy
   - Scrutiny of Annual returns
   - Maintenance of ODI and Agreed list
   - Implementation and effectiveness of Integrity Pact
   - Implementation of e-tendering
   - Implementation of e-payments and e-management of invoices

c. Training and awareness campaigns
   - Sensitization workshops
   - Vigilance Awareness Week
   - Circulation of reading materials

Activities such as Intensive Examination of EIL's own jobs on LSTK/ OBE basis, random surprise inspection of in-house Contracts/ Purchases, scrutiny of Immovable Property Returns, Vigilance clearance of employees, investigation of complaints etc. with the focused objective of ensuring conformity to the Company procedures and Government guidelines. For systemizing the work, various rules, regulations and procedures of the Company are reviewed and scrutinized from time to time. The observations reported by Central Vigilance Commission (CVC) are examined and necessary actions are taken. System improvements are suggested to the Management wherever found necessary and compliance of the same are pursued for improvement. As per CVC guideline 'Structured Meetings' are held between CVO, C&MD and Directors in every quarter related to Vigilance matters. Inter-directorate meetings are also held periodically between CVO & Directors to resolve the pending issues. Vigilance activities are also presented to the Board of Directors on half-yearly basis. Vigilance workshops, interactive sessions, seminars, debates, Vigilance Awareness Week etc. are organized in HO, Regional, Branch, Procurement and site offices of EIL for spreading vigilance awareness and encouraging "Participative Vigilance" amongst the employees of EIL.

EIL has its own dedicated website www.engineersindia.com and also maintains the website www.indianprocessplants.com. Tender notices, complete bid documents, details of awarded tenders, details of contract given on nomination basis, rules and procedures of the Company and all applications, forms/proformas are available on EIL website. Bid management system involving electronically receipt of bids and its acknowledgement to the bidders, E-procurement and Reverse Auction have been implemented. Recruitment applications are also available on website. Facilities for online registration of vendors and Bill Watch System are also available. Bills are being processed on 'First-in-First-out basis. E-payment and e-receipt by the Company have been achieved more than 90% of the total transactions. For EIL employees, all information regarding Company rules, proformas for online claims and their payments status are available on EIL intranet. Company is making electronic payment to vendors. To employees, salaries and other payments are made through ECS. EIL tenders are now being uploaded on Govt. of India website i.e. http://tenders.gov.in.

Online vendor registration, Reverse auction, e – tendering, e-payment, e-receipt, bill watch system etc. are already implemented in the Company.

The Board of Directors have constituted various empowered committees of the Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee, HR Committee, CSR & SD Committee, Risk Management Committee and Committee of Functional Directors in order to have faster, effective and transparent decision making process. Most of the committees have Independent Directors as members/ chairman of the Committee. The Composition of the Committees is in line with the provisions of Companies Act, 2013, Listing Regulations, DPE Guidelines on Corporate Governance. The Minutes of these committees are placed before the Board for information.

EIL has a well-defined policy framework consisting, inter-alia, of the following:-

- Code of Conduct for board members and senior management
- Code of conduct for prevention of insider trading
- Integrity Pact to enhance transparency in business
- Whistle blower policy
- Conduct discipline and appeal rules

During the year, 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.

As part of observing Vigilance Awareness Week 2016, a series of programs were held in line with this year's theme "Public participation in promoting integrity and eradicating corruption." During the period three seminars were organized on the topic "Best practices in e-procurement system-typical challenges and learnings from various PSUs", "Case studies on Vigilance cases in PSUs" and the third was organized with the help of SCM Department on the subject "Upliftment of SC/ ST entrepreneurs through public procurement support and Vigilance awareness" with an intention to create awareness about Public Procurement, its imperatives, precautions to be taken, opportunities for SC/ ST Entrepreneurs in EIL and the benefits provided under various schemes. Dalit Indian Chambers of Commerce and Industries (DICCI) supported the meet by nominating 32 members. Besides all the above, awareness programs /competitions were organized involving local community, at Colleges/ Schools in the local areas around various sites.

As per directions issued by the Central Vigilance Commission and the Department of Public Enterprises, details of vigilance activities were also presented to the Board for the period ending 30th June, 2016 and 31st December, 2016.

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

**Leveraging Technology**

Reverse auctioning, e-tendering, e-payment, e-receipt, etc are already implemented in the Company and being monitored regularly against the set targets. Clearance of vendors' bills on 'First in, First Out' (FIFO) under Bill Tracking system (BTS) is ensured. BTS has provision for details about pendency of vendors' bills.

**Complaint Handling Policy (CHP)**

As per CVC Guidelines, EIL has formulated Complaint Handling Policy (CHS) to resolve complaints/grievances from public, contractors, vendors, suppliers etc. 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

  There exists a policy for hiring of Retired/Ex-employees of EIL and 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 done on monthly basis.

- Integrity Pact

  EIL is committed to higher ethical standards in contracts and procurement as well as transparency in all of its business dealings. In EIL Integrity Pact Program was adopted in November, 2011 for all Contracts & Purchases on EIL's account for enquiries having threshold value over ₹5 Crore. The threshold value has now been lowered from ₹ 5 Crore to ₹ 1 Crore.

- Online Vigilance Clearance (OVC) & Scrutiny of IPRs

  On line Vigilance Clearance and Immovable Property returns of employees is being carried out through Vigilance website - "Avalokan" on OVC portal.

**Product Responsibility (Quality Assurance)**

Our organization's Quality Management System was certified to 2015 version of ISO 9001 in October, 2016 after a comprehensive audit at EI Bhawan, Gurugram complex, construction sites, ROs and RPOs. The certificate is valid up to 13.10.2018. This upgradation from 2008 version to 2015 version reaffirms EIL's continual commitment to Quality.

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

**Product Responsibility (Health & Safety)**

EIL's commitment to HSE requires that their operations be conducted in such a way as to preserve the health and safety of their employees, client official, contractors, vendors, and other stake holders associated with EIL working and to give due regard to the protection of the environment. The highest standards in health, safety and environmental preservation and protection can only be achieved through a systematic approach to the establishment, implementation and maintenance of an HSE Management System designed to ensure, as a minimum, compliance with the laws and project requirements and to achieve continuous performance improvements.

EIL has therefore evolved its safety management system which ensures that due attention is paid to every aspect of safety in design and, at the same time, is flexible enough to adapt to the customer'sspecial requirements. It is the conscious effort of project management that such safety enhancement activities are carried out in a manner that does not affect the schedule and quality of works. The HSE services that EIL provides to its clients are continually assessed for improvements and enhancements. Various safety studies are undertaken by EIL at various stages of the project to ensure Plant safety. These are as under:

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

**HSE activities (Construction)**

Construction Division has an impressive track record of achievements and client satisfaction. The division during the five decades of its functioning has provided construction management services for construction of more than 255 major projects besides numerous small ones within the country and overseas.

Presently there are more than 60 construction sites spread all over India and overseas projects are being executed at Abu Dhabi, Algeria, Nigeria and Indonesia.

EIL Construction on an average renders supervision for more than 100 Million man hours annually at sites. Construction team has been

credited with many accolades and landmarks in HSE aspects. Some of the notable achievements are as under:-

- 81.86 Million man-hours without any LTA (PREP project, Panipat)
- 80 Million man-hours without any LTA (PNCP project, Panipat)
- 75 Million man-hours without any LTA (BCPL, Lepetkata)
- 60 Million man-hours without any LTA (Rehabilitation & Adaptation of Skidda Refinery Project, Algeria)
- 60 Million man-hours without any LTA (GAIL PC-II, Pata)
- 60 Million man-hours without any LTA (IREP BPCL, Kochi)
- 50 Million man-hours without any LTA (Opal Dahej, Gujarat)
- 48.3 Million man-hours without any LTA (MRPL Phase-III, Mangalore)

One of EIL's core values and a fundamental business strategy is the constant pursuit of world-class Health, Safety & Environment (HSE) standards. Both for us and our clients, the maintenance of a safe workplace is a key business driver. In the areas in which we provide our services, we have delivered and continue to deliver excellent safety performance. A well-established HSE Manual, HSE Plan and HSE Procedure are in place for monitoring the HSE aspects at sites.

EIL is a member of The British Safety Council, U.K. and National Safety Council.

Qualified Safety personnel (Diploma in Industrial Safety/NEBOSH qualified) are available for monitoring safety aspects at site in coordination with field engineers of EIL who also thrive to maintain highest safety standards. Further, training in safety is also being imparted to employees through external Institutions ( i.e. DGFASLI).

EIL has been giving major emphasis on use of eco-friendly materials/ technology in construction of buildings to reduce carbon foot print. The following is considered during design stage :

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

EIL has been involved in construction of following GRIHA/ LEED rated buildings:

1) Construction of Data Centers and Office Building at Delhi and Bengaluru for UIDAI - ₹ 514 Cr (LEED Gold rating)
2) Construction of EIL office Complex at Gurugram - ₹ 165 Cr. (GRIHA 4 star rating)
3) Construction of EIL Office complex at Chennai - ₹ 58 Cr. (GRIHA 4 star)

# Annual Report on CSR Activities

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

EIL's CSR policy is strongly integrated into the Company's business vision, where the Company is committed for operating its core business in a socially responsible way, by taking into consideration the wider interests of the community and the environment, with a vision of promoting sustainable development.

Board approved EIL's CSR policy aims at bringing about a radical change in the quality of lives of people by undertaking positive interventions through social upliftment programs. The CSR mission of EIL have been guided by two elemental ideations, namely, the philosophy of enhancing the educational, health and environmental conditions of the society and towards supplementing/supporting the ongoing and planned initiatives of the local, state or central government with projects/programs being located in and around its work places which includes project sites, regional & branch offices and Head office. EIL has undertaken CSR Projects/ Programs in line with Schedule VII of the Companies Act 2013, which are under the following thrust areas:

I. Education
II. Healthcare
III. Drinking Water/ Sanitation
IV. Rural Electrification
V. Environment Protection/ Sustainability
VI. Women Empowerment
VII. Upliftment of underprivileged
VIII. Community Development
IX. Vocational Training/ Skill Centre
X. Promotion of sports and Protection of National Heritage, art and culture

**The web link for EIL's CSR project or program is as below:**

**http://www.engineersindia.com/corporate-social-responsibility/m-122**

**2. The composition of the CSR Committee.**

The details regarding composition of CSR Committee are given in the Corporate Governance Report annexed to the Directors' Report.

**3. Average net profit of the Company for the last three financial years.**

Average net profit of EIL for the last three financial years i.e. FY 2013-14, FY 2014-15 and FY 2015-16 was ₹51504.05 Lakh.

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

The prescribed CSR expenditure i.e. 2% of ₹51504.05 Lakh is ₹1030.08 Lakh.

**5. Details of CSR spent during the financial year:**

**a) Total amount to be spent for the financial year**

Total amount to be spent for the financial year 2016-17 was ₹1030.08 Lakh.

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

Nil

**c) Manner in which the amount spent during the financial year 2016-17.**

Details are annexed to this report.

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

Not Applicable

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

**V.C. Bhandari**
Director (HR), Member-CSR Committee

**Sanjay Gupta**
Chairman-CSR Committee

Place: New Delhi
Date : May 22, 2017

**Detail of amount spent during financial year 2016-17**

| (1) | (2) | (3) | (4) | | | (5) | (6) | | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Location | | | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs | | Cumulative expenditure upto the reporting period | Amount spent: Direct or through Implementing Agency |
| | | | Other | Local Area | District/State | | Direct Expenditure (₹ in Lakh) | Overheads (₹ in Lakh) | | |
| 1 | Support to project 'Samarth' for imparting training in dress making and embroidery to underprivileged women and girls. | Skill Development / Vocational Training | _ | Kota | Rajasthan | 9.87 | 1.97 | _ | 1.97 | Sustainable Action towards Human Empowerment (SATHEE) |
| 2 | Support for conducting Employment Oriented Training and Skill Development Programme for 1000 candidates belonging to SC/ST/ OBC Women and EWS of society in various trades. | Skill Development / Vocational Training | (i) Bheemili (Vishakhapatnam) (ii) Chapaguri (iii) Faridabad (iv) Ranchi, Daltonganj (v) Gorakhpur, Dhaulana, Kanmau (Sidhauli), Amethi, Ghaziabad | _ | (i) Andhra Pradesh (ii) Assam (iii) Haryana (iv) Jharkhand (v) Uttar Pradesh | 394.6 | 340.01 | _ | 340.01 | Construction Industry and Development Council (CIDC) |
| 3 | Support for conducting training and placement programme for 100 Persons with Disabilities in IT/ ITES/BPO etc under Livelihood Resource Centre (LRC) Programme. | Upliftment of Underprivileged | _ | Bengaluru | Karnataka | 9.85 | 2.96 | _ | 2.96 | Samarthanam Trust for the Disabled |
| 4 | Support for Free Formal Education & providing items w.r.t. to school stationery to 60 underprivileged children of Delhi / NCR. | Education | _ | Delhi/NCR | Delhi/NCR | 8.38 | 5.87 | _ | 5.87 | Amity Humanity Foundation (AHF) |
| 5 | Support for conducting employment oriented skill development training of 600 youth. | Skill Development / Vocational Training | _ | (i) Faridabad (ii) Bhopal | (i) Haryana (ii) Madhya Pradesh | 244.5 | 176.77 | _ | 176.77 | Centre for Research and Industrial Staff Performance (CRISP) |
| 6 | Support for construction of first floor of 'Residential Home for the Aged Blind' at Dwarka. | Upliftment of Underprivileged | _ | Delhi | Delhi | 96.16 | 19.23 | _ | 19.23 | National Association for the Blind (NAB) |

| (1) | (2) | (3) | (4) | | | (5) | (6) | | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Location | | | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs | | Cumulative expenditure upto the reporting period | Amount spent: Direct or through Implementing Agency |
| | | | Other | Local Area | District/State | | Direct Expenditure (₹ in Lakh) | Overheads (₹ in Lakh) | | |
| 7 | Support for conducting 20 Eye & Health Check Up Camps (10 camps in Delhi/NCR and 10 Camps around EIL's area of operation in other locations). | Healthcare | _ | (i) Delhi/NCR (ii) Ghaziabad, Budh Nagar (iii) Vizag (iv) Manali (v) Mumbai (vi) Durgapur (vii) Vadodra, Khoraj (viii) Kota | (i) Delhi/NCR (ii) Uttar Pradesh (iii) Andhra Pradesh (iv) Tamil Nadu (v) Maharashtra (vi) West Bengal (vii) Gujarat (viii) Rajasthan | 8.5 | 5.1 | _ | 5.1 | Mahavir International |
| 8 | Support for conducting Skill Development Training for 1500 Persons with Disabilities (PwDs) in various trades. | Skill Development / Vocational Training | _ | (i) Guwahati (ii) Ahmadabad (iii) Faridabad, Panipat (iv) Bangalore (v) Chennai | (i) Assam (ii) Gujarat (iii) Haryana (iv) Karnataka (v) Tamil Nadu | 180 | 32.4 | _ | 32.4 | National Handicapped Finance and Development Corporation (NHFDC) |
| 9 | Support for conducting functional literacy programme for economic empowerment of 120 tribal women. | Skill Development / Vocational Training | Bolangir | _ | Odisha | 9.83 | 6.88 | _ | 6.88 | Amity Humanity Foundation |
| 10 | Support for installation of medical equipments towards the project 'Breaking the barriers of poverty through reduction of disease burden' for serving the underprivileged people. | Healthcare | _ | Delhi/NCR | Delhi/NCR | 21.86 | 17.48 | _ | 17.48 | Family Planning Association of India (FPA) |
| 11 | Support for conducting 30 Eye & Health Check Up Camps. | Healthcare | _ | Delhi/NCR | Delhi/NCR | 11.4 | 6.84 | _ | 6.84 | Mahavir International |
| 12 | Support for project 'School Aapke Dwar' for providing education to migrant children. | Education | _ | Gurugram | Haryana | 9.96 | 7.97 | _ | 7.97 | All India Citizens Alliance for Progress & Development (AICAPD) |
| 13 | Support for organizing 4 Mega Camps under 'Jan Swasthya Abhiyan' for poor and needy community living in and around EIL's area of operation. | Healthcare | _ | (i) Delhi/NCR (ii) Mangalore (iii) Bharuch (iv) Mumbai | (i) Delhi/NCR (ii) Karnataka (iii) Gujarat (iv) Maharashtra | 9 | 5.4 | _ | 5.4 | Anugraha Drishtidaan |

| (1) | (2) | (3) | (4) | | | (5) | (6) | | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Location | | | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs | | Cumulative expenditure upto the reporting period | Amount spent: Direct or through Implementing Agency |
| | | | Other | Local Area | District/State | | Direct Expenditure (₹ in Lakh) | Overheads (₹ in Lakh) | | |
| 14 | Support for conducting residential employment oriented training and skill development of 55 candidates belonging to SC, ST, OBC and BPL category in electrical wireman trade. | Skill Development/ Vocational Training | _ | Bharuch | Gujarat | 20.8 | 14.32 | _ | 14.32 | MCMW Worldwide Private Limited (MCMW) |
| 15 | Support for installation of Solar PV Plant at Ramakrishna Mission Ashram Premises, New Delhi. | Upliftment of Underprivileged | _ | Delhi | Delhi | 21.98 | 17.58 | _ | 17.58 | Ramakrishna Mission, Delhi |
| 16 | Support for conducting Ten Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs) at mutually agreed locations. | Upliftment of Underprivileged | _ | Mutually agreed locations (to be decided) | Mutually agreed locations (to be decided) | 400 | 20 | _ | 20 | Artificial Limbs Manufacturing Corporation of India (ALIMCO) |
| 17 | Support for providing 'Multi-Facility Health Package' for cause and care of destitute elderly residing in 12 Old Age Homes located across 4 major States. | Upliftment of Underprivileged | _ | (i) Boudha, Dhenkanal, Kandhamal, Khurdha (ii) Ahmadabad, Vadodra (iii) Chennai (iv) Mumbai | (i) Odisha (ii) Gujarat (iii) Tamil Nadu (iv) Maharashtra | 41.55 | 14.58 | _ | 14.58 | HelpAge India |
| 18 | Support for providing Mobile Medical Care Unit to extend affordable health care services to poor and needy people residing in remote villages of Odisha. | Healthcare | _ | Bhubaneswar | Odisha | 84.3 | 84.2 | _ | 84.2 | Utkal Bipanna Sahayata Samiti (UBSS) |

| (1) | (2) | (3) | (4) | | | (5) | (6) | | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Location | | | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs | | Cumulative expenditure upto the reporting period | Amount spent: Direct or through Implementing Agency |
| | | | Other | Local Area | District/State | | Direct Expenditure (₹ in Lakh) | Overheads (₹ in Lakh) | | |
| 19 | Support for distribution of adult diapers among Bedridden and Elderly patients residing across 30 slum areas of Delhi. | Upliftment of Underprivileged | _ | Delhi | Delhi | 9.97 | 7.98 | _ | 7.98 | Agewell Foundation |
| 20 | Support for conducting skill training for 49 women inmates of District Jail, Gautambudh Nagar at Kasna in Tailoring, Dress Making and Beautician Trade. | Skill Development/ Vocational Training | _ | Gautambudh Nagar | Greater Noida | 2.48 | 2.48 | _ | 2.48 | Society for Environment and Development Alliance (SEDA) |
| 21 | Support for bringing Computer Literacy to 136 Underprivileged Children. | Education | _ | Delhi/NCR | Delhi/NCR | 9.4 | 4.7 | _ | 4.7 | Amity Humanity Foundation |
| 22 | Support for installation and commissioning of 100 Solar Photovoltaic based LED Street Lighting Systems in various villages of Bhadohi District. | Rural Electrification | Bhadohi | _ | Uttar Pradesh | 21.8 | 10.9 | _ | 10.9 | Rajasthan Electronics and Instruments Limited (REIL) |
| 23 | Support for installation and commissioning of 110 Solar Photovoltaic based LED Street Lighting Systems in various villages of Shrawasti District. | Rural Electrification | Shrawasti | _ | Uttar Pradesh | 23.98 | 11.99 | _ | 11.99 | Rajasthan Electronics and Instruments Limited (REIL) |
| 24 | Support for establishment of Vivekananda centre for yoga, naturopathy and research at Delhi. | Upliftment of Underprivileged | _ | Delhi | Delhi | 20 | 20 | _ | 20 | Vivekananda Yoga Anusandhana Samsthana (VYASA) |
| 25 | Contribution to Skill Development Institute, Vishakhapatnam. | Skill Development/ Vocational Training | _ | Vishakhapatnam | Andhra Pradesh | 75 | 75 | _ | 75 | Skill Development Institute, Vishakhapatnam |

| (1) | (2) | (3) | (4) | | | (5) | (6) | | (7) | (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Location | | | Amount outlay (budget) project or program wise (₹ in Lakh) | Amount spent on the projects or programs | | Cumulative expenditure upto the reporting period | Amount spent: Direct or through Implementing Agency |
| | | | Other | Local Area | District/State | | Direct Expenditure (₹ in Lakh) | Overheads (₹ in Lakh) | | |
| 26 | Contribution to Skill Development Institute, Kochi. | Skill Development/ Vocational Training | _ | Kochi | Kerala | 75 | 75 | _ | 75 | Skill Development Society, Kochi |
| 27 | Support for construction of Government School Building. | Education | Kabennur, Dharwad | _ | Karnataka | 330.63 | 16.53 | _ | 16.53 | Nirmithi Kendra, Dharwad |
| 28 | Support for construction/ setting up of 20 drinking water filter units in 10 villages each of Kundagol and Kalahghatagi Taluk of Dharwad District of Karnataka. | Drinking Water/ Sanitation | Dharwad | _ | Karnataka | 198.59 | 39.72 | _ | 39.72 | Institute of Integrated Rural Development (IIRD) |
| 29 | Support for construction of RO Plants at six locations of Kakinada namely P. Mallvaram, Pathigondi, Ramjinagar, Grant, Tallarevu, Korangi. | Drinking Water/ Sanitation | _ | Kakinada | Andhra Pradesh | 32.7 | 16.35 | _ | 16.35 | District Authority Kakinada |
| 30 | Support for Construction of compound wall at Municipal Primary School Kasi Koil Kuppam, Thiruvottiyur Block, Thiruvallur District, Tamil Nadu. | Education | _ | Thiruvallur | Tamil Nadu | 8.62 | 8.62 | _ | 8.62 | Municipal Primary School Kasi Koil Kuppam |
| 31 | Support for construction of toilet facilities in schools of Assam, Bihar, Odisha and Tamil Nadu under Swachh Vidyalaya Programme. | Drinking Water/ Sanitation | _ | _ | (i) Assam (ii) Bihar (iii) Odisha (iv) Tamil Nadu | 1755 | 30.86 | _ | 30.86 | EIL (in-house) |
| **TOTAL** | | | | | | | **1099.69** | | **1099.69** | |

**Annexure to the Directors' Report**

# Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso there to**

1. **Detail of Contracts or arrangements or transactions not at arm's length basis -** Engineers India Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.
2. **Detail of material contracts or arrangement or transactions at arm's length basis -** NIL

# Report on Corporate Governance

## 1. Company's Philosophy on Corporate Governance

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the values of transparency, professionalism and accountability. The Company is committed to attain the highest standard of Corporate Governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance all stakeholders' value within the framework of laws and regulations.

## 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 12 Directors on its Board viz. C&MD [holding additional charge of Director (Finance)], 4 Executive Directors (Functional) and 7 Non-Executive Directors out of which two are Government Nominee Directors and five are Non-official Part-time Independent Directors. The Executive Directors (Functional) are reporting to the Chairman and Managing Director. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs stipulate that at least 50% of the Directors should be Independent Directors, where Chairman is Executive. 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 2016-17. The details of the Board Meetings are as under:

| Sl. No. | Date of Meeting | Place | Board Strength | No. of Directors present |
|---|---|---|---|---|
| 1. | May 25, 2016 | New Delhi | 11 | 10 |
| 2. | July 15, 2016 | New Delhi | 10 | 9 |
| 3. | August 23, 2016 | New Delhi | 10 | 9 |
| 4. | November 16, 2016 | New Delhi | 12 | 11 |
| 5. | January 13, 2017 | New Delhi | 11 | 7 |
| 6. | February 10, 2017 | New Delhi | 11 | 9 |
| 7. | March 16, 2017 | New Delhi | 11 | 8 |
| 8 | March 20, 2017 | New Delhi | 11 | 9 |

### 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 2016-2017 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 19/09/2016 | Other Directorships | Other Committee Memberships** | Other Committee Chairmanships** |
| **A) Chairman and Managing Director (Executive)** | | | | | |
| Shri Sanjay Gupta | 8 | Yes | 3 | - | - |
| **B) Executive Directors (Functional)** | | | | | |
| **I) Present Directors** | | | | | |
| Shri Ajay N. Deshpande | 8 | Yes | 1 | - | - |
| Shri V.C. Bhandari*-1 | 5 | Yes | - | - | - |
| Shri R.K. Sabharwal*-2 | 5 | - | - | - | - |
| Shri J.C. Nakra*-3 | - | - | - | - | - |

| Name of the Director | Attendance Particulars | | Number of other Directorships / Committee Memberships / Chairmanships | | |
|---|---|---|---|---|---|
| | Board Meetings | Last Annual General Meeting held on 19/09/2016 | Other Directorships | Other Committee Memberships** | Other Committee Chairmanships** |
| **II) Directors retired during the year** | | | | | |
| Ms Veena Swarup*-4 | 1 | - | - | - | - |
| Shri Ashwani Soni*-5 | 4 | Yes | - | - | - |
| Shri Ram Singh*-6 | 8 | Yes | 1 | - | - |
| **C) Non-Executive Directors** | | | | | |
| **I) Present Directors** | | | | | |
| Shri Sandeep Poundrik | 4 | No | 1 | - | - |
| Ms. Sushma Taishete | 7 | No | - | - | - |
| Dr. (Prof.) Mukesh Khare | 4 | Yes | 1 | 1 | - |
| Shri Umesh Chandra Pandey | 7 | Yes | 2 | 1 | 1 |
| Shri V.K. Deshpande | 6 | Yes | 3 | - | - |
| Mrs. Arusha Vasudev | 5 | Yes | - | - | - |
| Ms. Shazia Ilmi Malik*-7 | - | - | - | - | - |

**Remarks:**

*-1 Shri V.C. Bhandari was appointed as Additional Director in the capacity of Director (HR) w.e.f. 26.08.2016 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/3/2014-CA/FTS: 32590 dated 26.08.2016. In terms of the provisions of the Companies Act, 2013, his tenure as Additional Director expired on 19.09.2016. Therefore, his appointment was renewed and accordingly, he was appointed as Additional Director in the capacity of Director (HR) w.e.f. 19.09.2016.

*-2 Shri R.K. Sabharwal was appointed as Additional Director in the capacity of Director (Commercial) w.e.f. 27.09.2016 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/2/2015-CA/FTS:38384 dated 27.09.2016. Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Commercial) for a period of six months w.e.f.01.12.2015 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/03/2015-CA/FTS:38389 which was further extended by three months w.e.f 01.06.2016.

*-3 Shri J.C. Nakra was appointed as Additional Director in the capacity of Director (Projects) w.e.f. 12.04.2017 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/1/2015-CA/FTS :36381 dated 12.4.2017.

*-4 Ms. Veena Swarup ceased to be Director (HR) w.e.f. 01.07.2016 due to her retirement on attaining the age of superannuation. On her retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (HR) for a period of three months w.e.f.01.07.2016 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/01/2016-CA/FTS:44014 dated 08.08.2016.

*-5 Shri Ashwani Soni ceased to be Director (Projects) w.e.f. 01.01.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Projects) for a period of three months w.e.f.01.01.2017 to 31.03.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/03/2016-CA/FTS:46388 dated 31.01.2017.

*-6 Shri Ram Singh ceased to be Director (Finance) w.e.f. 01.05.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Finance) for a period of three months w.e.f.01.05.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/2/2017-CA/FTS:47938 dated 25.04.2017.

*-7 Ms. Shazia Ilmi Malik was appointed as Additional Director (Non-Official Part time Independent) w.e.f. 27.03.2017 (date of allotment of DIN) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31034/1/2016-CA/FTS: 46118 dated 31.01.2017.

** 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 Stakeholders Relationship Committee and based on disclosures received from Directors.

**Notes:**

(i) None of the Independent Directors are holding Directorships in more than seven listed companies.
(ii) None of the Functional Directors are acting as Independent Director in any listed Company.
(iii) The Company has not issued any convertible instruments.

**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. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials, sponsored by the concerned Functional Directors and approved by C&MD. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required. Action Taken Reports are put up to the Board periodically. To enable better and more focused attention on the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose.

**e) Code of Business Conduct and Ethics for Board Members and Senior Management**

The Board of Directors has laid down the Code of Business Conduct and Ethics for all Board Members and Senior Management of the Company. The same has also been posted on the Website of the Company.

**Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance for CPSEs and Companies Act, 2013.**

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended on March 31, 2017.

**(Sanjay Gupta)**
Chairman & Managing Director
and Addl. Charge-Director (Finance)

Place: New Delhi
Date: 22.05.2017

**f) Performance Evaluation**

EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

**g) Separate Meeting of Independent Directors**

A separate Meeting of the Independent Directors was held on 20.03.2017 as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Part-time Independent Directors of CPSEs and in compliance to the other statutory provisions in this regard. All the Independent Directors except Mrs. Arusha Vasudev attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

**h) Familiarisation programme for Board Members**

The Company has a well defined Training Policy for training of Board Members which inter-alia include the various familiarisation programmes in respect of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. Further, the same is also taken care during the various Strategy Meets of the Company and different presentations on the statutory Laws in the Board/Committee meetings. The details of such familiarisation programmes/ Training Policy have also been posted on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

**i) 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 Non-official Independent Directors and the Performance Evaluation of the Directors. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

**3. Audit Committee**

Presently, the Audit Committee comprises of five Non-official Part-time Independent Directors viz. Shri Umesh Chandra Pandey as the Chairman, Dr. (Prof.) Mukesh Khare, Shri V.K. Deshpande, Mrs. Arusha Vasudev and Ms. Shazia Ilmi Malik as the members.

The details of meetings held during the financial year 2016-17 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members | Category | Attendance |
|---|---|---|---|---|
| 1. | 25.05.2016 | Shri Umesh Chandra Pandey | Non-Executive (Independent) | Not Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) (Chairman of the meeting) | Present |
| 2. | 14.07.2016 | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) | Present |
| 3. | 23.08.2016 | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Not Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) | Present |
| 4. | 16.11.2016 | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) | Present |
| 5. | 10.02.2017 | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Not Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) | Present |
| 6. | 16.03.2017 | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Not Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) | Not Present |

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation to the Board, the fixation of Audit fees payable to Statutory Auditors appointed by C&AG;
3. Recommendation to the Board, the appointment of Cost Auditors of the Company and fixation of their cost Audit Fees;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report
    h. modified opinion(s) in the draft audit report;

6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. Approval or any subsequent modification of transactions of the Company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors and/or auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. To review the follow-up action on the audit observations of C&AG Audit;
21. To review the follow-up action taken on the recommendation of Committee on Public Undertakings (COPU) of the Parliament;
22. Provide an open avenue of communication between the Independent auditor, internal auditor and the Board of Directors;
23. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources;
24. Consider and review the following with the independent auditor and the management:

    - The adequacy of internal controls including computerized information system controls and security, and

    - Related findings and recommendations of the Independent auditor and internal auditor, together with the management responses;
25. The Audit Committee shall mandatorily review the following information:
    a) Management discussion and analysis of financial condition and results of operations;
    b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
    c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d) Internal audit reports relating to internal control weaknesses; and
    e) The appointment, removal and terms of remuneration of the Chief internal auditor.
    f) Certification/Declaration of Financial Statements by the Chief Executive/Chief Financial Officer.
    g) Statement of deviations:
        (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
        (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) ;
26. Review all Related Party Transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions;

27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

28. The Audit Committee shall have additional functions/features as prescribed under Companies Act 2013, Listing Regulations, DPE Guidelines as amended from time to time.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in the Listing Regulations, DPE Guidelines and Companies Act 2013 read with related rules issued thereon including any statutory modifications and amendments as may be issued from time to time.

**4. Subsidiary Companies**

The Company is having one wholly owned subsidiary viz. Certification Engineers International Limited (CEIL). This subsidiary Company does not fall under the category of "material non-listed subsidiary Company" within the meaning of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance. The Audit Committee of EIL has reviewed the financial statements and performance, in particular, the investments made by CEIL. The Minutes of the Board Meetings of CEIL have also been placed before the Board Meetings of EIL. The Board of Directors of the Company periodically review the details of all significant transactions and arrangements entered into by CEIL, being un-listed subsidiary Company. In accordance with the provisions of the Listing Regulations, the Company has formulated a policy for determining Material Subsidiaries and the same has also been posted on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

**5. Related Party Transactions**

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and the same has been revised from time to time. The same has been posted on the website of the Company at http://engineersindia.com/corporate-governance/m-160. The Company gives the disclosure regarding the details of all the material transactions with related parties on quarterly basis along with the compliance report on Corporate Governance. Further, suitable disclosure as required by the Accounting Standard (Ind AS24) has been made in the notes to the Financial Statements.

**6. Nomination and Remuneration Committee/Remuneration of Directors**

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The 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 Non-official Part-time 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 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 has a Nomination and Remuneration Committee which has been formed by the Board of Directors in its meeting held on 19.12.2008 as per DPE OM dated 26th November, 2008 regarding pay revision of CPSE executives.

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

"Finalizing the salary, structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and non-unionised supervisors within prescribed limits. May also decide issues like ESOP schemes, performance incentive schemes, superannuation benefits and any other fringe benefits. Also extends to the review of Non-Executive Directors' fees."

Presently, the Nomination and Remuneration Committee comprises of four Non-executive Directors (out of which 3 are independent) viz. Shri V.K. Deshpande as Chairman, Ms. Sushma Taishete, Shri Umesh Chandra Pandey and Mrs. Arusha Vasudev, as the members of the committee. Director (HR) is the convener of this committee. The Nomination and Remuneration committee was reconstituted during the year due to the following:

-Ms. Sushma Taishete, Director (Govt Nominee) was inducted as member in place of Director (HR) w.e.f. 25.5.2016.

The details of meeting held during the financial year 2016-17 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members | Category | Attendance |
|---|---|---|---|---|
| 1. | 25.05.2016 | Shri. V.K. Deshpande | Non-Executive(Independent)-Chairman | Present |
| | | Shri Umesh Chandra Pandey | Non-Executive (Independent) | Not Present |
| | | Mrs. Arusha Vasudev | Non-Executive (Independent) | Present |
| | | Ms. Veena Swarup | Director (HR) | Present |

The details of remuneration paid to the Functional Directors during the financial year ended March 31, 2017 are as under:

(Amount in ₹)

| Sl. No. | Name of Director | Salary & Allowances | Other Benefits & Perquisites | Performance Related Pay/ Productivity Linked Reward | Stock Options during the year 2016-17 | Total |
|---|---|---|---|---|---|---|
| 1 | Shri Sanjay Gupta | 2759012 | 1509587 | 99421 | Nil | 4368020 |
| 2 | Shri Ram Singh | 2923698 | 771445 | 82326 | Nil | 3777469 |

(Amount in ₹)

| Sl. No. | Name of Director | Salary & Allowances | Other Benefits & Perquisites | Performance Related Pay/ Productivity Linked Reward | Stock Options during the year 2016-17 | Total |
|---|---|---|---|---|---|---|
| 3 | Ms. Veena Swarup | 2726977 | 156670 | 74376 | Nil | 2958023 |
| 4 | Shri Ajay N. Deshpande | 2930785 | 578157 | 73256 | Nil | 3582198 |
| 5 | Shri Ashwani Soni | 3973408 | 553488 | 74942 | Nil | 4601838 |
| 6 | Shri V.C. Bhandari | 1741174 | 427021 | 38540 | Nil | 2206735 |
| 7 | Shri Rakesh Kumar Sabharwal | 1519573 | 288863 | 38540 | Nil | 1846976 |
| | **Total** | **18574627** | **4285231** | **481401** | **Nil** | **23341259** |

Details of payments towards sitting fees to Independent Directors during the financial year 2016-17 are given below:-

(Amount in ₹)

| Name of Part-time (non-official) Independent Director | Sitting Fees* | | Total |
|---|---|---|---|
| | Board Meeting | Committee Meeting | |
| Dr. (Prof.) Mukesh Khare | 60000 | 120000 | 180000 |
| Mrs. Arusha Vasudev | 75000 | 135000 | 210000 |
| Shri V.K. Deshpande | 90000 | 165000 | 255000 |
| Shri Umesh Chandra Pandey | 105000 | 120000 | 225000 |
| **Total** | **330000** | **540000** | **870000** |

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

**7. Accounting Treatment**

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

**8. Risk Management**

EIL is committed to effective management of risks across the organization by aligning its risk management strategy to its business objectives and by instituting a risk management structure and frame work for timely identification, assessment, mitigating, monitoring and reporting of risks. Accordingly, a robust Enterprise Risk Management and Project Risk Management framework have been designed and deployed.

The Risk Management committee is a key governing body of the Risk management function at EIL. The Risk Management Committee, which is a subcommittee of the board comprises of two independent directors and three functional directors. The chairman of the committee is an Independent director.

Major functions of the Risk Management Committee are:

- Review & monitoring of Risk Management policy, risk management plan and risk management process from time to time.
- Approving and informing the Board about risk identification, assessment, control and mitigation procedures.
- Reviewing Project Risk Management Plans
- Reviewing reports on Risk Management compliance verification and status of implementation
- Guiding Corporate Risk Assurance group in integration of enterprise wide Risk Management (ERM) with business planning, business strategy, management activities and operational objectives.

The status of Enterprise Risk Management and Project Risk Management is presented bi-annually to the Board of Directors & Audit Committee and Quarterly to Risk Management committee.

**Risk Management Committee**

The major functions of Risk Management committee are – to review & monitoring of Risk Management Policy, Risk Management Plan and Risk Management Process from time to time, approve and inform the Board about risk identification, assessment, control and mitigation procedures, review of project risk management plans, review reports periodically on Risk Management compliance verification and status of implementation, guide Corporate Risk Assurance Group (CRA) in integration of Enterprise Risk Management (ERM) with other business planning, business strategy, management activities and operational objectives.

Presently, the Risk Management Committee comprises of Eight Directors (out of which 5 are independent) viz. Shri V.K. Deshpande as Chairman, Shri Umesh Chandra Pandey, Mrs. Arusha Vasudev, Dr. (prof.) Mukesh Khare, Ms. Shazia Ilmi Malik, Director (Technical), Director (Finance) and Director (Projects)

The details of meeting held during the financial year 2016-17 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members | Category | Attendance |
|---|---|---|---|---|
| 1. | 16.11.2016 | Shri Umesh Chandra Pandey | Non-Executive (Independent)-Chairman | Present |
| | | Shri V.K. Deshpande | Non-Executive (Independent) | Present |
| | | Shri Ram Singh*-1 | Director (Finance) | Present |
| | | Shri Ajay N. Deshpande | Director (Technical) | Present |
| | | Shri Ashwani Soni*-2 | Director (Projects) | Present |

*-1 Shri Ram Singh ceased to be Director (Finance) w.e.f. 01.05.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Finance) for a period of three months w.e.f.01.05.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/2/2017-CA/FTS:47938 dated 25.04.2017.

*-2 Shri Ashwani Soni ceased to be Director (Projects) w.e.f. 01.01.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Projects) for a period of three months w.e.f.01.01.2017 to 31.03.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/03/2016-CA/FTS:46388 dated 31.01.2017.

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

The Company has not raised any money through Public Issue, Right Issues or any Preferential Issues during the financial year 2016-17. However, the Shareholding of Government of India was reduced from 59.37% of the paid up equity share capital of the Company to 57.02% of the paid up equity share capital of the Company comprising of 384224594 equity shares of ₹ 5/- each due to disinvestment by the Government of India and off market CPSE ETF Transaction under regulation 13(4A) of the SEBI Insider Trading Regulations. The President of India acting through the Ministry of Petroleum and Natural Gas sold 1675326 equity shares of the Company (0.497% of the paid up share capital of the Company) out of their shareholding by "Offer for Sale (OFS)" to the eligible employees of the Company on 7th October, 2016. The Company has allotted 198349925 equity shares of ₹ 5/- each to President of India as part of Bonus issue in the ratio of 1:1. Further the President of India has also sold 12475256 equity shares of the Company out of their shareholding by off Market Transaction for CPSE ETF.

**10. Shareholders**

**A)** The brief resume of the Directors seeking appointment/reappointment together with the nature of their expertise in specific functional areas, disclosure of relationships between Directors inter-se, names of companies in which they hold Directorships and the membership/chairmanship of Committees of the Board along with their shareholding in the Company etc. as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance and other statutory provisions is annexed to the Notice calling the Annual General Meeting.

**B)** None of the Directors/KMPs of the Company are inter-se related as on 31st March, 2017.

**C)** None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2017.

**D) Means of Communication**

| | |
|---|---|
| Quarterly, Half Yearly Results and Yearly Results | Published in Economic Times (all editions), Financial Express (all editions) & Hindu Business Line (all editions) 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 namely www.connect2nse.com/LISTING/ and BSE Listing Centre |
| 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 read with Rules. | eil.annualreport@eil.co.in |

As a part of Green initiative in Corporate Governance, the Company has sent the Annual Reports for the financial year 2015-16 and other communications like NECS/ECS credit information for final and interim dividend to large number of shareholders for the

financial years 2015-16 & 2016-17 respectively through e-mail ids of the shareholders registered with NSDL/ CDSL/Company/RTA. Further Postal Ballot notice for Amendment in Article and approval of Buyback dated 20.3.2017 was also sent to large number of shareholders through email-id registered with the Company.

**E) Stakeholders Relationship Committee of the Board**

The Company is having a Stakeholders Relationship Committee. Presently, the Stakeholders Relationship Committee comprises of three directors(One Non-official Part-time Independent Director and two Executive Functional Directors) viz. Shri V.K. Deshpande as Chairman, Director (Commercial) and Director (HR) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Dr.(Prof.) Mukesh Khare ceased to be member and Chairman w.e.f. 17.11.2016.

- Mrs. Arusha Vasudev ceased to be member w.e.f. 17.11.2016.

- Director (Finance) and Director (HR) were inducted as member w.e.f. 17.11.2016.

The Committee met 4 times during the year on 25.05.2016, 23.08.2016, 16.11.2016 and 10.02.2017 and all the members were present in each meeting, except in meeting of 23.08.2016 Dr.(Prof) Mukesh Khare, Non-official Part-time Independent Directors was not present.

**F) Share Transfer Committee of the Board**

The Company has a Share Transfer Committee in place. Presently, the Share Transfer Committee comprises of three Directors viz. Director (Technical) as Chairman, Director (HR) and Director (Commercial) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Director (Finance) ceased to be the member and Chairman w.e.f. 01.01.2017.

- Director (Project) ceased to be the member w.e.f. 01.01.2017

- Director (Technical), the existing member was appointed as chairman w.e.f. 01.01.2017.

- Director (HR) and Director (Commercial) were inducted as member w.e.f. 01.01.2017.

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 2016-17 on 4.04.2016, 11.04.2016, 18.04.2016, 25.04.2016, 2.05.2016, 9.05.2016, 16.05.2016, 23.05.2016, 30.05.2016, 6.06.2016, 13.06.2016, 20.06.2016, 27.06.2016, 4.07.2016, 11.07.2016, 18.07.2016, 25.07.2016, 1.08.2016, 8.08.2016, 16.08.2016, 22.08.2016, 29.08.2016, 6.09.2016, 12.09.2016, 19.09.2016, 26.09.2016, 3.10.2016, 10.10.2016, 17.10.2016, 24.10.2016, 1.11.2016, 7.11.2016, 15.11.2016, 21.11.2016, 28.11.2016, 5.12.2016, 12.12.2016, 19.12.2016, 26.12.2016, 2.01.2017, 9.01.2017, 16.01.2017, 23.01.2017, 30.01.2017, 6.02.2017, 13.02.2017, 20.02.2017, 27.02.2017, 6.03.2017, 14.03.2017, 20.03.2017, 24.03.2017 and all the members were present in each meeting.

**G) HR Committee of the Board**

The HR Committee has been constituted to deal with some specific HR issues including revision in HR Policies and Rules. Presently, the HR Committee comprises of seven Directors viz. all Functional Directors including C&MD of EIL, Ms. Sushma Taishete, Director (Government Nominee) and Shri Umesh Chandra Pandey, Non-official Part-time Independent Director as the members of the Committee. Shri Sanjay Gupta, Chairman & Managing Director holding additional charge of Director (Finance), is acting as Chairman of the committee.

The details of meetings held during the financial year 2016-17 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members | Category | Attendance |
|---|---|---|---|---|
| 1. | 13.12.2016 | Shri Sanjay Gupta | Chairman & Managing Director-Chairman | Present |
| | | Ms. Sushma Taishete | Non-Executive (Government Nominee) | Present |
| | | Shri Umesh Chandra Pandey | Non-Executive (Independent) | Present |
| | | Shri Ram Singh*-1 | Director (Finance) | Present |
| | | Shri V.C. Bhandari | Director (HR) | Present |
| | | Shri Ajay N. Deshpande | Director (Technical) | Present |
| | | Shri Ashwani Soni*-2 | Director (Projects) | Present |
| | | Shri Rakesh Kumar Sabharwal | Director (Commercial) | Present |

| Sl. No. | Date of the Meeting | Name of the Members | Category | Attendance |
|---|---|---|---|---|
| 2. | 10.2.2017 | Shri Sanjay Gupta | Chairman & Managing Director-Chairman | Present |
| | | Ms. Sushma Taishete | Non-Executive (Government Nominee) | Present |
| | | Shri Umesh Chandra Pandey | Non-Executive (Independent) | Present |
| | | Shri Ram Singh*-1 | Director (Finance) | Present |
| | | Shri V.C. Bhandari | Director (HR) | Present |
| | | Shri Ajay N. Deshpande | Director (Technical) | Present |
| | | Shri Rakesh Kumar Sabharwal | Director (Commercial) | Present |

*-1 Shri Ram Singh ceased to be Director (Finance) w.e.f. 01.05.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Finance) for a period of three months w.e.f.01.05.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/2/2017-CA/FTS:47938 dated 25.04.2017.

*-2 Shri Ashwani Soni ceased to be Director (Projects) w.e.f. 01.01.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Projects) for a period of three months w.e.f. 01.01.2017 to 31.03.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/03/2016-CA/FTS:46388 dated 31.01.2017.

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

The Company is having CSR & SD Committee. Presently, the CSR & SD Committee comprises of five Directors (out of which one is Director (Government Nominee) and two are Independent Directors) viz. Chairman & Managing Director as Chairman, Ms. Sushma Taishete, Dr. (Prof.) Mukesh Khare, Ms. Shazia Ilmi Malik and Director (HR) as the members of the Committee. Director (HR) is also the convenor of this Committee. In terms of revised DPE guidelines and provisions of Companies Act, 2013, the Board of Directors in their meeting held on 23.8.2016 have approved reconstitution of CSR and SD Committee of the Board and renamed the existing CSR Committee as CSR &SD Committee. The SD Committee ceases to exist w.e.f 23.08.2016.

The detail of meetings held during the financial year 2016-17 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name of the Members | Category | Attendance |
|---|---|---|---|---|
| 1. | 16.02.2017 | Shri Sanjay Gupta | Chairman & Managing Director-Chairman | Present |
| | | Ms. Sushma Taishete | Non-Executive (Government Nominee) | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Present |
| | | Shri Ram Singh*-1 | Director (Finance) | Present |
| | | Shri. V.C. Bhandari | Director (HR) | Present |
| 2. | 24.03.2017 | Shri Sanjay Gupta | Chairman & Managing Director-Chairman | Present |
| | | Ms. Sushma Taishete | Non-Executive (Government Nominee) | Present |
| | | Dr. (Prof.) Mukesh Khare | Non-Executive (Independent) | Present |
| | | Shri Ram Singh*-1 | Director (Finance) | Present |
| | | Shri. V.C. Bhandari | Director (HR) | Present |

*-1 Shri Ram Singh ceased to be Director (Finance) w.e.f. 01.05.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Finance) for a period of three months w.e.f.01.05.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/2/2017-CA/FTS:47938 dated 25.04.2017.

**I) Committee of Functional Directors**

The Board of Directors has constituted the Committee of Functional Directors of the Company to deliberate and decide on the matters as per defined scope of the committee. The committee consists of all Functional Directors and C&MD is the Chairman of the Committee. The committee met 25 times during the financial year 2016-17 on 8.04.2016, 10.05.2016, 3.06.2016, 30.06.2016, 26.07.2016, 12.08.2016, 5.09.2016, 12.09.2016, 23.09.2016, 26.09.2016, 30.09.2016, 18.10.2016, 10.11.2016, 15.11.2016, 25.11.2016, 9.12.2016, 21.12.2016, 27.12.2016, 27.01.2017, 1.02.2017, 9.02.2017, 10.02.2017, 2.03.2017,15.03.2017 and 28.03.2017. The details regarding number of meetings attended by each Director are given below:-

| S.No. | Name of the Members | Category | Number of Meetings attended |
|---|---|---|---|
| 1. | Shri Sanjay Gupta | Chairman & Managing Director | 25 |
| 2. | Shri Ram Singh*-1 | Director (Finance) | 25 |
| 3. | Ms. Veena Swarup*-2 | Director (HR) | 2 |
| 4. | Shri Ajay N. Deshpande | Director (Technical) | 24 |
| 5. | Shri Ashwani Soni*-3 | Director (Projects) | 17 |
| 6. | Shri V. C. Bhandari*-4 | Director (HR) | 16 |
| 7. | Shri. R.K. Sabharwal*-5 | Director (Commercial) | 13 |

*-1 Shri Ram Singh ceased to be Director (Finance) w.e.f. 01.05.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Finance) for a period of three months w.e.f. 01.05.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/2/2017-CA/FTS:47938 dated 25.04.2017.

*-2 Ms Veena Swarup ceased to be Director (HR) w.e.f. 01.07.2016 due to her retirement on attaining the age of superannuation. On her retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director(HR) for a period of three months w.e.f. 01.07.2016 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/01/2016-CA/FTS:44014 dated 08.08.2016.

*-3 Shri Ashwani Soni ceased to be Director (Projects) w.e.f. 01.01.2017 due to his retirement on attaining the age of superannuation. On his retirement, Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director(Projects) for a period of three months w.e.f. 01.01.2017 to 31.03.2017 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/03/2016-CA/FTS:46388 dated 31.01.2017.

*-4 Shri V.C. Bhandari was appointed as Additional Director in the capacity of Director Director (HR) w.e.f. 26.08.2016 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/3/2014-CA/FTS: 32590 dated 26.08.2016. In terms of the provisions of the Companies Act, 2013, his tenure as Additional Director expired on 19.09.2016. Therefore, his appointment was renewed and accordingly, he was appointed as Additional Director in the capacity of Director (HR) w.e.f. 19.09.2016.

*-5 Shri R.K Sabharwal was appointed as Additional Director in the capacity of Director (Commercial) w.e.f. 27.09.2016 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/2/2015-CA/FTS :38384 dated 27.09.2016 . Shri Sanjay Gupta, Chairman & Managing Director was given the additional charge of Director (Commercial) for a period of six months w.e.f. 01.12.2015 or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, Letter no.C-31018/03/2015-CA/FTS:38389 which was further extended by three months w.e.f 01.06.2016.

**J) 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.

**K) Status of Investor Complaints**

| | |
|---|---|
| Complaints pending on 01.04.2016 | NIL |
| Complaints received during the financial year 2016-17 | 251 |
| Complaints disposed off during the financial year 2016-17 | 251 |
| Complaints pending as on 31.03.2017 | NIL |

As on 31st March, 2017, no transfer request was pending.

**11. 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 |
|---|---|---|---|---|
| 49th | 2013-2014 | Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi – 110 010 | 28.08.2014 | 10.30 AM |
| 50th | 2014-2015 | Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi – 110 010 | 25.08.2015 | 10.30 AM |
| 51st | 2015-2016 | Siri Fort Auditorium Khel Gaon, August Kranti Marg, Neew Delhi-110049 | 19.09.2016 | 3.00 PM |

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

| AGM | Details of Special Resolutions Passed |
|---|---|
| 49th | Nil |
| 50th | Approval of Material Related Party Transactions of EIL with M/s Ramagundam Fertilizers and Chemicals Limited (RFCL). |
| 51st | Nil |

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

**iii) One Extra-ordinary General Meeting of the members was held on 23.12.2016 at EIL House,NH-8,Sec-16,Gurugram-122001 during the financial year 2016-17.**

**12. CEO/CFO Certification**

The Chairman & Managing Director (CEO) and CFO have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs. The said certificate is annexed and forms part of the Annual Report.

**13. Disclosures**

i) Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2016-2017 are given in Note No.38 to the Annual Accounts for the year ended 31st March, 2017. 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 in place a Vigil Mechanism/Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of the same have also been posted on the website of the Company.

iv) The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs save and except the composition of Board of Directors with regard to Non-official Independent Directors and the Performance Evaluation of the Directors. The Company has already taken up the matter with the MoP&NG, Government of India for the appointment of sufficient number of Non-Executive and Non-official Independent Directors on the Board of the Company. Further, the Company is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the independent Directors and the Board.

v) During the last three years, no Presidential Directive was 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 2016-17 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 7.36% of the total expenses in the Financial year 2016-17 as against 5.35% during the Financial year 2015-16.

x) It is always Company's endeavour to present unqualified financial statements.

xi) Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practice and Procedure for Fair Disclosure of Un-published Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by its Employees and other Connected Persons. The details of the same have also been posted on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

xii) Disclosures regarding commodity price risk or foreign exchange risk and hedging activities are given in Note No.35 of the Notes to the Annual Accounts for the year ended 31st March, 2017.

xiii) The Company has not adopted any discretionary requirement as specified under Schedule II (Part E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. General Information**

**i) 52nd Annual General Meeting**

| | |
|---|---|
| **Date** | Tuesday, September 19, 2017 |
| **Time** | 3.00 p.m |
| **Venue** | Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana) |

**ii) Financial Year**

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

**iii) Dates of Book-closure**

Wednesday, September 13, 2017 to Tuesday, September 19, 2017 (both days inclusive).

**iv) Dividend**

The Board of Directors of the Company have recommended payment of Final Dividend of ₹ 0.50 per share (on the face value of ₹ 5/- each) for the Financial Year ended 31st March, 2017 subject to approval of the shareholders in the ensuing AGM. This was in addition to the Interim Dividend of ₹ 2.50 per share (on the face value of ₹ 5/- each) paid in March, 2017.

The Record Date and Dividend Payment Date for Final Dividend for the financial year ended 31st March, 2017 are Tuesday September 12, 2017 and Monday, September 25, 2017 respectively. The dividend warrants would be posted on or after September 25, 2017 and within the stipulated period as per the statutory requirements.

**v) Listing on Stock Exchanges**

a) BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

b) National Stock Exchange of India Ltd.
Exchange Plaza, 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 2016-17 to the above Stock Exchanges. The Company has also made the payment of Annual fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2016-17.

**vi) Stock Code**

ISIN INE510A01028

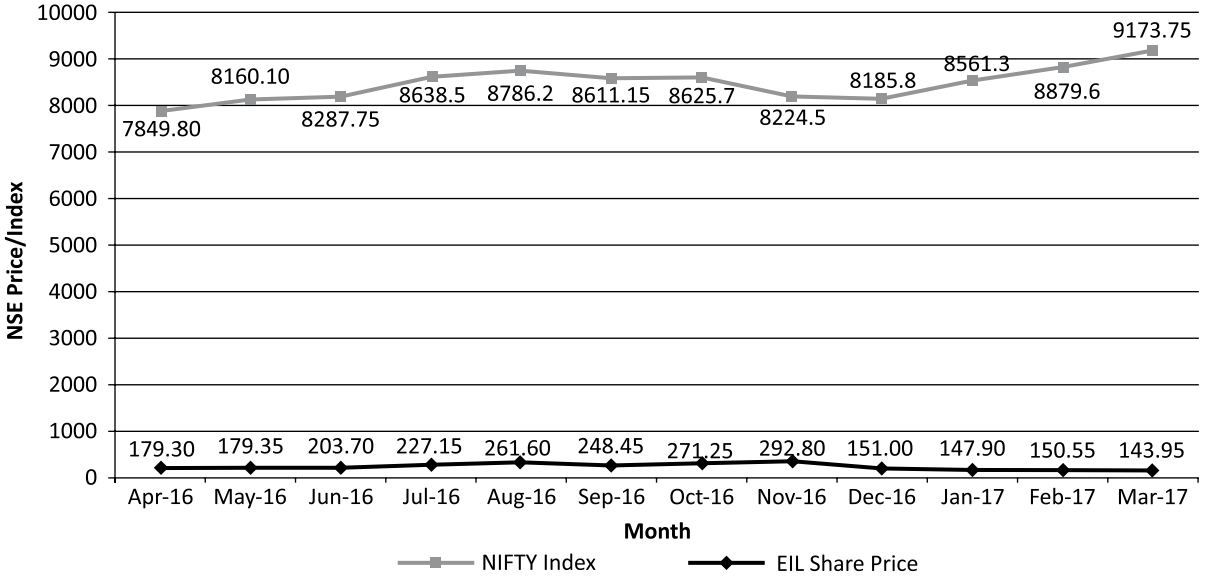
Scrip Code 532178

Scrip Symbol ENGINERSIN

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

| Month & Year | Bombay Stock Exchange | | National Stock Exchange | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2016 | 186.90 | 161.70 | 187.20 | 161.35 |
| May, 2016 | 188.00 | 168.70 | 187.65 | 168.50 |
| June, 2016 | 207.75 | 180.00 | 208.15 | 180.40 |
| July, 2016 | 234.00 | 194.40 | 234.00 | 194.20 |
| August, 2016 | 268.90 | 212.50 | 269.00 | 212.60 |
| September, 2016 | 276.00 | 235.05 | 276.15 | 235.30 |
| October, 2016 | 279.00 | 247.05 | 278.95 | 245.00 |
| November, 2016 | 297.90 | 236.85 | 297.90 | 236.30 |
| December, 2016 | 339.80 | 150.20 | 343.50 | 150.15 |
| January, 2017 | 160.65 | 144.00 | 160.45 | 144.00 |
| February, 2017 | 162.40 | 145.00 | 162.20 | 144.75 |
| March, 2017 | 157.00 | 142.05 | 157.80 | 142.60 |

**viii) Performance of EIL's Share price in comparison to NIFTY Index during the financial year 2016-17.**




**ix) Liquidity**

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

**x) Dematerialization/Rematerialization of Shares**

**Shareholding in Demat Mode as on 31.03.2017.**

| Depository | No. of Shares | Percentage |
|---|---|---|
| NSDL | 263177184 | 39.05 |
| CDSL | 409947042 | 60.83 |
| **Total** | **673124226** | **99.88** |

President of India has held 57.02% of the total shares, all in dematerialised form. Out of the balance 42.98% shares held by others, 42.86% have been held in dematerialised form as on March 31, 2017. 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 01.04.2016 to 31.03.2017.**

| | NSDL | | CDSL | |
|---|---|---|---|---|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Dematerialised | 13182 | 0.001 | 3043 | 0.000 |
| Rematerialised | 142 | 0.000 | 200 | 0.000 |

**xi) Distribution of Shareholding as on March 31, 2017.**

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2017 is presented hereunder:

**a) Shareholding Pattern**

| Category of Shareholders | No. of Shares held | % of Total |
|---|---|---|
| President of India | 384224594 | 57.02 |
| Mutual Funds | 74219935 | 11.01 |
| Banks, Financial Institutions and Insurance Companies | 59645606 | 8.85 |
| Private Corporate Bodies | 28396929 | 4.21 |
| Foreign Institutional Investors | 46127261 | 6.85 |
| NRIs/OCBs/Trust | 3464720 | 0.51 |
| Indian Public | 77794155 | 11.54 |
| **Total** | **673873200** | **100** |

**b) Distribution Schedule**

| Sl. No. | Category | No. of Shareholders | % to Total Shareholders | Amount (₹) | % of Total Amount |
|---|---|---|---|---|---|
| 1 | Upto 5000 | 167751 | 93.82 | 149005545 | 4.42 |
| 2 | 5001 - 10000 | 6035 | 3.38 | 44558040 | 1.32 |
| 3 | 10001 - 20000 | 2672 | 1.49 | 38016450 | 1.13 |
| 4 | 20001 - 30000 | 760 | 0.43 | 19220935 | 0.57 |
| 5 | 30001 - 40000 | 506 | 0.28 | 18007625 | 0.53 |
| 6 | 40001 - 50000 | 226 | 0.13 | 10646315 | 0.32 |
| 7 | 50001 - 100000 | 360 | 0.20 | 26023140 | 0.77 |
| 8 | 100001 & above | 496 | 0.28 | 3063887950 | 90.93 |
| | **Total:** | **178806** | **100** | **3369366000** | **100** |

**xii) Unclaimed/Unpaid Dividend and Unclaimed Securities**

As per the statutory provisions, the Company is required to transfer Unpaid Dividend remaining unclaimed and unpaid for a period of 7 years from the due date(s) to the Investor Education & Protection Fund (IEPF) set up by the Central Government. Further as per MCA notification dated 5.9.2016 and 28.2.2017 (Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), the Company is also required to transfer shares on which no dividend is enchased during the last seven years to IEPF Suspense Account. The Unpaid Dividend remaining unclaimed and unpaid for the financial years 2008-09 (Final) and 2009-10 (Interim) have accordingly been transferred to Investor Education & Protection Fund (IEPF) on 16.11.2016 and 28.02.2017 respectively. Unpaid/ Unclaimed Final Dividend for the financial year 2009-2010(Spl interim) is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 23.5.2017 (tentative). The Company sends a communication to the concerned shareholders well in advance, advising them to lodge their claim with respect to unclaimed dividend and shares before it is due for transfer to IEPF. The subsequent due dates of transfer of unpaid/unclaimed dividend to IEPF for the respective financial years have been provided 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) |
|---|---|---|
| 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 |
| 2013-14 (Final) | 28.08.2014 | 27.09.2021 |
| 2014-15 (Interim) | 18.03.2015 | 17.04.2022 |
| 2014-15 (Final) | 25.08.2015 | 24.09.2022 |
| 2015-16 (Interim) | 29.02.2016 | 28.03.2023 |
| 2015-16 (Final) | 19.09.2016 | 18.10.2023 |
| 2016-17(Interim) | 16.03.2017 | 15.04.2024 |

**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 Regulation 40 of Listing Regulations, 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 1.4.2016 | | Shareholders approached for Transfer of shares from Suspense Account during 2016-17 | | Shareholders to whom shares were transferred from Suspense Account during 2016-17 | | Closing Balance as on 31.03.2017 | |
|---|---|---|---|---|---|---|---|
| Cases | Shares | Cases | Shares | Cases | Shares | Cases | Shares |
| 6 | 416 | NIL | NIL | NIL | NIL | 6 | 832 |

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

| Opening Balance as on 1.4.2016 | | Shareholders approached for Transfer of shares from Suspense Account during 2016-17 | | Shareholders to whom shares were transferred from Suspense Account during 2016-17 | | Closing Balance as on 31.03.2017 | |
|---|---|---|---|---|---|---|---|
| Cases | Shares | Cases | Shares | Cases | Shares | Cases | Shares |
| 2 | 261 | NIL | NIL | NIL | NIL | 2 | 522 |

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** Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad - 500032
Tel No. 040-67162222
Fax No. 040-23001153
Toll Free no.: 1800-345-4001
Email: einward.ris@karvy.com
Website:www.karvy.com/
www.karvycomputershare.com

**xvi) Registered & Head Office**

Engineers India House,
1, Bhikaji Cama Place,
New Delhi – 110066
CIN: L74899DL1965GOI004352
Tel: 011-26762121; Fax: 011-26178210, 26194715
Email: eil.mktg@eil.co.in
Website: www.engineersindia.com

**xvii) Regional Offices**

A. G. Towers (5th Floor),
125/1, Park Street, Kolkata – 700 017
Tel: 033-22298995, 22276304; Fax: 033-22277692
Email: eil.rok@eil.co.in

4th and 5th Floor, Meghdhanush Complex,
Race Course Road, Near Transpek Circle,
Vadodara – 390 015
Tel: 0265-2340326, 2340368 – 69,
Fax: 0265 – 2340328
Email: eil.rov@eil.co.in

Plot No. F9, SIPCOT IT Park,
1st Main Road, Siruseri, Chennai – 603 103
Tel: 044 – 27469401/ 402; Fax: 044 – 27469000
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 – 400 614
Tel: 022 – 27560072, 27560032
Fax: 022 – 27572011, 27563066
Email: eil.bo@eil.co.in

**xix) Overseas Offices**

Engineers India Limited,
17th floor, Business Avenue Tower
Salam Street
P. O. Box:126592
Abu Dhabi- UAE
Tel.: +971-2-6740101
Fax:+971-2-6740707
Email:cooeilad@eiluae.ae

Engineers India Limited,
487, Great West Road,
Hounslow, Middlesex, London, UK – TWS OBS.
Phone: 0044 – 208 – 570 – 5530 (O)
Hand phone: 0044 – 7438342847
Email: eillondon@btconnect.com

Engineers India Limited,
Myland s.a s. di IIIRE S.r.I.
112 in Milan plaza Luigi di Savoia 28,
Milan, Italy.
Phone: 0039 – 0236533017
Mobile: 00-39-389-5323116
Email: eilmilan2012@gmail.com

Engineers India Limited,
Room No. 1632, 16th Floor, Asian Biz Centre,
Orient Century Plaza, 345 Xian Xia Road,
Near Gubei Road, Sanghai – 200 336, China.
Phone: 0086 – 2122157403, 2122157405
Email: eilsanghai@eil.co.in

**xx) Auditors**

M/s. Arun K. Agarwal & Associates
Chartered Accountants
105, 1st Floor,
South Ex. Plaza I, 389, Masjid Moth
South Extension, Part-II
New Delhi-110049
Tel. No.011-26257400, Fax : 011-26251200

**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 14(xv) till further communication from the Company.

Place: New Delhi
Date: May 22, 2017

# Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Sanjay Gupta, Chairman & Managing Director, CEO and R. K. Garg, Executive Director(F&A), CFO of Engineers India Limited certify that:

A. We have reviewed Financial Results for the quarter and year ended 31st March, 2017 and that to the best of our knowledge and belief:

(1) these results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these results together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

(1) Significant changes in internal control over financial reporting during the quarter and year;

(2) Significant changes in Accounting Policies during the quarter and year and that the same have been disclosed in the Notes to the Financial Results; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**(Sanjay Gupta)**
Chairman & Managing Director
CEO

**(R. K. Garg)**
Executive Director (F&A)
CFO

Place: New Delhi
Date: May 22, 2017

# Auditors' Certificate on Compliance of Conditions of Corporate Governance

**To,**
**The Members**
**ENGINEERS INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by ENGINEERS INDIA LIMITED for the year ended 31st March 2017 as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to 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 condition of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring compliance of the condition of Corporate Governance as stipulated in said regulation and guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

i. The composition of the board of directors did not comprise of the required number of Independent Directors during the period from 01.04.2016 to 31.03.2017 as required by regulation 17 of chapter IV of SEBI regulations, 2015 and DPE guidelines on corporate governance.

ii. Performance evaluation of independent directors, as required by regulation 17 of chapter IV of SEBI regulation, 2015 has not been carried out.

iii. During the period between 01.04.2016 to 24.05.2016, the composition of Nomination and remuneration committee is not according to regulation 19 of Chapter IV of SEBI regulation, 2015 and DPE guidelines on corporate governance.

We certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges and DPE guidelines on corporate governance

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 Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May, 2017

# Management's Reply to Auditors' Report on Corporate Governance (2016-17)

| Auditors' Comments | Management's Reply |
|---|---|
| (i) The composition of the board of directors did not comprise of the required number of Independent Directors during the period from 01.04.2016 to 31.03.2017 as required by regulation 17 of chapter IV of SEBI regulations, 2015 and DPE guidelines on corporate governance. | EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India.<br><br>In order to fulfill the requirement of the number of Independent Directors under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. |
| (ii) Performance evaluation of independent directors, as required by regulation 17 of chapter IV of SEBI regulation, 2015 has not been carried out. | EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors. |
| (iii) During the period between 1.04.2016 to 24.05.2016, the composition of Nomination and Remuneration Committee is not according to regulation 19 of chapter IV of SEBI regulation, 2015 and DPE guidelines on corporate governance. | The Nomination and Remuneration Committee has been reconstituted and the same is now in accordance with Regulation 19 of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance. |

# Secretarial Audit Report

## For the Financial Year Ended 31st March, 2017

**To,**
**The Members**
**ENGINEERS INDIA LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Engineers India Limited (hereinafter called 'the Company' or 'EIL'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company:

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following:

i) Compliance under Section 149(4) of the Companies Act, 2013, Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance, w.r.t. to the requisite number of Independent Directors on the Board of Company except the following:

  a) the number of non-executive directors were not less than fifty percent of the Board of Directors of the Company during the financial year 2016-17.

b) the number of Functional Directors did not exceed fifty percent of the Board of Directors during the financial year 2016-17.

c) the Company had at least one-third of the Board of Directors comprising of Independent Directors during the financial year 2016-17.

d) the Company had at least one woman Director on its Board during the financial year 2016-17.

ii) Compliance of Regulation 25(4) and 17(10) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Performance Evaluation of the Directors of the Company.

iii) Compliance of Regulation 9 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 on Board approved Policy for Preservation of Documents of the Company.

iv) Compliance under Section 178(1) of the Companies Act, 2013 and Regulation 19 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 on Composition of the Nomination and Remuneration Committee of the Company during the period starting from 01.04.2016 to 25.05.2016.

**I further report that** Engineers India Limited is a Government Company under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India, all the Directors are nominated/ appointed by the Government of India. Since all the Directors are nominated/ appointed by the Government of India, the Company has not been able to comply with the requirements pertaining to the composition of Board of Directors of the Company and performance evaluation of Directors for the financial year 2016-17. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there Company has issued Bonus Equity Shares to its members in the ratio of One Share for each Equity Share held by them.

For **Agarwal S. & Associates**
Company Secretaries

**CS Sachin Agarwal**
(Partner)
FCS No.: 5774
C.P No. : 5910

Date: 22 May, 2017
Place: New Delhi

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

**"Annexure A"**

**To,**
**The Members**
**ENGINEERS INDIA LIMITED**

Our report of even date is to be read along with this letter,

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates**
Company Secretaries

**CS Sachin Agarwal**
(Partner)
FCS No.: 5774
C.P No. : 5910

Date: 22 May, 2017
Place: New Delhi

# Management's Reply to Secretarial Auditor Report (2016-17)

| Auditors' Comments | Management's Reply |
|---|---|
| During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned in the report subject to the following:<br><br>i) Compliance under Section 149(4) of the Companies Act, 2013, Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 3.1.4 of the DPE Guidelines on Corporate Governance, w.r.t. to the requisite number of Independent Directors on the Board of Company except the following:<br><br>a) the number of non-executive directors were not less than fifty percent of the Board of Directors of the Company during the financial year 2016-17.<br><br>b) the number of Functional Directors did not exceed fifty percent of the Board of Directors during the financial year 2016-17.<br><br>c) the Company had at least one-third of the Board of Directors comprising of Independent Directors during the financial year 2016-17.<br><br>d) the Company had at least one woman Director on its Board during the financial year 2016-17. | EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India.<br><br>In order to fulfill the requirement of the number of Non-official Independent Directors under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. |
| ii) Compliance of Regulation 25(4) and 17(10) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Performance Evaluation of the Directors of the Company. | EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors. |
| iii) Compliance of Regulation 9 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 on Board approved Policy for Preservation of Documents of the Company. | Noted and shall be complied with. |
| iv) Compliance under Section 178 (1) of the Companies Act, 2013 and Regulation 19 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 on Composition of the Nomination and Remuneration Committee of the Company during the period starting from 01.04.2016 to 25.05.2016. | The Nomination and Remuneration Committee has been reconstituted and the same is now in accordance with Regulation 19 of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance. |

# Form No. MGT-9

## Extract of Annual Return
## as on the Financial Year ended 31st March, 2017

**[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS:

| | | | |
|---|---|---|---|
| i) | CIN | : | L74899DL1965GOI004352 |
| ii) | Registration Date | : | 15/03/1965 |
| iii) | Name of the Company | : | Engineers India Limited |
| iv) | Category / Sub-Category of the Company | : | Public Limited Company (Limited by Shares)- Govt. of India Undertaking. |
| v) | Address of the Registered office and contact details | : | Engineers India House,<br>1, Bhikaji Cama Place, New Delhi-110066<br>Tel: 011-26762121, Fax: 011-26178210, 26194715<br>E-mail: eil.mktg@eil.co.in<br>Website: www.engineersindia.com |
| vi) | Whether listed Company Yes / No | : | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | M/s Karvy Computershare Private Ltd.<br>Karvy Selenium Tower B, Plot 31-32<br>Gachibowli, Financial District<br>Nanakramguda, Serilingampally<br>Hyderabad- 500032<br>Tel No. 040-67161500<br>Fax No. 040-23001153<br>Email: einward.ris@karvy.com<br>Website:www.karvy.com/www.karvycomputershare.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Consultancy & Engineering Projects | N.A. | 80.42 |
| 2 | Turnkey Projects | N.A. | 19.58 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | NAME AND ADDRESS OF THE Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Certification Engineers International Limited | U74899DL1994GOI062371 | Subsidiary | 100% | 2(87) |
| 2 | Jabal EILIOT Company Ltd. | 2051046155 | Associates | 33.33% | 2(6) |
| 3 | TEIL Projects Ltd. | U74140DL2008PLC180897 | Associates | 50% | 2(6) |
| 4 | Ramagundam Fertilizers and Chemicals Ltd. | U24100DL2015PLC276753 | Associates | 49.90% | 2(6) |

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category - Wise Shareholding

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016 | | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017 | | | | % CHANGE DURING THE YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| **(A)** | **PROMOTER AND PROMOTER GROUP** | | | | | | | | | |
| (1) | INDIAN | | | | | | | | | |
| (a) | Individual /HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Central Government/ State Government(s) | 200025251 | 0 | 200025251 | 59.37 | 384224594 | 0 | 384224594 | 57.02 | 2.35 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | | |
| | **Sub-Total A(1) :** | **200025251** | **0** | **200025251** | **59.37** | **384224594** | **0** | **384224594** | **57.02** | **2.35** |
| | | | | | | | | | | |
| **(2)** | **FOREIGN** | | | | | | | | | |
| (a) | Individuals (NRIs/ Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total A(2) :** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| | **Total A=A(1)+A(2)** | **200025251** | **0** | **200025251** | **59.37** | **384224594** | **0** | **384224594** | **57.02** | **2.35** |
| | | | | | | | | | | |
| **(B)** | **PUBLIC SHAREHOLDING** | | | | | | | | | |
| **(1)** | **INSTITUTIONS** | | | | | | | | | |
| (a) | Mutual Funds /UTI | 28592560 | 0 | 28592560 | 8.49 | 74219935 | 0 | 74219935 | 11.01 | -2.53 |
| (b) | Financial Institutions / Banks | 7761702 | 0 | 7761702 | 2.30 | 14999556 | 0 | 14999556 | 2.23 | 0.08 |
| (c) | Central Government / State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Insurance Companies | 28315638 | 0 | 28315638 | 8.40 | 44646050 | 0 | 44646050 | 6.63 | 1.78 |
| (f) | Foreign Institutional Investors | 26887423 | 0 | 26887423 | 7.98 | 46127261 | 0 | 46127261 | 6.85 | 1.13 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total B(1) :** | **91557323** | **0** | **91557323** | **27.17** | **179992802** | **0** | **179992802** | **26.71** | **0.46** |
| | | | | | | | | | | |
| **(2)** | **NON-INSTITUTIONS** | | | | | | | | | |
| (a) | Bodies Corporate | 16432552 | 18 | 16432570 | 4.88 | 29084048 | 36 | 29084084 | 4.32 | 0.56 |
| (b) | Individuals | | | | | | | | | |
| | (i) Individuals holding nominal share capital upto ₹1 lakh | 23942058 | 381187 | 24323245 | 7.22 | 53923410 | 748938 | 54672348 | 8.11 | -0.89 |
| | (ii) Individuals holding nominal share capital in excess of ₹1 lakh | 2657606 | 0 | 2657606 | 0.79 | 18537324 | 0 | 18537324 | 2.75 | -1.96 |

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016 | | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017 | | | | % CHANGE DURING THE YEAR |
|---|---|---|---|---|---|---|---|---|---|---|
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (c) | Others | | | | | | | | | |
| | CLEARING MEMBERS | 349270 | 0 | 349270 | 0.10 | 3897328 | 0 | 3897328 | 0.58 | -0.47 |
| | NON RESIDENT INDIANS | 1475535 | 0 | 1475535 | 0.44 | 2313236 | 0 | 2313236 | 0.34 | 0.09 |
| | NRI NON-REPATRIATION | 0 | 0 | 0 | 0.00 | 1002971 | 0 | 1002971 | 0.15 | -0.15 |
| | TRUSTS | 115800 | 0 | 115800 | 0.03 | 148513 | 0 | 148513 | 0.02 | 0.01 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | | |
| | **Sub-Total B(2) :** | **44972821** | **381205** | **45354026** | **13.46** | **108906830** | **748974** | **109655804** | **16.27** | **-2.81** |
| | **Total B=B(1)+B(2) :** | **136530144** | **381205** | **136911349** | **40.63** | **288899632** | **748974** | **289648606** | **42.98** | **-2.35** |
| | **Total (A+B) :** | **336555395** | **381205** | **336936600** | **100.00** | **673124226** | **748974** | **673873200** | **100.00** | **0.00** |
| | | | | | | | | | | |
| **(C)** | **Shares held by custodians, against which** | | | | | | | | | |
| | Depository Receipts have been issued | | | | | | | | | |
| (1) | Promoter and Promoter Group | | | | | | | | | |
| (2) | Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | | |
| | **GRAND TOTAL (A+B+C) :** | **336555395** | **381205** | **336936600** | **100.00** | **673124226** | **748974** | **673873200** | **100.00** | |

**(ii) Shareholding of Promoter**

| Sl. No. | Shareholder's Name | Shareholding at the begining of the Year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbured to total Shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbured to total Shares | |
| 1 | President of India | 200025251 | 59.37 | Nil | 384224594 | 57.02 | Nil | -2.35 |
| | Total | 200025251 | 59.37 | Nil | 384224594 | 57.02 | Nil | -2.35 |

**(iii) Change in Promoter's Shareholding**

| Sl. No. | Name | Shareholding | | | | | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | Date | Increase/ Decrease in shareholding | Reason | No. of Shares | % of total shares of the Company |
| 1 | President of India | 200025251 | 59.37 | 31/03/2016 | | | 200025251 | 59.37 |
| | | | | 07/10/2016 | -1675326 | Transfer | 198349925 | 58.87 |
| | | | | 13/01/2017 | 198349925 | Transfer | 396699850 | 58.87 |
| | | | | 20/01/2017 | -10235511 | Transfer | 386464339 | 57.35 |
| | | | | 10/02/2017 | 1219688 | Transfer | 387684027 | 57.53 |
| | | | | 10/03/2017 | -3991021 | Transfer | 383693006 | 56.94 |
| | | | | 24/03/2017 | 531588 | Transfer | 384224594 | 57.02 |
| | | 384224594 | 57.02 | 31/03/2017 | | | 384224594 | 57.02 |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | LIC OF INDIA HEALTH PROTECTION PLUS FUND | 25854512 | 7.67 | 31/03/2016 | | | 25854512 | 7.67 |
| | | | | 09/09/2016 | -266746 | Transfer | 25587766 | 7.59 |
| | | | | 16/09/2016 | -566848 | Transfer | 25020918 | 7.43 |
| | | | | 23/09/2016 | -1012026 | Transfer | 24008892 | 7.13 |
| | | | | 30/09/2016 | -125448 | Transfer | 23883444 | 7.09 |
| | | | | 07/10/2016 | -300000 | Transfer | 23583444 | 7.00 |
| | | | | 13/01/2017 | 23583444 | Transfer | 47166888 | 7.00 |
| | | | | 03/02/2017 | -1496045 | Transfer | 45670843 | 6.78 |
| | | | | 10/02/2017 | -3144852 | Transfer | 42525991 | 6.31 |
| | | | | 17/02/2017 | -1169940 | Transfer | 41356051 | 6.14 |
| | | | | 24/02/2017 | -1531310 | Transfer | 39824741 | 5.91 |
| | | | | 03/03/2017 | -803125 | Transfer | 39021616 | 5.79 |
| | | 39021616 | | 31/03/2017 | | Transfer | 39021616 | 5.79 |
| 2 | L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSIN | 6095647 | 1.81 | 31/03/2016 | | | 6095647 | 1.81 |
| | | | | 08/04/2016 | -6600 | Transfer | 6089047 | 1.81 |
| | | | | 15/04/2016 | 25000 | Transfer | 6114047 | 1.81 |
| | | | | 22/04/2016 | 20000 | Transfer | 6134047 | 1.82 |
| | | | | 29/04/2016 | 25000 | Transfer | 6159047 | 1.83 |
| | | | | 29/04/2016 | -77000 | Transfer | 6082047 | 1.81 |
| | | | | 06/05/2016 | 100000 | Transfer | 6182047 | 1.83 |
| | | | | 13/05/2016 | 151100 | Transfer | 6333147 | 1.88 |
| | | | | 20/05/2016 | 89900 | Transfer | 6423047 | 1.91 |
| | | | | 27/05/2016 | 50000 | Transfer | 6473047 | 1.92 |
| | | | | 03/06/2016 | 100000 | Transfer | 6573047 | 1.95 |
| | | | | 03/06/2016 | -64700 | Transfer | 6508347 | 1.93 |
| | | | | 17/06/2016 | 50000 | Transfer | 6558347 | 1.95 |
| | | | | 24/06/2016 | -81400 | Transfer | 6476947 | 1.92 |
| | | | | 30/06/2016 | -1200 | Transfer | 6475747 | 1.92 |
| | | | | 01/07/2016 | -700 | Transfer | 6475047 | 1.92 |
| | | | | 08/07/2016 | 235500 | Transfer | 6710547 | 1.99 |
| | | | | 08/07/2016 | -177700 | Transfer | 6532847 | 1.94 |
| | | | | 15/07/2016 | 50000 | Transfer | 6582847 | 1.95 |
| | | | | 15/07/2016 | -72400 | Transfer | 6510447 | 1.93 |
| | | | | 22/07/2016 | -58600 | Transfer | 6451847 | 1.91 |
| | | | | 29/07/2016 | 50000 | Transfer | 6501847 | 1.93 |
| | | | | 29/07/2016 | -103800 | Transfer | 6398047 | 1.90 |
| | | | | 12/08/2016 | 178700 | Transfer | 6576747 | 1.95 |
| | | | | 26/08/2016 | -244442 | Transfer | 6332305 | 1.88 |
| | | | | 02/09/2016 | 105000 | Transfer | 6437305 | 1.91 |
| | | | | 02/09/2016 | -130558 | Transfer | 6306747 | 1.87 |
| | | | | 09/09/2016 | -209300 | Transfer | 6097447 | 1.81 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 16/09/2016 | 100000 | Transfer | 6197447 | 1.84 |
| | | | | 23/09/2016 | 100000 | Transfer | 6297447 | 1.87 |
| | | | | 30/09/2016 | 61000 | Transfer | 6358447 | 1.89 |
| | | | | 30/09/2016 | -1700 | Transfer | 6356747 | 1.89 |
| | | | | 07/10/2016 | 3500 | Transfer | 6360247 | 1.89 |
| | | | | 14/10/2016 | -107400 | Transfer | 6252847 | 1.86 |
| | | | | 28/10/2016 | 56000 | Transfer | 6308847 | 1.87 |
| | | | | 04/11/2016 | -100000 | Transfer | 6208847 | 1.84 |
| | | | | 11/11/2016 | 28776 | Transfer | 6237623 | 1.85 |
| | | | | 11/11/2016 | -26100 | Transfer | 6211523 | 1.84 |
| | | | | 18/11/2016 | -140000 | Transfer | 6071523 | 1.80 |
| | | | | 25/11/2016 | 596424 | Transfer | 6667947 | 1.98 |
| | | | | 02/12/2016 | 18000 | Transfer | 6685947 | 1.98 |
| | | | | 23/12/2016 | 106600 | Transfer | 6792547 | 2.02 |
| | | | | 30/12/2016 | -550000 | Transfer | 6242547 | 1.85 |
| | | | | 06/01/2017 | 521720 | Transfer | 6764267 | 2.01 |
| | | | | 13/01/2017 | 6242547 | Transfer | 13006814 | 1.93 |
| | | | | 20/01/2017 | -300000 | Transfer | 12706814 | 1.89 |
| | | | | 03/02/2017 | -68100 | Transfer | 12638714 | 1.88 |
| | | | | 10/02/2017 | 30000 | Transfer | 12668714 | 1.88 |
| | | | | 24/02/2017 | 25000 | Transfer | 12693714 | 1.88 |
| | | | | 10/03/2017 | -33900 | Transfer | 12659814 | 1.88 |
| | | | | 17/03/2017 | 187900 | Transfer | 12847714 | 1.91 |
| | | | | 31/03/2017 | 196000 | Transfer | 13043714 | 1.94 |
| | | | | 31/03/2017 | -67600 | Transfer | 12976114 | 1.93 |
| | | 12976114 | | 31/03/2017 | | | 12976114 | 1.93 |
| 3 | RELIANCE CAPITAL TRUSTEE CO. LTD A/C R SHARES DIVI | 1356589 | 0.40 | 31/03/2016 | | | 1356589 | 0.40 |
| | | | | 08/04/2016 | -44000 | Transfer | 1312589 | 0.39 |
| | | | | 29/04/2016 | -246400 | Transfer | 1066189 | 0.32 |
| | | | | 06/05/2016 | -72600 | Transfer | 993589 | 0.29 |
| | | | | 13/05/2016 | -103400 | Transfer | 890189 | 0.26 |
| | | | | 17/06/2016 | 23 | Transfer | 890212 | 0.26 |
| | | | | 29/07/2016 | 259000 | Transfer | 1149212 | 0.34 |
| | | | | 19/08/2016 | -259000 | Transfer | 890212 | 0.26 |
| | | | | 26/08/2016 | 77000 | Transfer | 967212 | 0.29 |
| | | | | 02/09/2016 | -77 | Transfer | 967135 | 0.29 |
| | | | | 16/09/2016 | 59500 | Transfer | 1026635 | 0.30 |
| | | | | 30/09/2016 | 35000 | Transfer | 1061635 | 0.32 |
| | | | | 07/10/2016 | 49000 | Transfer | 1110635 | 0.33 |
| | | | | 14/10/2016 | 45500 | Transfer | 1156135 | 0.34 |
| | | | | 21/10/2016 | 59500 | Transfer | 1215635 | 0.36 |
| | | | | 28/10/2016 | 343000 | Transfer | 1558635 | 0.46 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 11/11/2016 | 1718052 | Transfer | 3276687 | 0.97 |
| | | | | 18/11/2016 | -277858 | Transfer | 2998829 | 0.89 |
| | | | | 25/11/2016 | 1122 | Transfer | 2999951 | 0.89 |
| | | | | 25/11/2016 | -227318 | Transfer | 2772633 | 0.82 |
| | | | | 02/12/2016 | 30557 | Transfer | 2803190 | 0.83 |
| | | | | 02/12/2016 | -930 | Transfer | 2802260 | 0.83 |
| | | | | 09/12/2016 | 148488 | Transfer | 2950748 | 0.88 |
| | | | | 09/12/2016 | -896900 | Transfer | 2053848 | 0.61 |
| | | | | 16/12/2016 | -111882 | Transfer | 1941966 | 0.58 |
| | | | | 23/12/2016 | -250460 | Transfer | 1691506 | 0.50 |
| | | | | 30/12/2016 | 6064 | Transfer | 1697570 | 0.50 |
| | | | | 30/12/2016 | -7552 | Transfer | 1690018 | 0.50 |
| | | | | 06/01/2017 | 39434 | Transfer | 1729452 | 0.51 |
| | | | | 06/01/2017 | -5306 | Transfer | 1724146 | 0.51 |
| | | | | 13/01/2017 | 1714895 | Transfer | 3439041 | 0.51 |
| | | | | 20/01/2017 | -14946 | Transfer | 3424095 | 0.51 |
| | | | | 27/01/2017 | 9003695 | Transfer | 12427790 | 1.84 |
| | | | | 03/02/2017 | 43206 | Transfer | 12470996 | 1.85 |
| | | | | 03/02/2017 | -1776373 | Transfer | 10694623 | 1.59 |
| | | | | 10/02/2017 | -541328 | Transfer | 10153295 | 1.51 |
| | | | | 17/02/2017 | 563104 | Transfer | 10716399 | 1.59 |
| | | | | 17/02/2017 | -78 | Transfer | 10716321 | 1.59 |
| | | | | 24/02/2017 | -85568 | Transfer | 10630753 | 1.58 |
| | | | | 03/03/2017 | 439111 | Transfer | 11069864 | 1.64 |
| | | | | 03/03/2017 | -1331341 | Transfer | 9738523 | 1.45 |
| | | | | 10/03/2017 | -685206 | Transfer | 9053317 | 1.34 |
| | | | | 17/03/2017 | 71400 | Transfer | 9124717 | 1.35 |
| | | | | 17/03/2017 | -372322 | Transfer | 8752395 | 1.30 |
| | | | | 24/03/2017 | 3464444 | Transfer | 12216839 | 1.81 |
| | | | | 24/03/2017 | -84540 | Transfer | 12132299 | 1.80 |
| | | | | 31/03/2017 | 91512 | Transfer | 12223811 | 1.81 |
| | | | | 31/03/2017 | -1121208 | Transfer | 11102603 | 1.65 |
| | | 11102603 | | 31/03/2017 | | | 11102603 | 1.65 |
| 4 | ICICI PRUDENTIAL VALUE FUND SERIES 1 | 5899116 | 1.75 | 31/03/2016 | | | 5899116 | 1.75 |
| | | | | 29/04/2016 | 306653 | Transfer | 6205769 | 1.84 |
| | | | | 06/05/2016 | 100000 | Transfer | 6305769 | 1.87 |
| | | | | 13/05/2016 | 525127 | Transfer | 6830896 | 2.03 |
| | | | | 13/05/2016 | -457100 | Transfer | 6373796 | 1.89 |
| | | | | 20/05/2016 | -178200 | Transfer | 6195596 | 1.84 |
| | | | | 27/05/2016 | 79493 | Transfer | 6275089 | 1.86 |
| | | | | 27/05/2016 | -19800 | Transfer | 6255289 | 1.86 |
| | | | | 03/06/2016 | 95594 | Transfer | 6350883 | 1.88 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 10/06/2016 | 198315 | Transfer | 6549198 | 1.94 |
| | | | | 10/06/2016 | -39600 | Transfer | 6509598 | 1.93 |
| | | | | 17/06/2016 | 388088 | Transfer | 6897686 | 2.05 |
| | | | | 17/06/2016 | -81400 | Transfer | 6816286 | 2.02 |
| | | | | 24/06/2016 | 604209 | Transfer | 7420495 | 2.20 |
| | | | | 24/06/2016 | -231000 | Transfer | 7189495 | 2.13 |
| | | | | 30/06/2016 | 471546 | Transfer | 7661041 | 2.27 |
| | | | | 15/07/2016 | -379405 | Transfer | 7281636 | 2.16 |
| | | | | 29/07/2016 | -204341 | Transfer | 7077295 | 2.10 |
| | | | | 05/08/2016 | -98572 | Transfer | 6978723 | 2.07 |
| | | | | 26/08/2016 | -191596 | Transfer | 6787127 | 2.01 |
| | | | | 02/09/2016 | 703500 | Transfer | 7490627 | 2.22 |
| | | | | 02/09/2016 | -1229677 | Transfer | 6260950 | 1.86 |
| | | | | 09/09/2016 | 399000 | Transfer | 6659950 | 1.98 |
| | | | | 16/09/2016 | -468762 | Transfer | 6191188 | 1.84 |
| | | | | 23/09/2016 | -283757 | Transfer | 5907431 | 1.75 |
| | | | | 07/10/2016 | 134137 | Transfer | 6041568 | 1.79 |
| | | | | 14/10/2016 | 199500 | Transfer | 6241068 | 1.85 |
| | | | | 14/10/2016 | -506213 | Transfer | 5734855 | 1.70 |
| | | | | 04/11/2016 | -108787 | Transfer | 5626068 | 1.67 |
| | | | | 11/11/2016 | -539496 | Transfer | 5086572 | 1.51 |
| | | | | 18/11/2016 | -227500 | Transfer | 4859072 | 1.44 |
| | | | | 25/11/2016 | -845128 | Transfer | 4013944 | 1.19 |
| | | | | 02/12/2016 | -128297 | Transfer | 3885647 | 1.15 |
| | | | | 09/12/2016 | -121378 | Transfer | 3764269 | 1.12 |
| | | | | 23/12/2016 | -1276538 | Transfer | 2487731 | 0.74 |
| | | | | 30/12/2016 | -312207 | Transfer | 2175524 | 0.65 |
| | | | | 13/01/2017 | 2146857 | Transfer | 4322381 | 0.64 |
| | | | | 03/02/2017 | 639261 | Transfer | 4961642 | 0.74 |
| | | | | 24/02/2017 | 2974520 | Transfer | 7936162 | 1.18 |
| | | | | 24/03/2017 | 3052770 | Transfer | 10988932 | 1.63 |
| | | | | 24/03/2017 | -3052770 | Transfer | 7936162 | 1.18 |
| | | | | 31/03/2017 | 2075183 | Transfer | 10011345 | 1.49 |
| | | 10011345 | | 31/03/2017 | | | 10011345 | 1.49 |
| 5 | UTI-MID CAP FUND | 658042 | 0.20 | 31/03/2016 | | | 658042 | 0.20 |
| | | | | 08/04/2016 | -143642 | Transfer | 514400 | 0.15 |
| | | | | 13/05/2016 | -26400 | Transfer | 488000 | 0.14 |
| | | | | 20/05/2016 | -13200 | Transfer | 474800 | 0.14 |
| | | | | 10/06/2016 | -35200 | Transfer | 439600 | 0.13 |
| | | | | 17/06/2016 | -35200 | Transfer | 404400 | 0.12 |
| | | | | 24/06/2016 | -4400 | Transfer | 400000 | 0.12 |
| | | | | 02/09/2016 | 864481 | Transfer | 1264481 | 0.38 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 28/10/2016 | 330455 | Transfer | 1594936 | 0.47 |
| | | | | 04/11/2016 | 7000 | Transfer | 1601936 | 0.48 |
| | | | | 11/11/2016 | 1738395 | Transfer | 3340331 | 0.99 |
| | | | | 11/11/2016 | -7000 | Transfer | 3333331 | 0.99 |
| | | | | 09/12/2016 | 60000 | Transfer | 3393331 | 1.01 |
| | | | | 23/12/2016 | 302259 | Transfer | 3695590 | 1.10 |
| | | | | 30/12/2016 | 45000 | Transfer | 3740590 | 1.11 |
| | | | | 13/01/2017 | 3740590 | Transfer | 7481180 | 1.11 |
| | | | | 27/01/2017 | 200000 | Transfer | 7681180 | 1.14 |
| | | | | 03/02/2017 | 500000 | Transfer | 8181180 | 1.21 |
| | | | | 17/02/2017 | 77000 | Transfer | 8258180 | 1.23 |
| | | | | 03/03/2017 | 1051244 | Transfer | 9309424 | 1.38 |
| | | | | 03/03/2017 | -77000 | Transfer | 9232424 | 1.37 |
| | | | | 10/03/2017 | 120364 | Transfer | 9352788 | 1.39 |
| | | | | 17/03/2017 | 26000 | Transfer | 9378788 | 1.39 |
| | | | | 24/03/2017 | 54000 | Transfer | 9432788 | 1.40 |
| | | | | 31/03/2017 | 144244 | Transfer | 9577032 | 1.42 |
| | | 9577032 | | 31/03/2017 | | | 9577032 | 1.42 |
| 6 | GENERAL INSURANCE CORPORATION OF INDIA | 4755015 | 1.41 | 31/03/2016 | | | 4755015 | 1.41 |
| | | | | 29/04/2016 | 28619 | Transfer | 4783634 | 1.42 |
| | | | | 06/05/2016 | 125000 | Transfer | 4908634 | 1.46 |
| | | | | 13/05/2016 | 107147 | Transfer | 5015781 | 1.49 |
| | | | | 20/05/2016 | 39234 | Transfer | 5055015 | 1.50 |
| | | | | 26/08/2016 | -100000 | Transfer | 4955015 | 1.47 |
| | | | | 09/09/2016 | -70000 | Transfer | 4885015 | 1.45 |
| | | | | 16/09/2016 | -30000 | Transfer | 4855015 | 1.44 |
| | | | | 30/09/2016 | -100000 | Transfer | 4755015 | 1.41 |
| | | | | 28/10/2016 | -20000 | Transfer | 4735015 | 1.41 |
| | | | | 04/11/2016 | -25000 | Transfer | 4710015 | 1.40 |
| | | | | 11/11/2016 | -10015 | Transfer | 4700000 | 1.39 |
| | | | | 13/01/2017 | 4700000 | Transfer | 9400000 | 1.39 |
| | | | | 10/02/2017 | -400000 | Transfer | 9000000 | 1.34 |
| | | | | 03/03/2017 | -185000 | Transfer | 8815000 | 1.31 |
| | | | | 10/03/2017 | -124072 | Transfer | 8690928 | 1.29 |
| | | | | 17/03/2017 | -150000 | Transfer | 8540928 | 1.27 |
| | | | | 24/03/2017 | -100000 | Transfer | 8440928 | 1.25 |
| | | 8440928 | | 31/03/2017 | | | 8440928 | 1.25 |
| 7 | TATA DUAL ADVANTAGE FUND SCHEME C | 2041000 | 0.61 | 31/03/2016 | | | 2041000 | 0.61 |
| | | | | 08/04/2016 | -300000 | Transfer | 1741000 | 0.52 |
| | | | | 13/05/2016 | 200000 | Transfer | 1941000 | 0.58 |
| | | | | 20/05/2016 | 100000 | Transfer | 2041000 | 0.61 |
| | | | | 23/09/2016 | 350000 | Transfer | 2391000 | 0.71 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 07/10/2016 | 100000 | Transfer | 2491000 | 0.74 |
| | | | | 14/10/2016 | 200000 | Transfer | 2691000 | 0.80 |
| | | | | 28/10/2016 | 340000 | Transfer | 3031000 | 0.90 |
| | | | | 04/11/2016 | 115300 | Transfer | 3146300 | 0.93 |
| | | | | 11/11/2016 | 373500 | Transfer | 3519800 | 1.04 |
| | | | | 25/11/2016 | 400000 | Transfer | 3919800 | 1.16 |
| | | | | 13/01/2017 | 3919800 | Transfer | 7839600 | 1.16 |
| | | | | 24/03/2017 | 13500 | Transfer | 7853100 | 1.17 |
| | | | | 24/03/2017 | -3300 | Transfer | 7849800 | 1.16 |
| | | 7849800 | | 31/03/2017 | | | 7849800 | 1.16 |
| 8 | SBI LIFE INSURANCE CO. LTD | 0 | 0.00 | 31/03/2016 | | | 0 | 0.00 |
| | | | | 02/09/2016 | 500000 | Transfer | 500000 | 0.15 |
| | | | | 16/09/2016 | 100000 | Transfer | 600000 | 0.18 |
| | | | | 23/09/2016 | 265000 | Transfer | 865000 | 0.26 |
| | | | | 30/09/2016 | 25000 | Transfer | 890000 | 0.26 |
| | | | | 21/10/2016 | 25000 | Transfer | 915000 | 0.27 |
| | | | | 28/10/2016 | 20000 | Transfer | 935000 | 0.28 |
| | | | | 04/11/2016 | 12880 | Transfer | 947880 | 0.28 |
| | | | | 11/11/2016 | 10000 | Transfer | 957880 | 0.28 |
| | | | | 18/11/2016 | 400000 | Transfer | 1357880 | 0.40 |
| | | | | 25/11/2016 | 42913 | Transfer | 1400793 | 0.42 |
| | | | | 02/12/2016 | 30120 | Transfer | 1430913 | 0.42 |
| | | | | 09/12/2016 | 148640 | Transfer | 1579553 | 0.47 |
| | | | | 16/12/2016 | 300000 | Transfer | 1879553 | 0.56 |
| | | | | 23/12/2016 | 153986 | Transfer | 2033539 | 0.60 |
| | | | | 30/12/2016 | 45000 | Transfer | 2078539 | 0.62 |
| | | | | 06/01/2017 | 46182 | Transfer | 2124721 | 0.63 |
| | | | | 13/01/2017 | 2328539 | Transfer | 4453260 | 0.66 |
| | | | | 20/01/2017 | -14565 | Transfer | 4438695 | 0.66 |
| | | | | 27/01/2017 | 10411 | Transfer | 4449106 | 0.66 |
| | | | | 03/02/2017 | 130000 | Transfer | 4579106 | 0.68 |
| | | | | 10/02/2017 | -10000 | Transfer | 4569106 | 0.68 |
| | | | | 17/02/2017 | 100000 | Transfer | 4669106 | 0.69 |
| | | | | 24/02/2017 | 575000 | Transfer | 5244106 | 0.78 |
| | | | | 03/03/2017 | 170000 | Transfer | 5414106 | 0.80 |
| | | | | 10/03/2017 | 25000 | Transfer | 5439106 | 0.81 |
| | | | | 17/03/2017 | 300000 | Transfer | 5739106 | 0.85 |
| | | | | 24/03/2017 | 500000 | Transfer | 6239106 | 0.93 |
| | | | | 31/03/2017 | 205000 | Transfer | 6444106 | 0.96 |
| | | 6444106 | | 31/03/2017 | | | 6444106 | 0.96 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 9 | UNITED INDIA INSURANCE Company LIMITED | 2529832 | 0.75 | 31/03/2016 | | | 2529832 | 0.75 |
| | | | | 06/05/2016 | 150000 | Transfer | 2679832 | 0.80 |
| | | | | 13/05/2016 | 145197 | Transfer | 2825029 | 0.84 |
| | | | | 20/05/2016 | 96959 | Transfer | 2921988 | 0.87 |
| | | | | 27/05/2016 | 67500 | Transfer | 2989488 | 0.89 |
| | | | | 03/06/2016 | 43692 | Transfer | 3033180 | 0.90 |
| | | | | 10/06/2016 | 60000 | Transfer | 3093180 | 0.92 |
| | | | | 17/06/2016 | 27244 | Transfer | 3120424 | 0.93 |
| | | | | 25/11/2016 | -12100 | Transfer | 3108324 | 0.92 |
| | | | | 13/01/2017 | 3108324 | Transfer | 6216648 | 0.92 |
| | | 6216648 | | 31/03/2017 | | | 6216648 | 0.92 |
| 10 | GOVERNMENT PENSION FUND GLOBAL | 1269413 | 0.38 | 31/03/2016 | | | 1269413 | 0.38 |
| | | | | 24/06/2016 | -340995 | Transfer | 928418 | 0.28 |
| | | | | 09/09/2016 | -379110 | Transfer | 549308 | 0.16 |
| | | | | 16/09/2016 | -120441 | Transfer | 428867 | 0.13 |
| | | | | 18/11/2016 | 1001600 | Transfer | 1430467 | 0.42 |
| | | | | 25/11/2016 | 405403 | Transfer | 1835870 | 0.54 |
| | | | | 09/12/2016 | 244926 | Transfer | 2080796 | 0.62 |
| | | | | 13/01/2017 | 2080796 | Transfer | 4161592 | 0.62 |
| | | | | 10/02/2017 | 394113 | Transfer | 4555705 | 0.68 |
| | | | | 17/02/2017 | 346600 | Transfer | 4902305 | 0.73 |
| | | | | 24/02/2017 | 1048204 | Transfer | 5950509 | 0.88 |
| | | 5950509 | | 31/03/2017 | | | 5950509 | 0.88 |

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

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | Shri Sanjay Gupta Chairman & Managing Director and Addl. Charge-Director (Projects) | 60 | 0.00 | 01/04/2016 | | | 120 | 0.00 |
| | | | | | 60 | Bonus Shares | | |
| | | 120 | 0.00 | 31/03/2017 | | | 120 | 0.00 |
| 2 | Shri Sandeep Poundrik Director (Govt. Nominee) | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |
| 3 | Ms. Sushma Taishete Director (Govt. Nominee) | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | | 31/03/2017 | | | Nil | 0.00 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2016)/end of the year (31-03-2017) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 4 | Dr. (Prof.) Mukesh Khare Non-official Part-time Independent Director | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |
| 5 | Mrs. Arusha vasudev Non-official Part-time Independent Director | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | 0.00 |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |
| 6 | Shri Vikas Khushalrao Deshpande Non-official Part-time Independent Director | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |
| 7 | Shri Umesh Chandra Pandey Non-official Part-time Independent Director | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | 0.00 |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |
| 8 | Ms. Shazia Ilmi Malik Non-official Part-time Independent Director | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | 0.00 | 31/03/2017 | | | | |
| 9 | Shri Ram Singh, Director (Finance) | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |
| 10 | Shri Ajay N. Deshpande, Director (Technical) | 3940 | 0.00 | 01/04/2016 | | | 7880 | 0.00 |
| | | | | | 3940 | Bonus Shares | | |
| | | 7880 | 0.00 | 31/03/2017 | | | 7880 | 0.00 |
| 11 | Shri Vipin Chander Bhandari, Director (HR) | 140 | 0.00 | 26/08/2016 | | | 280 | 0.00 |
| | | | | | 140 | Bonus Shares | | |
| | | 280 | 0.00 | 31/03/2017 | | | 280 | 0.00 |
| 12 | Shri Rakesh Kumar Sabharwal, Director (Commercial) | 3700 | 0.00 | 27/09/2016 | | | 7400 | 0.00 |
| | | | | | 3700 | Bonus Shares | | |
| | | 7400 | 0.00 | 31/03/2017 | | | 7400 | 0.00 |
| 13 | Shri Rajan Kapur Company Secretary | Nil | 0.00 | 01/04/2016 | | | Nil | 0.00 |
| | | | | | 0 | Nil movement during the year | | |
| | | Nil | 0.00 | 31/03/2017 | | | Nil | 0.00 |

**V. INDEBTEDNESS**

The Company has not availed any loan during the year and is a debt-free Company.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Amount in ₹

| Sl. No. | Particulars of Remuneration | Name of Functional Directors | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Shri Sanjay Gupta | Shri Ram Singh | Ms. Veena Swarup[-1*] | Shri Ajay N. Deshpande | Shri Ashwani Soni[-2*] | Shri V.C. Bhandari | Shri Rakesh Kumar Sabharwal | |
| 1 | Gross Salary | | | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | 2858433 | 3006024 | 2801353 | 3004041 | 4048350 | 1779714 | 1558113 | 19056028 |
| | (b) Value of Perquisites u/s 17(2) of the Income tax Act,1961 | 1509587 | 771445 | 156670 | 578157 | 553488 | 427021 | 288863 | 4285231 |
| | (c) Profits in lieu of salary u/s 17(3) of the Income tax Act,1961 | - | - | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - | - | - | - |
| | -as % of profit | - | - | - | - | - | - | - | - |
| | -others | - | - | - | - | - | - | - | - |
| 5 | Others | - | - | - | - | - | - | - | - |
| | **Total (A)** | **4368020** | **3777469** | **2958023** | **3582198** | **4601838** | **2206735** | **1846976** | **23341259** |

[-1*] Ms. Veena Swarup ceased to be Director (HR) w.e.f. 01.07.2016

[-2*] Shri Ashwani Soni ceased to be Director (Projects) w.e.f. 01.01.2017

### B. Remuneration to other Directors:

Amount in ₹

| Sl. No. | Particulars of Remuneration | Dr. (Prof.) Mukesh Khare | Mrs. Arusha Vasudev | Shri V.K. Deshpande | Shri Umesh Chandra Pandey | Total |
|---|---|---|---|---|---|---|
| 1 | Independent Directors Fee for attending Board/ Committee meetings Commission<br>Other (please specify) | 180000 | 210000 | 255000 | 225000 | 870000 |
| | Total (1) | 180000 | 210000 | 255000 | 225000 | 870000 |
| 2 | Other Non-Executive Directors Fee for attending Board/Committee meetings Commission<br>Other (please specify) | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (1+2) | 180000 | 210000 | 255000 | 225000 | 870000 |
| | **Total managerial remuneration (A+B)** | | | | | **24211259** |

**C. Remuneration to Key Managerial Personnel (other than MD/Manager/WTD):**

Amount in ₹

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | CEO[-1*] | CFO[-1*] | CS (Shri Rajan Kapur) | |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | - | - | 2654173 | 2654173 |
| | (b) Value of Perquisites u/s 17(2) of the Income tax Act,1961 | - | - | 166880 | 166880 |
| | (c) Profits in lieu of salary u/s 17(3) of the Income tax Act,1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | -as % of profit | - | - | - | - |
| | -others | - | - | - | - |
| 5 | Others | - | - | - | - |
| | **Total (A)** | **-** | **-** | **2821053** | **2821053** |

[-1*] The remuneration paid to Shri Sanjay Gupta, Chairman & Managing Director (CEO) and Shri Ram Singh, Director (Finance) (CFO) being the KMP's as per the provisions of the Companies Act, 2013 is provided in table VI(A)

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the financial year ended 31st March, 2017.

# Independent Auditor's Report

**TO THE MEMBERS OF**
**ENGINEERS INDIA LIMITED**

**Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **ENGINEERS INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flows Statement and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Emphasis of Matter**

We draw attention to the note no. 54 to the standalone Ind AS financial statements of 31 March 2017, regarding claim of the contractor for ₹ 40,757 lakhs consequent to termination of the contract. Management does not consider any possible obligation on this account requiring future probable outflow of resources.

Our opinion is not modified in respect of this matter.

**Other Matters**

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 01 April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) for the year ended 31 March 2016 which were audited by us, on which we have expressed an unmodified opinion dated 25 May 2016 and for the year ended 31 March 2015 which were audited by other auditor, on which they have expressed an unmodified opinion dated 27 May 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 22 May 2017. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. The C & AG of India has issued directions indicating the areas to be examined in terms of sub section (5) of section 143 of the companies act 2013, compliance of which are set out in "**Annexure B**"

3. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure C**"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements-refer note no. 40 to the standalone Ind AS financial statements of 31 March 2017;

      ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts-refer note no. 53 to the standalone Ind AS financial statements of 31 March 2017;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. the Company has provided requisite disclosures in note no. 16 to the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**For Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May 2017

# Annexure A to Independent Auditors' Report

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except incase of following:

**(Amount in Lakhs)**

| PARTICULARS | GROSS BLOCK | NET BLOCK |
|---|---|---|
| 4 Flats at Naranpura, Ahemdabad | 10.31 | 3.79 |
| Land at Memnagar, Ahemdabad | 69.21 | 56.28 |
| 2 Floors at Race Course Road, Vadodara | 204.02 | 158.75 |
| 2 Flats at Viman Nagar, Pune | 8.45 | 3.25 |
| 84 Flats at Gokuldham Goregaon, Mumbai | 238.19 | 43.81 |
| 6 Flats in Andheri East, Mumbai | 9.93 | 0.64 |
| 1 Floor at CBD Belapur, Navi Mumbai | 101.68 | 42.23 |

ii. The Company has carried out a physical verification of inventory at the year end. In our opinion, frequency of physical verification is reasonable. As per the information and explanations given to us, the discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been dealt with in the books of account.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraphs 3 (iii) (a), (b) and (c) of the order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and Rules framed there under.

vi. As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales tax, Service Tax, custom duty, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanation given to us and on the basis of our examination of the books of accounts, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales tax, Service Tax, custom duty, value added tax, cess and any other statutory dues were in arrears as at 31 March 2017 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues of Income tax, sales tax, service tax have not been deposited by the Company on account of disputes:

| Sl. No. | Name of Statue | Nature of dues | Forum where dispute is pending | Period to which amount relates | Amount (₹ in lakhs) |
|---|---|---|---|---|---|
| 1. | Income Tax Act, 1961 | Income Tax | CIT (Appeals) | F.Y. 2012-13 (A.Y. 2013-14) | 89.56 |
| | | | | F.Y. 2013-14 (A.Y. 2014-15) | 74.65 |

| Sl. No. | Name of Statue | Nature of dues | Forum where dispute is pending | Period to which amount relates | Amount (₹ in lakhs) |
|---|---|---|---|---|---|
| 2. | Income Tax Act, 1961 | TDS Under section 201(1) | CIT (Appeals) | F.Y. 2008-09 (A.Y. 2009-10) | 0.32 |
| 3. | Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunals | F.Y. 2001-02 (A.Y. 2002-03) | 204.22 |
| | | | | F.Y. 2003-04 (A.Y. 2004-05) | 76.07 |
| | | | | F.Y. 2010-11 (A.Y. 2011-12) | 50.82 |
| | | | | F.Y. 2011-12 (A.Y. 2012-13) | 42.72 |
| 4. | Sales Tax | Entry Tax | Sales Tax Tribunal Noida | F.Y. 1999-00 | 13.70 |
| 5. | Sales Tax | VAT | Andhra Pradesh High Court | July 2011 to March 2014 | 6999.17 |
| 6. | Sales Tax | VAT | Karnataka High Court | F.Y. 2009-10 | 2955.19 |
| 7. | Sales Tax | VAT | Karnataka High Court | F.Y. 2010-11 | 23952.56 |

viii. The Company does not have any loan or borrowings from any financial institution, bank, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanation given to us by the management and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May 2017

# Annexure B to Independent Auditors' Report

Referred to Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

According to the information and explanations given to us we report as under:

| Sl. No. | Areas Examined | Observations/Findings |
|---|---|---|
| 1. | Whether the Company has clear title/ lease deeds for freehold and leasehold properties respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available. | The Company has clear title/ lease deeds for freehold and leasehold properties respectively except 7 properties where some of the compliances to establish clear title/ execution of lease deed in favour of the Company is pending. Out of 7 properties, 1 case pertains to allotment of land admeasuring 309 sq. mtr. in favour of the Company by the Gujarat Government where final title deed is yet to be executed. |
| 2. | Whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons there for and amount involved. | As per the records and information provided to us, there is waiver/write off of ₹ 64.44 Lakhs during the year, out of which ₹ 49.96 Lakhs is on account of bad debts written off and ₹ 14.48 Lakhs on account of deposits written off. The management is of the view that despite consistent follow up, no recovery of these debts/deposits have been made. |
| 3. | Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grants from the Govt. or other authorities. | (a) There are no inventories lying with third parties.<br>(b) The Company has not received any assets as gifts from Govt. or other authorities. However Grant in form of Export Incentives under Service Exports from India Scheme (SEIS) has been accounted for the financial year 2015-16 amounting to ₹ 1540.24 lakhs and financial year 2016-17 amounting to ₹ 815.98 lakhs on accrual basis. |

**For Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May 2017

# Annexure C to Independent Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Engineers India Limited** ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May 2017

# Balance Sheet

AS AT 31ST MARCH, 2017

**(₹ in Lakhs)**

| | Note | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4 | 22,542.06 | 23,788.32 | 26,729.21 |
| Capital work-in-progress | 4 | 1,810.11 | 1,703.56 | 1,906.09 |
| Investment property | 5 | 3,707.16 | 3,877.25 | 30.12 |
| Other intangibles assets | 6 A | 741.81 | 214.63 | 210.90 |
| Intangible assets under development | 6 B | 3,762.27 | 735.69 | 5.11 |
| Financial assets | | | | |
| Investments | 7 A | 15,376.18 | 2,466.62 | 311.08 |
| Loans | 8 A | 3,109.81 | 3,127.57 | 2,994.20 |
| Other financial assets | 9 A | 87.95 | 7,590.96 | 155.10 |
| Deferred tax assets (net) | 10 | 26,571.97 | 21,367.22 | 23,455.40 |
| Non-current tax assets (net) | 11 | 424.08 | 336.38 | 539.09 |
| Other non-current assets | 12 A | 785.79 | 802.99 | 1,141.88 |
| **Total non-current assets** | | **78,919.19** | **66,011.19** | **57,478.18** |
| **Current assets** | | | | |
| Inventories | 13 | 105.44 | 100.85 | 81.09 |
| Financial assets | | | | |
| Investments | 7 B | 37,866.17 | 1,201.38 | 13,493.18 |
| Trade receivables | 14 | 38,307.82 | 36,330.71 | 40,763.20 |
| Cash and cash equivalents | 15 | 15,745.08 | 872.78 | 1,255.26 |
| Other bank balances | 16 | 215,304.16 | 260,709.83 | 242,147.31 |
| Loans | 8 B | 1,076.42 | 1,032.41 | 1,040.64 |
| Other financial assets | 9 B | 38,373.16 | 38,040.43 | 29,406.01 |
| Other current assets | 12 B | 6,162.67 | 4,739.42 | 5,516.96 |
| **Total current assets** | | **352,940.92** | **343,027.81** | **333,703.65** |
| **Total assets** | | **431,860.11** | **409,039.00** | **391,181.83** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 17 | 33,693.67 | 16,846.84 | 16,846.84 |
| Other equity | 18 | 243,902.32 | 258,853.82 | 247,589.51 |
| **Total equity** | | **277,595.99** | **275,700.66** | **264,436.35** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| Other financial liabilities | 19 A | 119.23 | 130.60 | 65.32 |
| Provisions | 20 A | 762.86 | 783.36 | 1,746.82 |
| Other non-current liabilities | 21 A | 1,222.91 | 1,451.24 | 149.12 |
| **Total non-current liabilities** | | **2,105.00** | **2,365.20** | **1,961.26** |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Trade payables | 22 | 22,289.71 | 20,250.21 | 24,656.41 |
| Other financial liabilities | 19 B | 29,733.18 | 28,230.61 | 27,559.30 |
| Other current liabilities | 21 B | 48,543.13 | 47,383.52 | 30,564.03 |
| Provisions | 20 B | 45,577.03 | 34,837.97 | 39,347.82 |
| Current tax liabilities (net) | 23 | 6,016.07 | 270.83 | 2,656.66 |
| **Total current liabilities** | | **152,159.12** | **130,973.14** | **124,784.22** |
| **Total equity and liabilities** | | **431,860.11** | **409,039.00** | **391,181.83** |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 68 | | | |

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

**For Arun K Agarwal and Associates**
Chartered Accountants

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Rajesh Surolia | Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Partner** | **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| Membership No. 088008 | PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |
| FRN No. 003917N | | | | |

**Place :** New Delhi
**Date :** 22 May 2017

# Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH, 2017

**(₹ in Lakhs)**

| | Note | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 24 | 144,864.31 | 151,101.47 |
| Other income | 25 | 22,366.04 | 24,779.26 |
| **Total revenue** | | **167,230.35** | **175,880.73** |
| | | | |
| **Expenses** | | | |
| Technical assistance/sub-contracts | 26 | 16,358.11 | 21,072.28 |
| Construction materials and equipments | 27 | 6,332.59 | 36,966.29 |
| Employee benefits expenses | 28 | 74,397.68 | 59,055.04 |
| Finance costs | 29 | 317.15 | 24.61 |
| Depreciation and amortisation expense | 30 | 2,250.90 | 2,492.47 |
| Other expenses | 31 | 17,555.85 | 14,289.30 |
| **Total expenses** | | **117,212.28** | **133,899.99** |
| | | | |
| **Profit before tax** | | **50,018.07** | **41,980.74** |
| Less: Tax expense | 32 | | |
| Current tax | | 21,480.52 | 12,382.69 |
| Earlier years tax adjustments (net) | | (8.25) | (455.20) |
| Deferred tax | | (3,957.89) | 2,433.86 |
| **Profit for the year** | | **32,503.69** | **27,619.39** |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit and loss | | | |
| Re-measurement gains (losses) on defined benefit plans | | (3,573.64) | (359.54) |
| Income tax relating to items that will not be reclassified to profit and loss | | 1,236.76 | 124.43 |
| Items that will be reclassified to profit and loss | | | |
| Exchange differences on translation of foreign operations | | 21.14 | 14.65 |
| Income tax relating to items that will be reclassified to profit and loss | | (7.32) | (5.07) |
| **Total comprehensive income for the year** | | **30,180.63** | **27,393.86** |
| | | | |
| **Earnings per equity share (Face value ₹ 5 per share)** | 33 | | |
| Basic (₹) | | 4.82 | 4.10 |
| Diluted (₹) | | 4.82 | 4.10 |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 68

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

**For Arun K Agarwal and Associates**
Chartered Accountants

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Rajesh Surolia | Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Partner** | **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| Membership No. 088008 | PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |
| FRN No. 003917N | | | | |

**Place :** New Delhi
**Date :** 22 May 2017

# Statement of Changes in Equity

AS AT 31ST MARCH, 2017

**A Equity share capital*** **(₹ in Lakhs)**

| Particulars | Opening balance as at 1 April 2015 | Changes in equity share capital during the year | Redemption of equity share capital during the year | Balance as at 31 March 2016 | Changes in equity share capital during the year (Issue of bonus shares) | Redemption of equity share capital during the year | Balance as at 31 March 2017 |
|---|---|---|---|---|---|---|---|
| Equity share capital | 16,846.84 | - | - | 16,846.84 | 16,846.83 | - | 33,693.67 |

**B Other equity**** **(₹ in Lakhs)**

| Description | Reserves and surplus | | | Other comprehensive income | | Total |
|---|---|---|---|---|---|---|
| | General reserve | Retained earnings | CSR activity reserve | Exchange difference on translation of foreign operation | Remeasurement of defined benefit plans | |
| **Balance as at 1 April 2015** | **236,943.10** | **7,846.26** | **2,800.15** | **-** | **-** | **247,589.51** |
| Profit for the year | - | 27,619.39 | - | - | - | 27,619.39 |
| Other comprehensive income | - | - | - | 14.65 | (359.54) | (344.89) |
| Income tax related to items of other comprehensive income | - | - | - | (5.07) | 124.43 | 119.36 |
| Dividend including tax impact (refer note 37) | - | (16,129.55) | - | - | - | (16,129.55) |
| Transfer from retained earnings | 9,758.69 | (11,121.70) | 1,363.01 | - | - | - |
| Transfer to retained earnings | - | 1,410.11 | (1,410.11) | - | - | - |
| **Balance as at 31 March 2016** | **246,701.79** | **9,624.51** | **2,753.05** | **9.58** | **(235.11)** | **258,853.82** |
| Profit for the year | - | 32,503.69 | - | - | - | 32,503.69 |
| Other comprehensive income | - | - | - | 21.14 | (3,573.64) | (3,552.50) |
| Income tax related to items of other comprehensive income | - | - | - | (7.32) | 1,236.76 | 1,229.44 |
| Bonus issue of shares | (16,846.83) | - | - | - | - | (16,846.83) |
| Dividend including tax impact (refer note 37) | - | (28,285.30) | - | - | - | (28,285.30) |
| Transfer from retained earnings | - | (1,030.08) | 1,030.08 | - | - | - |
| Transfer to retained earnings | - | 1,099.69 | (1,099.69) | - | - | - |
| **Balance as at 31 March 2017** | **229,854.96** | **13,912.51** | **2,683.44** | **23.40** | **(2,571.99)** | **243,902.32** |

**Refer note 17 for details*
***Refer note 18 for details*

**For Arun K Agarwal and Associates**
Chartered Accountants

Sd/-
Rajesh Surolia
**Partner**
Membership No. 088008
FRN No. 003917N

Sd/-
Rajan Kapur
**Company Secretary**
PAN : AAIPK0926B

Sd/-
R.K Garg
**Executive Director [F&A]**
PAN : ACIPJ5332P

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

Sd/-
Ajay N. Deshpande
**Director [Technical]**
DIN : 03435179

Sd/-
Sanjay Gupta
**Chairman & Managing Director**
DIN : 05281731

**Place :** New Delhi
**Date :** 22 May 2017

# Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 50,018.07 | 41,980.74 |
| | **Adjustments for:** | | |
| | Depreciation and amortisation expense | 2,250.90 | 2,492.47 |
| | Fixed assets written off | 3.33 | 2.00 |
| | Deposits written off | 14.47 | 2.03 |
| | (Reversal of impairment)/impairment in value of investments | (4.39) | 2.62 |
| | Bad debts written off | 49.96 | 166.54 |
| | Dry well written off | 193.59 | - |
| | Allowance for expected credit losses - trade receivables and advances (net) | 1,300.90 | 10.44 |
| | Reversal of provision/provision for contractual obligations (net) | (1,781.87) | 932.80 |
| | Reversal of provision for expected losses (net) | (791.61) | (6,046.27) |
| | Interest expense | 317.15 | 24.61 |
| | (Profit)/loss on sale of fixed assets | (9.77) | 0.12 |
| | Interest income | (20,567.79) | (22,488.06) |
| | Loss/(gain) on modification of employee advances | 105.83 | (10.91) |
| | Amortization of deferred income | (22.69) | (15.04) |
| | Profit on sale of investment | - | (29.68) |
| | Exchange gain on repatriation of part capital of joint venture | - | (17.52) |
| | Capital gain on redemption of investments in mutual funds | - | (39.90) |
| | Dividend income | (733.98) | (682.53) |
| | **Operating profit before working capital changes** | **30,342.10** | **16,284.46** |
| | **Movement in working capital** | | |
| | (Increase)/decrease in current and non-current loans | (170.16) | 158.73 |
| | (Increase)/decrease in inventories | (4.59) | (19.76) |
| | (Increase)/decrease in other current financial assets | (512.29) | (8,637.09) |
| | (Increase)/decrease in other current and non-current assets | (1,398.82) | 1,128.67 |
| | (Increase)/decrease in trade receivables | (3,140.15) | 3,973.67 |
| | Increase/(decrease) in other current and non-current financial liabilities | 1,294.49 | (2,884.93) |
| | Increase/(decrease) in current and non-current provisions | 9,718.40 | (719.37) |
| | Increase/(decrease) in other current and non-current liabilities | 953.97 | 18,136.65 |
| | Increase/(decrease) in trade payables | 2,039.50 | (4,406.20) |
| | **Cash flow from operating activities post working capital changes** | **39,122.45** | **23,014.82** |
| | Income tax paid (net) | (16,023.19) | (14,347.30) |
| | **Net cash flow from operating activities (A)** | **23,099.26** | **8,667.53** |

# Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31ST MARCH, 2017

**(₹ in Lakhs)**

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **B** | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment, investment property and intangibles assets (including capital work-in-progress) | (4,521.97) | (3,057.12) |
| | Sale of fixed assets | 27.96 | 11.40 |
| | Interest received | 21,116.09 | 22,750.70 |
| | Dividend received | 733.98 | 682.53 |
| | Redemption of investment in fixed maturity plans of mutual funds | - | 13,533.08 |
| | Investment in liquid plans of mutual funds (net) | (36,664.79) | (1,201.38) |
| | Fixed deposit placed with banks having original maturity of more than three months | (198,683.74) | (264,641.66) |
| | Fixed deposit with banks matured having original maturity of more than three months | 251,000.81 | 241,114.77 |
| | Investment in joint ventures | (12,950.00) | (2,200.00) |
| | Divestment in subsidiary | - | 32.72 |
| | Divestment in joint venture | - | 54.50 |
| | **Net cash flows from investing activities (B)** | **20,058.34** | **7,079.54** |
| **C** | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Dividend paid (including tax) | (28,285.30) | (16,129.55) |
| | **Net cash used in financing activities (C)** | **(28,285.30)** | **(16,129.55)** |
| | Increase/(decrease) in cash and cash equivalents (A+B+C) | 14,872.30 | (382.48) |
| | Cash and cash equivalents at the begining of the year | 872.78 | 1,255.26 |
| | **Cash and cash equivalents at the end of the year** | **15,745.08** | **872.78** |

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

**For Arun K Agarwal and Associates**
Chartered Accountants

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Rajesh Surolia | Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Partner** | **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| Membership No. 088008 | PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |
| FRN No. 003917N | | | | |

**Place :** New Delhi
**Date :** 22 May 2017

# Summary of significant accounting policies for the year ended 31 March 2017

## 1. NATURE OF PRINCIPAL ACTIVITIES

Engineers India Limited and (referred to as "EIL" or "the Company") is a Government of India Enterprise under Ministry of Petroleum and Natural Gas. The Company operates into two major segments namely Consultancy & engineering projects and Turnkey projects.

## 2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The Company has its registered office situated at 1 Bhikaji Cama, New Delhi 110066, India. The shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange.

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). These are Company's standalone financial statements. The Company also prepared consolidated financial statements separately.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first one the Company has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for the year ended 31 March 2016 are also prepared under Ind AS.

The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on 22 May 2017.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. ACCOUNTING CONCEPTS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

### B. REVENUE RECOGNITION

*REVENUE RECOGNITION*

Revenue from services rendered is accounted for at fair value of consideration received or receivable, excluding taxes and rebates. In most cases, the consideration is in the form of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable and is determined by discounting all expected receipts using an imputed rate of interest.

Revenue from services is accounted as follows:

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

Any expected loss shall be recognised as an expense immediately.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

*TURNOVER/WORK-IN-PROGRESS*

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

   i. The terms of consideration receivable by the Company have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.

   ii. The terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably.

b) The cost of such jobs as stated in 'a' above is carried forward as work-in- progress at actual direct cost.

*EXPORT BENEFIT*

Export benefits constituting Service Export from India Scheme are accounted for on accrual basis when there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received.

*DIVIDEND INCOME*

Dividend on units/shares is accounted for when right to receive payment is established.

**C. INTANGIBLE ASSETS**

**Recognition**

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto ₹ 500,000 is fully amortized during the year of its acquisition.

**D. PROPERTY, PLANT AND EQUIPMENT**

**Recognition**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged. Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

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

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

**E. LEASES**

**Company as a lessee**

*Finance leases*

Management applies judgment in considering the substance of a lease agreement and whether it gives substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease, at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to statement of profit and loss, as finance costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

*Operating leases*

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 straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

**Company as a lessor**

*Operating lease*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

**F. INVESTMENT PROPERTIES**

**Recognition**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on investment properties is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

**De-recognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the year of de-recognition.

**G. FOREIGN CURRENCY**

*Functional and presentation currency*

The financial statements are presented in INR, which is also the functional currency of the Company.

*Foreign currency transactions and balances*

*Initial recognition*

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc and Japanese Yen and in respect of other currencies at Government rates prevailing in the month. However, foreign currency transactions in respect of sub-contractors/vendors are recorded at bank rate prevailing on the date of transaction.

*Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

For the foreign operation of the Company, all assets and liabilities are translated into INR using the exchange rate in effect at the balance sheet date and for revenue and expense items using the average exchange rate for respective period.

*Exchange differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

For the foreign operation of the Company, gain/(loss) arising on conversion of branch financial statements is recognised as exchange translation gain/(loss) under other comprehensive income and accumulated as foreign exchange translation reserve under the head other equity.

**H. IMPAIRMENT OF NON-FINANCIAL ASSETS**

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of profit and loss in the year of reversal and is restricted to the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**I. FINANCIAL INSTRUMENTS**

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

i. **Debt instruments at amortised cost –** A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Equity investments –** All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. **Mutual funds –** All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

*Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. This category generally applies to long-term payables and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Forward contracts**

A forward contract is recognised as an asset or a liability on the commitment date. Outstanding forward contracts as at reporting date are restated using the mark to market information and resultant gain/(loss) is accounted in statement of profit and loss.

**J. IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**L. GOVERNMENT GRANTS**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to a revenue item, it is recognized in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.
- When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

When the Company receives grant as a non-monetary asset, the asset and the grant are recorded at fair value. The amount is then recognised in statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**M. OIL AND GAS EXPLORATION ACTIVITIES**

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

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

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

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

**N. RESEARCH AND DEVELOPMENT EXPENDITURE**

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under property, plant and equipment.

**O. FINANCIAL GUARANTEES**

*Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

*Initial recognition*

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

*Subsequent recognition*

Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

**P. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**Q. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

**R. INVESTMENT IN EQUITY INSTRUMENTS OF CONSOLIDATED ENTITIES**

The Company's investment in equity instruments of subsidiaries and joint ventures are accounted for at cost.

**S. INVESTMENT IN JOINTLY CONTROLLED OPERATIONS**

A joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation is generally not structured through a separate legal vehicle.

The particulars of joint operations considered in the financial statements are as under:

| Sl. No. | Name of the Company | Country of Incorporation | Relationship | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|---|---|
| 1 | Petroleum India International (Association of Person (AOP)) | India | Joint Operation | 9.51% | 9.54% | 9.56% |
| 2 | CB-ONN-2010/11 | India | Joint Operation | 20% | 20% | 20% |
| 3 | CB-ONN-2010/08 | India | Joint Operation | 20% | 20% | 20% |

The Company accounts for proportionate share in the assets, liabilities, income and expenditure of the said jointly controlled operations as participating interest.

**T. CASH AND CASH EQUIVALENTS**

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

**U. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS**

*Defined benefit plans*

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

*Other long-term benefits*

The liabilities for leave (earned and half pay leave) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Company has secured these liabilities against the plan assets. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period(using the projected unit credit method).

*Short-term employee benefits*

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

*Defined contribution plans*

Contributions with respect to provident fund and superannuation fund, defined contribution plans, are made to the trust set-up by the Company for the purpose

*Other benefits*

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

**V. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**W. RECENT ACCOUNTING PRONOUNCEMENT**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April 2017.

**Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

*Significant management judgments*

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Revenue –** The Company recognises revenue using the stage of completion method. This requires estimates to be made of the outcomes of long-term construction and service contracts, which require assessments and judgments to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured.

**Recognition of deferred tax assets –** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables –** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions –** At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgment.

**Notes to the Financial Statements for the year ended 31 March 2017**

**4. Property, plant and equipment**

**(₹ in Lakhs)**

| Particulars | Freehold land | Leasehold land* | Building | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Motor vehicles | Library books | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | |
| At 1 April 2015 | 298.08 | 1,551.78 | 21,551.26 | 43.54 | 1,704.23 | 1,579.99 | 0.33 | - | **26,729.21** | - |
| Additions | - | - | 2,255.44 | - | 597.23 | 207.81 | 0.05 | 2.40 | **3,062.93** | - |
| Reclassification to investment property due to change in use | (0.35) | (264.53) | (3,634.72) | - | - | (77.74) | - | - | **( 3,977.34)** | - |
| Exchange difference on translation of foreign operation | - | - | - | - | 17.60 | 27.84 | - | - | **45.44** | - |
| Disposals/assets written off | - | - | (210.01) | - | (5.80) | (12.26) | - | - | **(228.07)** | - |
| **Balance as at 31 March 2016** | **297.73** | **1,287.25** | **19,961.97** | **43.54** | **2,313.26** | **1,725.64** | **0.38** | **2.40** | **25,632.17** | **-** |
| Additions | - | - | 45.90 | 3.98 | 694.07 | 43.91 | 0.07 | 3.05 | **790.98** | - |
| Exchange difference on translation of foreign operation | - | - | (0.77) | - | (4.75) | (10.38) | - | - | **(15.90)** | - |
| Reclassification to investment property due to change in use | - | - | (4.42) | - | - | - | - | - | **(4.42)** | - |
| Disposals/assets written off/ Adjustment | - | - | (172.39) | - | (5.58) | (9.02) | (0.15) | - | **(187.14)** | - |
| **Balance as at 31 March 2017** | **297.73** | **1,287.25** | **19,830.29** | **47.52** | **2,997.00** | **1,750.15** | **0.30** | **5.45** | **26,215.69** | **-** |
| | | | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | | | |
| At 1 April 2015 | - | - | - | - | - | - | - | - | **-** | - |
| Charge for the year | - | 17.83 | 888.13 | - | 710.97 | 245.80 | 0.05 | 2.40 | **1,865.18** | - |
| Reclassification to investment property due to change in use | - | (0.25) | (51.89) | - | - | (3.31) | - | - | **(55.45)** | - |
| Exchange difference on translation of foreign operation | - | - | - | - | 18.68 | 16.71 | - | - | **35.39** | - |
| Adjustments for disposals | - | - | (0.11) | - | (0.95) | (0.21) | - | - | **(1.27)** | - |
| **Balance as at 31 March 2016** | **-** | **17.58** | **836.13** | **-** | **728.70** | **258.99** | **0.05** | **2.40** | **1,843.85** | **-** |

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land* | Building | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Motor vehicles | Library books | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| Charge for the year | - | 17.57 | 852.10 | 0.03 | 737.61 | 235.28 | 0.07 | 3.05 | **1,845.71** | - |
| Reclassification to investment property due to change in use | - | - | (0.65) | - | - | - | - | - | **(0.65)** | - |
| Exchange difference on translation of foreign operation | - | - | (0.04) | - | (2.98) | (2.08) | - | - | **(5.10)** | - |
| Adjustments for disposals | - | - | (3.86) | - | (3.96) | (2.36) | - | - | **(10.18)** | - |
| **Balance as at 31 March 2017** | **-** | **35.15** | **1,683.68** | **0.03** | **1,459.37** | **489.83** | **0.12** | **5.45** | **3,673.63** | **-** |
| | | | | | | | | | | |
| **Net book value (deemed cost) as at 1 April 2015** | **298.08** | **1,551.78** | **21,551.26** | **43.54** | **1,704.23** | **1,579.99** | **0.33** | **-** | **26,729.21** | **1,906.09** |
| **Net book value as at 31 March 2016** | **297.73** | **1,269.67** | **19,125.84** | **43.54** | **1,584.56** | **1,466.65** | **0.33** | **-** | **23,788.32** | **1,703.56** |
| **Net book value as at 31 March 2017** | **297.73** | **1,252.10** | **18,146.61** | **47.49** | **1,537.63** | **1,260.32** | **0.18** | **-** | **22,542.06** | **1,810.11** |

**Refer note 39A for details*

**(i) Contractual obligations**

Refer to note 40B(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(ii)** Above excludes fixed assets having written down value of ₹ 0.44 lakhs (previous year 31 March 2016: ₹ 13.33 lakhs and previous year 1 April 2015: ₹ 12.00 lakhs) shown as assets held for disposal under note 'Other Current Assets'.

**(iii)** Restriction on title of property, plant and equipment, refer note 42 (ii).

**(iv) Deemed cost of property plant and equipment**

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land* | Building | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Motor vehicles | Library books | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | |
| At 1 April 2015 | 298.08 | 1,611.55 | 25,030.77 | 1,087.81 | 7,050.25 | 3,641.67 | 9.10 | 491.67 | **39,220.90** |
| **Accumulated depreciation** | | | | | | | | | |
| At 1 April 2015 | - | 59.77 | 3,479.51 | 1,044.27 | 5,346.02 | 2,061.68 | 8.77 | 491.67 | **12,491.69** |
| **Net book value (deemed cost) as at 1 April 2015** | 298.08 | 1,551.78 | 21,551.26 | 43.54 | 1,704.23 | 1,579.99 | 0.33 | - | 26,729.21 |

**5. Investment property**

(₹ in Lakhs)

| | Freehold land | Leasehold land* | Building and related fixtures/assets | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| At 1 April 2015 | - | - | 30.12 | **30.12** |
| Reclassification from property, plant and equipment due to change in use | 0.35 | 264.53 | 3,712.46 | **3,977.34** |
| Additions | - | - | 31.10 | **31.10** |
| Disposals/assets written off | - | - | - | **-** |
| **Balance as at 31 March 2016** | **0.35** | **264.53** | **3,773.68** | **4,038.56** |
| Reclassification from property, plant and equipment due to change in use | - | - | 4.42 | **4.42** |
| Additions | - | - | 7.15 | **7.15** |
| Disposals/assets written off | - | - | (16.75) | **(16.75)** |
| **Balance as at 31 March 2017** | **0.35** | **264.53** | **3,768.50** | **4,033.38** |
| | | | | |
| **Accumulated depreciation** | | | | |
| At 1 April 2015 | - | - | - | **-** |
| Reclassification from property, plant and equipment due to change in use | - | 0.25 | 55.20 | **55.45** |
| Charge for the year | - | 0.46 | 105.40 | **105.86** |
| Adjustments for disposals | - | - | - | **-** |
| **Balance as at 31 March 2016** | **-** | **0.71** | **160.60** | **161.31** |
| Reclassification from property, plant and equipment due to change in use | - | - | 0.65 | **0.65** |
| Charge for the year | - | 0.71 | 163.83 | **164.54** |
| Adjustments for disposals | - | - | (0.28) | **(0.28)** |
| **Balance as at 31 March 2017** | **-** | **1.42** | **324.80** | **326.22** |
| | | | | |
| **Net book value (deemed cost) as at 1 April 2015** | **-** | **-** | **30.12** | **30.12** |
| **Net book value as at 31 March 2016** | **0.35** | **263.82** | **3,613.08** | **3,877.25** |
| **Net book value as at 31 March 2017** | **0.35** | **263.11** | **3,443.70** | **3,707.16** |

*Refer note 39A for details

**(i) Contractual obligations**

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

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

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Rental income | 554.75 | 254.46 |
| **Less:** | | |
| Direct operating expenses generating rental income | 72.57 | 3.31 |
| Direct operating expenses that did not generate rental income | 503.29 | 389.73 |
| **Profit/(Loss) from leasing of investment properties** | **(21.11)** | **(138.58)** |

**(iii) Leasing arrangements**

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

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

| Description | Fair value (₹ in Lakhs) | | |
|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Residential flats | 6,144.56 | 4,692.25 | 4,155.59 |
| Land and building | 36,004.59 | 36,882.81 | 36,872.91 |
| Office premises | 693.00 | 719.87 | 706.42 |

**Fair value hierarchy and valuation technique**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

**(v) Deemed cost of investment property**

**(₹ in Lakhs)**

| | Freehold land | Leasehold land | Building | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| At 1 April 2015 | - | - | 138.67 | **138.67** |
| **Accumulated depreciation** | | | | |
| At 1 April 2015 | - | - | 108.55 | **108.55** |
| **Net book value (deemed cost) as at 1 April 2015** | - | - | **30.12** | **30.12** |

**6A. Other intangible assets**

(₹ in Lakhs)

| | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 210.90 | **210.90** |
| Additions | 526.99 | **526.99** |
| Exchange difference on translation of foreign operation | 2.09 | **2.09** |
| Disposals/assets written off | - | **-** |
| **Balance as at 31 March 2016** | **739.98** | **739.98** |
| Additions | 769.57 | 769.57 |
| Exchange difference on translation of foreign operation | (5.34) | (5.34) |
| Disposals/assets written off | - | - |
| **Balance as at 31 March 2017** | **1,504.21** | **1,504.21** |
| | | |
| **Accumulated amortisation** | | |
| At 1 April 2015 | - | **-** |
| Amortisation charge for the year | 521.43 | **521.43** |
| Exchange difference on translation of foreign operation | 3.92 | **3.92** |
| Adjustments for disposals | - | **-** |
| **Balance as at 31 March 2016** | **525.35** | **525.35** |
| Amortisation charge for the year | 240.65 | 240.65 |
| Exchange difference on translation of foreign operation | (3.60) | (3.60) |
| Adjustments for disposals | - | - |
| **Balance as at 31 March 2017** | **762.40** | **762.40** |
| | | |
| **Net book value (deemed cost) as at 1 April 2015** | **210.90** | **210.90** |
| **Net book value as at 31 March 2016** | **214.63** | **214.63** |
| **Net book value as at 31 March 2017** | **741.81** | **741.81** |

**(i) Deemed cost of intangible assets**

(₹ in Lakhs)

| | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 4,550.06 | **4,550.06** |
| **Accumulated amortisation** | | |
| At 1 April 2015 | 4,339.16 | **4,339.16** |
| **Net book value (deemed cost) as at 1 April 2015** | **210.90** | **210.90** |

**6B. Intangible assets under development**

(₹ in Lakhs)

| | Exploration and evaluation assets | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 5.11 | **5.11** |
| Additions | 730.58 | **730.58** |
| **Balance as at 31 March 2016** | **735.69** | **735.69** |
| Additions | 3,220.17 | **3,220.17** |
| Disposals/assets written off | (193.59) | **(193.59)** |
| **Balance as at 31 March 2017** | **3,762.27** | **3,762.27** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-7** | | | |
| **A Investments - non-current** | | | |
| **Equity instruments** | | | |
| **Investment in subsidiary companies (unquoted)** | | | |
| EIL Asia Pacific Sdn Bhd Malaysia* | - | - | 3.04 |
| *Nil (previous year 31 March 2016: Nil, 1 April 2015: 250,000) ordinary shares of RM 1 each fully paid up* in wholly owned subsidiary, out of which 2,25,000 ordinary shares were received by way of bonus shares | | | |
| Certification Engineers International Limited | 20.00 | 20.00 | 20.00 |
| *1,00,000 (previous year 31 March 2016 and 1 April 2015: 100,000) equity shares of ₹ 100 each fully paid up in wholly owned subsidiary, out of which 80,000 equity shares were received by way of Bonus shares* | | | |
| **Sub-total (A)** | **20.00** | **20.00** | **23.04** |
| **Investment in joint venture companies (unquoted)** | | | |
| TEIL Projects Limited | 550.00 | 500.00 | 500.00 |
| *5,500,000 (previous year 31 March 2016 and 1 April 2015: 5,000,000) equity shares of ₹ 10 each fully paid up* | | | |
| Less: Impairment in value of investments | (537.82) | (500.00) | (500.00) |
| **Sub-total (B)** | **12.18** | **-** | **-** |
| Jabal Eiliot Co. Ltd. | 599.00 | 599.00 | 599.00 |
| *500,000 (previous year 31 March 2016 and 1 April 2015: 500,000) shares of SR 10 each fully paid up* | | | |
| Less: Historical cost of part repatriated capital | (396.38) | (396.38) | (359.40) |
| Less: Impairment in value of investments | (202.62) | (200.00) | (195.56) |
| **Sub-total (C)** | **-** | **2.62** | **44.04** |
| Ramagundam Fertilizers and Chemicals Limited** | 15,344.00 | 2,444.00 | 244.00 |
| *125,440,004 (previous year 31 March 2016: 15,440,004 and previous year 1 April 2015: 2,440,004) equity shares of ₹ 10 each fully paid up* | | | |
| **Sub-total (D)** | **15,344.00** | **2,444.00** | **244.00** |
| **Grand total (A+B+C+D)** | **15,376.18** | **2,466.62** | **311.08** |
| Aggregate book value of unquoted investments - Gross book value | 16,116.62 | 3,166.62 | 1,006.64 |
| Aggregate amount of impairment in value of investments | 740.44 | 700.00 | 695.56 |

| Particulars | Principal place of business | Ownership interests | Accounted on |
|---|---|---|---|
| EIL Asia Pacific Sdn Bhd Malaysia* | Malaysia | 100% | Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements' |
| Certification Engineers International Limited | India | 100% | |
| TEIL Projects Limited | India | 50% | |
| Jabal Eiliot Co. Ltd. | Saudi Arabia | 33.33% | |
| Ramagundam Fertilizers and Chemicals Limited** | India | 49.9898% | |

**Members voluntary winding up and proceeds amounted to ₹ 32.72 lakhs received during the previous year ended 31 March 2016.*

*** Includes share application money for 28,000,000 shares of ₹ 10 each fully paid amounting to ₹2800.00 Lakhs against which equity shares has been allotted on 17 April 2017 (Previous Year 31 March 2016 : 9,000,000 shares of ₹10 each fully paid amounting to ₹ 900.00 lakhs against which equity shares has been allotted on 29 April 2016)*

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **B** | **Investments-current** | | | |
| | **Fixed maturity plan of mutual funds (quoted)** | | | |
| | UTI Fixed Term Income Fund Series XVIII-V (370 Days) (1 April 2015: 45,000,000 units) | - | - | 4,905.72 |
| | *Direct Growth Plan of ₹ 10 each (1 April 2015: NAV - 10.9016)* | | | |
| | SBI Debt Fund Series-A 17 (366 Days) (1 April 2015: 79,000,000 units) | - | - | 8,587.46 |
| | *Direct Growth Plan of ₹ 10 each (1 April 2015: NAV - 10.8702)* | | | |
| | **Liquid plan of mutual funds (quoted)** | | | |
| | BOI AXA Liquid Fund - Direct Plan 1,067,606.675 units(Previous year 31 March 2016: 119,821.108 units) | 10,704.34 | 1,201.38 | - |
| | *Daily dividend re-investment of ₹1,000 each (31 March 2017: NAV - ₹1,002.6483 and 31 March 2016: NAV -₹1,002.6483)* | | | |
| | UTI - Liquid Cash Plan - Institutional - Direct Plan 2,664,372.376 units (Previous year 31 March 2016: Nil units) | 27,161.83 | - | - |
| | *Daily dividend re-investment of ₹ 1,000 each (31 March 2017: NAV - 1,019.4457)* | | | |
| | | **37,866.17** | **1,201.38** | **13,493.18** |
| | Aggregate book value of quoted investments | 37,866.17 | 1,201.38 | 13,493.18 |
| | Aggregate market value of quoted investments | 37,866.17 | 1,201.38 | 13,493.18 |

## Note-8

| | | | | |
|---|---|---|---|---|
| **A** | **Loans-non-current** | | | |
| | **(Considered good unless otherwise stated)** | | | |
| | **Secured** | | | |
| | Loans to employees | 1,207.34 | 1,151.31 | 1,132.69 |
| | **Unsecured** | | | |
| | Security deposits | 97.45 | 113.72 | 97.99 |
| | Loans to related parties: | | | |
| | Loans to key managerial personnel | 4.29 | 4.78 | 5.17 |
| | Loans to employees | 1,800.73 | 1,857.76 | 1,758.35 |
| | | **3,109.81** | **3,127.57** | **2,994.20** |
| **B** | **Loans-current** | | | |
| | **(Considered good unless otherwise stated)** | | | |
| | **Secured** | | | |
| | Loans to related parties | | | |
| | Loans to directors | - | - | 0.59 |
| | Loans to employees | 233.22 | 237.52 | 259.69 |
| | **Unsecured** | | | |
| | Loans to related parties: | | | |
| | Loans to directors | - | - | 0.21 |
| | Loans to other key managerial personnel | 0.75 | 0.77 | 0.81 |
| | Loans to employees | 574.02 | 579.68 | 574.75 |
| | Security deposits | | | |
| | Considered good | 268.43 | 214.44 | 204.59 |
| | Considered doubtful | 0.69 | 0.69 | 0.69 |
| | | **1,077.11** | **1,033.10** | **1,041.33** |
| | Less: Allowance for expected credit losses | (0.69) | (0.69) | (0.69) |
| | | **1,076.42** | **1,032.41** | **1,040.64** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-9** | | | |
| **A Other financial asset - non-current** | | | |
| Bank deposits with maturity more than 12 months | 85.55 | 7,588.55 | 152.69 |
| Others | 2.40 | 2.41 | 2.41 |
| | **87.95** | **7,590.96** | **155.10** |

(i) The above includes bank deposits ₹ 85.55 lakhs (previous year as at 31 March 2016: ₹ 88.00 lakhs and previous year 1 April 2015: ₹ 58.14 lakhs) held as margin money/security against bank guarantees.

(ii) The above also includes interest accrued on bank deposits of ₹ Nil (previous year 31 March 2016: ₹ 1.55 lakhs and previous year 1 April 2015 : ₹ Nil)

| | | | |
|---|---|---|---|
| **B Other financial assets - current** | | | |
| **(Unsecured, considered good unless otherwise stated)** | | | |
| Retention against contracts | 1,636.56 | 613.64 | 587.74 |
| Work-in-progress* | | | |
| Considered good | 786.37 | 327.99 | 48.87 |
| Considered doubtful | 179.56 | - | - |
| Unbilled revenue** | 31,737.53 | 34,696.90 | 27,261.48 |
| Balances against joint venture entities | 833.00 | 833.00 | 833.00 |
| Others | | | |
| Considered good | 3,379.70 | 1,568.90 | 674.92 |
| Considered doubtful | 2.67 | 2.67 | - |
| | **38,555.39** | **38,043.10** | **29,406.01** |
| Less: Allowance for expected credit losses | (182.23) | (2.67) | - |
| | **38,373.16** | **38,040.43** | **29,406.01** |

*As taken, valued and certified by the management

**Represents Gross amount due from Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"

| | | | |
|---|---|---|---|
| **Note-10** | | | |
| **Deferred tax assets (net)** | | | |
| **Deferred tax assets arising on:** | | | |
| Employee benefits: | | | |
| Provision for leave encashment | 6,946.62 | 5,787.50 | 5,465.86 |
| Provision for post retirement medical benefits | 6,097.48 | 4,479.71 | 4,070.77 |
| Provision for other benefits on retirement | 96.79 | 93.86 | 47.99 |
| Provision for long service awards | 216.75 | 211.96 | 595.79 |
| Provision for employee related expenses allowed on payment basis | 3,223.25 | - | - |
| Provision for contractual obligations | 9,313.21 | 9,929.89 | 9,607.06 |
| Provision for estimated losses | 246.85 | 520.82 | 2,613.31 |
| Provision for doubtful debts and advances | 2,849.57 | 2,402.21 | 2,398.60 |
| Others: | | | |
| Provision for loss in joint venture | 170.83 | 171.84 | 171.24 |
| Amortised cost financial instruments | 34.65 | - | 0.04 |
| Foreign currency translation reserve | 9.24 | - | - |
| **Deferred tax liabilities arising on:** | | | |
| Depreciation | (2,100.22) | (1,695.43) | (1,136.93) |
| Others | | | |
| Fair valuation of mutual fund | - | - | (378.33) |
| Income under service export of India scheme | (533.05) | (533.05) | - |
| Amortised cost financial instruments | - | (1.21) | - |
| Foreign currency translation reserve | - | (0.88) | - |
| | **26,571.97** | **21,367.22** | **23,455.40** |

**Movement in abovementioned deferred tax assets and liabilities**

| Particulars | 1 April 2015 | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2016 | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2017 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Employee benefits | 10,180.41 | 346.56 | 46.06 | 10,573.03 | 1,236.76 | 4,771.10 | 16,580.89 |
| Provision for contractual obligations | 9,607.06 | - | 322.83 | 9,929.89 | - | (616.68) | 9,313.21 |
| Provision for estimated losses | 2,613.31 | - | (2,092.49) | 520.82 | - | (273.97) | 246.85 |
| Trade receivables | 2,398.60 | - | 3.61 | 2,402.21 | - | 447.36 | 2,849.57 |
| Others | 171.28 | - | 0.56 | 171.84 | - | 42.88 | 214.72 |
| **Deferred tax liabilities arising on:** | | | | | | | |
| Depreciation | (1,136.93) | - | (558.50) | (1,695.43) | - | (404.79) | (2,100.22) |
| Others | (378.33) | (0.88) | (155.93) | (535.14) | 10.10 | (8.01) | (533.05) |
| **Total** | **23,455.40** | **345.68** | **(2,433.86)** | **21,367.22** | **1,246.86** | **3,957.89** | **26,571.97** |

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-11** | | | |
| **Non-current tax assets (net)** | | | |
| Advance income tax (net of provision for taxation amounting to ₹ 28,471.94 lakhs (previous year 31 March 2016: ₹ 37,016.09 lakhs and previous year 1 April 2015 : ₹ 49,876.29 lakhs) | 424.08 | 336.38 | 535.59 |
| Advance fringe benefit tax | - | - | 3.50 |
| | **424.08** | **336.38** | **539.09** |
| **Note-12** | | | |
| **A Other non-current assets** | | | |
| **(Unsecured, considered good unless otherwise stated)** | | | |
| Capital advances | 40.53 | 36.06 | 314.00 |
| Prepaid expense and rent advance | 745.26 | 766.93 | 827.88 |
| | **785.79** | **802.99** | **1,141.88** |
| **B Other current assets** | | | |
| **(Unsecured, considered good unless otherwise stated)** | | | |
| Advances to vendors/contractors | | | |
| Considered good | 4,701.35 | 2,802.47 | 4,390.19 |
| Considered doubtful | 2.58 | 2.58 | 2.58 |
| Prepaid expenses | 561.00 | 570.10 | 494.75 |
| Deposit with statutory authorities | 600.50 | 836.06 | 180.08 |
| Assets held for sale (refer note 65) | 0.44 | 13.33 | 12.00 |
| Claims receivable | | | |
| Considered good | 12.93 | 8.89 | 8.89 |
| Considered doubtful | 10.05 | 1.79 | 286.30 |
| Advances to employees | | | |
| Considered good | 282.06 | 504.92 | 423.05 |
| Considered doubtful | 1.36 | 1.36 | 1.36 |
| Other advances | 4.39 | 3.65 | 8.00 |
| | **6,176.66** | **4,745.15** | **5,807.20** |
| **Less:** Impairment of non-financial assets | (13.99) | (5.73) | (290.24) |
| | **6,162.67** | **4,739.42** | **5,516.96** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-13** | | | |
| **Inventories** | | | |
| **(lower of cost or net realizable value)** | | | |
| Stores, spares and chemicals in hand | 105.44 | 100.85 | 81.09 |
| | **105.44** | **100.85** | **81.09** |
| **Note-14** | | | |
| **Trade receivables** | | | |
| Trade receivable | | | |
| Considered good | 38,307.82 | 36,330.71 | 40,763.20 |
| Considered doubtful | 8,045.21 | 6,932.13 | 6,639.85 |
| | **46,353.03** | **43,262.84** | **47,403.05** |
| **Less:** Allowance for expected credit losses | (8,045.21) | (6,932.13) | (6,639.85) |
| | **38,307.82** | **36,330.71** | **40,763.20** |
| **Note-15** | | | |
| **Cash and cash equivalents** | | | |
| Balances with banks in current account* | 1,851.45 | 863.63 | 1,232.98 |
| Remittance in transit | - | - | 13.15 |
| Banks deposits having maturity of less than three months** | 13,885.28 | - | - |
| Cash and stamps on hand* | 8.35 | 9.15 | 9.13 |
| | **15,745.08** | **872.78** | **1,255.26** |

** Includes ₹ 102.99 lakhs(previous year 31 March 2016: ₹ 91.03 lakhs and previous year 1 April 2015: ₹ 62.19 lakhs) in currencies which are not repatriable.*

*** Includes interest accrued on bank deposits ₹1.28 lakhs (previous year 31 March 2016: ₹ Nil and previous year 1 April 2015: ₹ Nil)*

| | | | |
|---|---|---|---|
| **Note-16** | | | |
| **Other bank balances** | | | |
| Unpaid dividend account | 139.12 | 77.28 | 92.95 |
| Amount held on behalf of clients | 5,031.33 | 5,099.11 | 2,066.73 |
| Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below) | 210,133.71 | 255,533.44 | 239,987.63 |
| | **215,304.16** | **260,709.83** | **242,147.31** |

**Notes:**

**(i)** *Includes bank deposits having more than twelve months original maturity of ₹ 52,920.64 Lakhs (previous year 31 March 2016: ₹ 63,111.62 lakhs and previous year 1 April 2015: ₹ 33,778.63 lakhs)*

**(ii)** *Includes bank deposits ₹ 12,317.47 Lakhs (previous year 31 March 2016: ₹ 87.49 Lakhs and previous year 1 April 2015: ₹ 93.01 Lakhs) held as margin money/security against bank guarantees.*

**(iii)** *Includes interest accrued on bank deposits ₹ 3,950.97 Lakhs (previous year 31 March 2016: ₹4,535.12 Lakhs and previous year 1 April 2015: ₹5,081.97 Lakhs)*

**(iv) Disclosure on Specified Bank Notes (SBNs)**

Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(in ₹)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 8 November 2016 | 155,000.00 | 54,603.00 | 209,603.00 |
| **Add:** Permitted receipts | - | 634,074.00 | 634,074.00 |
| **Less:** Permitted payments | - | (593,359.00) | (593,359.00) |
| **Less:** Amount deposited in banks | (155,000.00) | - | (155,000.00) |
| Closing cash in hand as on 30 December 2016 | **-** | **95,318.00** | **95,318.00** |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-17** | | | |
| **Equity share capital** | | | |
| **Authorised share capital** | | | |
| 800,000,000 (previous year 31 March 2016 and 1 April 2015: 600,000,000) equity shares of par value of ₹ 5 each | 40,000.00 | 30,000.00 | 30,000.00 |
| | **40,000.00** | **30,000.00** | **30,000.00** |
| **Issued share capital** | | | |
| 673,954,200 (previous year 31 March 2016 and 1 April 2015: 337,017,600) equity shares of par value of ₹ 5 each | 33,697.71 | 16,850.88 | 16,850.88 |
| | **33,697.71** | **16,850.88** | **16,850.88** |
| **Subscribed and paid up** | | | |
| 673,873,200 (previous year 31 March 2016 and 1 April 2015: 336,936,600) equity shares of par value of ₹ 5 each | 33,693.66 | 16,846.83 | 16,846.83 |
| **Add: Forfeited shares** | 0.01 | 0.01 | 0.01 |
| Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2016 and 1 April 2015: 2,600 equity shares of par value of ₹ 5 each ) | | | |
| | **33,693.67** | **16,846.84** | **16,846.84** |

**a) Reconciliation of shares outstanding at the beginning and at the end of the year**

| **Equity shares** | **Number** | **Number** | **Number** |
|---|---|---|---|
| Shares outstanding at the beginning of the year | 336,936,600 | 336,936,600 | 336,936,600 |
| Add : bonus shares issued during the year | 336,936,600 | - | - |
| **Shares outstanding at the end of the year** | **673,873,200** | **336,936,600** | **336,936,600** |

**b) Details of shareholders holding more than 5% equity shares in the Company**

| **Name of shareholders** | **Number** | **Number** | **Number** |
|---|---|---|---|
| President of India | 384,224,594 | 200,025,251 | 233,727,299 |
| | 57.02% | 59.37% | 69.37% |
| Life Insurance Corporation of India | 27,384,340 | 18,690,269 | 15,430,085 |
| | 4.06% | 5.55% | 4.58% |

**c) Other disclosures**

| | | | |
|---|---|---|---|
| Aggregate number of equity shares having par value of ₹ 5 each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date | 336,936,600 | - | 224,624,400 |

**d) Terms and rights attached to equity shares**

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

## Note-18

**Other equity**

**Nature and purpose of other reserves**

***General reserve***

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

***Retained earnings***

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

***CSR activity reserve***

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

***Other comprehensive income***

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re-measurement of defined benefit plans.

**(₹ in Lakhs)**

| | | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **Note-19** | | | | |
| **A** | **Other financial liabilities - non-current** | | | |
| | Security deposits and retentions | 119.23 | 130.60 | 65.32 |
| | | **119.23** | **130.60** | **65.32** |
| **B** | **Other financial liabilities - Current** | | | |
| | Security deposits and retentions | 17,852.67 | 18,633.27 | 21,049.73 |
| | Capital creditors | 2,063.36 | 1,883.83 | 1,279.77 |
| | Accrued employees benefits | 3,813.70 | 1,659.29 | 2,190.47 |
| | Unpaid dividend* | 139.12 | 77.28 | 92.95 |
| | Amount held on behalf of clients | 5,031.33 | 5,099.11 | 2,066.73 |
| | Guarantee liability | - | 44.83 | 46.65 |
| | Other liabilities against joint venture entities | 833.00 | 833.00 | 833.00 |
| | | **29,733.18** | **28,230.61** | **27,559.30** |

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

| | | | | |
|---|---|---|---|---|
| **Note-20** | | | | |
| **A** | **Provisions - non-current** | | | |
| | Employees' post retirement/long-term benefits | 762.86 | 783.36 | 1,746.82 |
| | | **762.86** | **783.36** | **1,746.82** |
| **B** | **Provisions - current** | | | |
| | Employees' post retirement/long-term benefits | 17,716.28 | 4,284.74 | 3,663.31 |
| | Provision for contractual obligations | 27,057.38 | 28,839.25 | 27,906.45 |
| | Provision for expected losses | 713.28 | 1,504.89 | 7,551.16 |
| | Provision for corporate social responsibility | 90.09 | 209.09 | 226.90 |
| | | **45,577.03** | **34,837.97** | **39,347.82** |

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **Note-21** | | | | |
| **A** | **Other non-current liabilities** | | | |
| | Advances received from clients | 1,213.74 | 1,441.98 | 143.51 |
| | Deferred income | 9.17 | 9.26 | 5.61 |
| | | **1,222.91** | **1,451.24** | **149.12** |
| **B** | **Other current liabilities** | | | |
| | Advances received from clients | 3,699.95 | 2,345.72 | 4,917.36 |
| | Income received in advance* | 42,167.17 | 42,245.80 | 21,485.22 |
| | Service tax payable | 18.83 | 96.50 | 188.88 |
| | Withholding for employees including employers contribution | 1,217.35 | 1,156.03 | 1,122.30 |
| | Withholding for income taxes | 1,280.27 | 1,432.83 | 2,749.67 |
| | Deferred income | 14.89 | 18.42 | 7.25 |
| | Other liabilities | 144.67 | 88.22 | 93.35 |
| | | **48,543.13** | **47,383.52** | **30,564.03** |

**Represents Gross amount due to Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"*

| | | | | |
|---|---|---|---|---|
| **Note-22** | | | | |
| | **Trade payables** | | | |
| | Trade and other payables (refer note 57) | 22,289.71 | 20,250.21 | 24,656.41 |
| | | **22,289.71** | **20,250.21** | **24,656.41** |
| **Note-23** | | | | |
| | **Current tax liabilities (net)** | | | |
| | Provision for taxation (net of advance tax) amounting to ₹ 15,753.76 lakhs (previous year 31 March 2016: ₹ 12,305.45 lakhs and previous year 1 April 2015 : ₹ 13,290.34 lakhs) | 6,016.07 | 270.83 | 2,656.66 |
| | | **6,016.07** | **270.83** | **2,656.66** |

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Note-24** | | | |
| | **Revenue from operations** | | |
| **I** | **Consultancy and engineering services** | **115,052.83** | **98,881.92** |
| | **Increase/(decrease) in work-in-progress** | | |
| | Closing work-in-progress | 965.93 | 327.99 |
| | Less: Opening work-in-progress | 327.99 | 4.50 |
| | | **637.94** | **323.49** |
| | **Other operating income** | | |
| | Income under service export of India scheme | 815.98 | 1,540.24 |
| | **Sub-total (A)** | **116,506.75** | **100,745.65** |
| **II** | **Turnkey projects** | **28,357.56** | **50,400.19** |
| | **Increase/(decrease) in work-in-progress** | | |
| | Closing work-in-progress | - | - |
| | Less: Opening work-in-progress | - | 44.37 |
| | | **-** | **(44.37)** |
| | **Sub-total (B)** | **28,357.56** | **50,355.82** |
| | **Grand total (A+B)** | **144,864.31** | **151,101.47** |
| **Note-25** | | | |
| | **Other income** | | |
| | Interest income | | |
| | Bank deposits | 19,853.67 | 21,326.18 |
| | Loan to employees | 311.48 | 306.50 |
| | Income-tax refunds | 71.86 | - |
| | Others | 330.78 | 855.39 |
| | Gain on modification of employee advances | - | 10.91 |
| | Amortization of deferred income | 22.69 | 15.04 |
| | Dividend income from subsidiary Company | 500.00 | 450.00 |
| | Dividend income from current investments | 233.98 | 232.53 |
| | Capital gain on redemption of investments in mutual funds | - | 39.90 |
| | Funds received against research and development (netting off the utilisation) | - | - |
| | (31 March 2017: Received ₹ 80.66 lakhs and utilised ₹ 80.66 lakhs) and 31 March 2016: Received ₹ 4.08 lakhs and utilised ₹ 4.08 lakhs) | | |
| | Profit on sale of assets | 10.41 | 0.96 |
| | Profit on sale of investments (net) | - | 29.68 |
| | Foreign exchange difference (net)* | - | 497.05 |
| | Rental income | 554.91 | 254.46 |
| | Miscellaneous income | 476.26 | 760.66 |
| | | **22,366.04** | **24,779.26** |

**Includes Nil (previous year 31 March 2016: ₹ 17.52 lakhs) towards exchange gain on repatriation of Joint Venture's part capital.*

| | | | |
|---|---|---|---|
| **Note-26** | | | |
| | **Technical assistance/sub contracts** | **16,358.11** | **21,072.28** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Note-27** | | |
| **Construction materials and equipments** | **6,332.59** | **36,966.29** |
| **Note-28** | | |
| **Employee benefits expense** | | |
| Salaries and allowances@ | | |
| Staff | 51,059.29 | 47,039.47 |
| Directors | 190.56 | 161.02 |
| Contribution towards employees pension and provident fund and administration charges thereon | | |
| Staff | 4,228.57 | 3,981.32 |
| Directors | 13.59 | 12.81 |
| Contribution towards employees defined contributory superannuation scheme | | |
| Staff | 5,114.15 | 4,405.55 |
| Directors | 16.69 | 14.41 |
| Staff Welfare | | |
| Staff | 3,221.05 | 2,461.31 |
| Directors | 5.23 | 4.88 |
| Contribution to gratuity fund (net of contribution received from others)* | 10,548.55 | 974.27 |
| | **74,397.68** | **59,055.04** |

*@ Salaries and Allowances Includes :*

*a) Provision for bonus of ₹ 0.33 lakhs (previous year : ₹ 0.08 lakhs).*

*b) ₹ 3162.72 lakhs (previous year : ₹ 2,532.97 lakhs) on account of Leave Encasement Funded Scheme with LIC of India.*

** Includes Term Insurance Premium paid to LIC of India.*

** Includes ₹ 9,062.88 lakhs on account provision for increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs.*

| | | |
|---|---|---|
| **Note-29** | | |
| **Finance cost** | | |
| Interest expenses | 317.15 | 24.61 |
| | **317.15** | **24.61** |
| **Note-30** | | |
| **Depreciation and amortization** | | |
| Depreciation on property, plant and equipment | 1,845.71 | 1,865.18 |
| Depreciation of investment property | 164.54 | 105.86 |
| Amortization of other intangible assets | 240.65 | 521.43 |
| | **2,250.90** | **2,492.47** |

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Note-31** | | | |
| | **Other expenses** | | |
| **A** | **Facilities** | | |
| | Rent expense - office | 586.75 | 566.09 |
| | Rent - residential accommodation | | |
| | Staff (net of recovery of ₹ 205.46 lakhs (previous year: ₹ 179.28 lakhs)) | 1,113.28 | 1,144.94 |
| | Directors (net of recovery of ₹ 1.27 lakhs (previous year: ₹ 1.43 lakhs)) | 7.34 | 6.97 |
| | Light, water and power | 1,220.12 | 1,185.60 |
| | Insurance | 288.62 | 279.09 |
| | Miscellaneous repair and maintenance | 3,021.74 | 2,724.78 |
| | Repair and maintenance of own building | 93.79 | 131.12 |
| | Repair and maintenance of plant and machinery | 436.23 | 286.72 |
| | Hire charges of office equipments | 41.11 | 14.63 |
| | **Sub total (A)** | **6,808.98** | **6,339.94** |
| **B** | **Corporate costs** | | |
| | Bank charges | 197.63 | 169.32 |
| | Sitting fees to independent directors | 8.74 | 5.84 |
| | Advertisement for tender and recruitment | 584.73 | 593.65 |
| | Publicity | 342.58 | 350.15 |
| | Subscription | 93.45 | 138.51 |
| | Entertainment | 147.50 | 174.97 |
| | Remuneration to auditors: | | |
| | For Audit | 10.04 | 7.83 |
| | For Tax Audit | 1.85 | 1.65 |
| | Others | 8.43 | 5.49 |
| | Filing fee | 23.82 | 0.64 |
| | Legal and professional charges | 422.67 | 454.11 |
| | Licences and taxes | 441.21 | 298.55 |
| | Loss on sale of assets | 0.64 | 1.07 |
| | Foreign exchange difference (net) | 19.67 | - |
| | Fixed assets written off | 3.33 | 2.00 |
| | **Sub total (B)** | **2,306.29** | **2,203.78** |
| **C** | **Other costs** | | |
| | Consumables/stores/equipment - R&D Centre | 26.56 | 81.99 |
| | Travel and conveyance | | |
| | Directors* | 45.83 | 58.81 |
| | Others | 6,681.61 | 7,447.15 |
| | Printing, stationery and general Office supplies | 418.64 | 416.36 |
| | Newspapers and periodicals | 29.67 | 29.49 |
| | Postage and telecommunications | 517.80 | 541.75 |
| | Courier, transportation and handling | 37.97 | 50.92 |
| | Commission to foreign agents | 237.95 | 370.58 |
| | Allowance for expected credit losses - trade receivables and advances (net) | 1,300.90 | 10.44 |
| | Bad debts written off | 49.96 | 166.54 |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Deposits written off | 14.47 | 2.03 |
| Dry well written off | 193.59 | - |
| Provision for contractual obligations (net) | (1,781.87) | 932.80 |
| Provision for expected losses (net) | (791.61) | (6,046.27) |
| (Reversal of impairment)/impairment in value of investments | (4.39) | 2.62 |
| Training Expenses | | |
| Travel | 0.23 | 22.27 |
| Others | 50.91 | 163.97 |
| CSR Expenses (Refer note below) | 1,099.69 | 1,410.11 |
| Expenditure relating to oil and gas exploration blocks | 255.88 | 172.08 |
| Loss on modification of employee advances | 105.83 | - |
| Miscellaneous expenses | 16.45 | 167.49 |
| | **8,506.07** | **6,001.13** |
| **Less: Inhouse expenditure relating to** | | |
| Capital works | (65.49) | (255.55) |
| **Sub total (C)** | **8,440.58** | **5,745.58** |
| **Grand total (A+B+C)** | **17,555.85** | **14,289.30** |

**Includes recovery of ₹ 1.38 Lakhs on account of use of car (previous year : ₹ 1.32 Lakhs)*

**Note:**

**Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year ended 2016-17 - ₹ 1,030.08 lakhs (previous year: ₹ 1,363.01 lakhs)

(b) Amount spent during the financial year ended 31 March 2017 and 31 March 2016 on:

(₹ in Lakhs)

| Particulars | | In cash | Yet to be paid in cash | Total |
|---|---|---|---|---|
| (i) Construction/acquisition of any asset | 31 March 2017 | 106.81 | 47.39 | 154.20 |
| | 31 March 2016 | 755.77 | 135.84 | 891.61 |
| (ii) On purposes other than (i) above | 31 March 2017 | 902.79 | 42.70 | 945.49 |
| | 31 March 2016 | 445.25 | 73.25 | 518.50 |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|

## Note-32

**Income Tax**

| **Tax expense comprises of:** | | |
|---|---|---|
| Current income tax | 21,480.52 | 12,382.69 |
| Earlier years tax adjustments (net) | (8.25) | (455.20) |
| Deferred tax | (3,957.89) | 2,433.86 |
| | **17,514.38** | **14,361.35** |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in statement of profit and loss are as follows:

| **Statement of profit and loss** | | |
|---|---|---|
| Accounting profit before tax | 50,018.07 | 41,980.74 |
| At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%) | 17,310.26 | 14,528.70 |
| | | |
| **Adjustments in respect of current income tax** | | |
| Tax expense on account of joint control operation | 3.22 | 0.85 |
| Tax impact of exempted income | (254.02) | (252.55) |
| Tax impact of expenses which will never be allowed | 470.69 | 431.32 |
| Earlier years tax adjustments (net) | (8.25) | (455.20) |
| Others | (7.52) | 108.23 |
| | **17,514.38** | **14,361.35** |

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

## Note-33

**Earnings per share (EPS)**

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The shareholders of the Company in their extraordinary general meeting held on 23 December 2016 approved the issue of bonus shares in the ratio of 1:1, i.e. one new equity share of ₹ 5 each for one existing fully paid up equity share of ₹ 5 each held. The issue and allotment of 336,936,600 bonus shares was made by Company on 3 January 2017. Post allotment of bonus shares, Company's share capital consist of 673,873,200 equity shares of ₹ 5 each amounting to ₹ 33,693.66 lakhs. Accordingly, as per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 31 March 2017 and 31 March 2016 has been computed on the basis of new numbers shares post bonus issue i.e. 673,873,200 equity shares of ₹ 5 each

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 32,503.69 | 27,619.39 |
| Weighted average number of equity shares | 673,873,200 | 673,873,200 |
| **Nominal value per share in ₹** | 5.00 | 5.00 |
| | | |
| **Earnings per equity share in ₹** | | |
| Basic | 4.82 | 4.10 |
| Diluted | 4.82 | 4.10 |

## Note-34

**(i) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements** **(₹ in Lakhs)**

| 31 March 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Liquid plan of mutual funds | 37,866.17 | - | - | 37,866.17 |
| **Total financial assets** | **37,866.17** | **-** | **-** | **37,866.17** |

**Financial assets and liabilities measured at fair value – recurring fair value measurements**

| 31 March 2016 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Liquid plan of mutual funds | 1,201.38 | - | - | 1,201.38 |
| **Total financial assets** | **1,201.38** | **-** | **-** | **1,201.38** |

**Financial assets and liabilities measured at fair value – recurring fair value measurements**

| 1 April 2015 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Fixed maturity plan of mutual funds | - | 13,493.18 | - | 13,493.18 |
| **Total financial assets** | **-** | **13,493.18** | **-** | **13,493.18** |

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

## Note-35

**Financial instruments**

**(i) Financial instruments**

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | FVTPL | Amortised cost | FVTPL | Amortised cost |
| **Financial assets** | | | | | | |
| Investments - mutual funds | 37,866.17 | - | 1,201.38 | - | 13,493.18 | - |
| Trade receivables | - | 38,307.82 | - | 36,330.71 | - | 40,763.20 |
| Loans (excluding security deposits) | - | 3,820.35 | - | 3,831.82 | - | 3,732.26 |
| Other financial assets | - | 38,461.11 | - | 45,631.39 | - | 29,561.11 |
| Cash and cash equivalents | - | 15,745.08 | - | 872.78 | - | 1,255.26 |
| Other bank balances | - | 215,304.16 | - | 260,709.83 | - | 242,147.31 |
| Security deposits | - | 365.88 | - | 328.16 | - | 302.58 |
| **Total financial assets** | **37,866.17** | **312,004.40** | **1,201.38** | **347,704.69** | **13,493.18** | **317,761.72** |

(₹ in Lakhs)

| Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | FVTPL | Amortised cost | FVTPL | Amortised cost |
| **Financial liabilities** | | | | | | |
| Trade payables | - | 22,289.71 | - | 20,250.21 | - | 24,656.41 |
| Security deposits and retentions | - | 17,971.90 | - | 18,763.87 | - | 21,115.05 |
| Other financial liabilities | - | 9,817.15 | - | 7,713.51 | - | 5,229.80 |
| Capital creditors | - | 2,063.36 | - | 1,883.83 | - | 1,279.77 |
| **Total financial liabilities** | **-** | **52,142.12** | **-** | **48,611.42** | **-** | **52,281.03** |

Investment in subsidiaries, associate and joint venture are measured at cost as per Ind AS 27, 'Separate financial statements'.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

**(ii) Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

*i) Credit risk rating*

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| High credit risk | Trade receivables | Life time expected credit loss fully provided for |

In respect of trade receivables, the Company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Lakhs)

| Credit rating | Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 312,004.40 | 347,704.69 | 317,761.72 |
| B: Moderate credit risk | Trade receivables and other financial assets | 2,227.28 | 2,239.58 | 2,053.24 |
| C: High credit risk | Trade receivables | 6,000.85 | 4,695.91 | 4,587.30 |

*ii) Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Chemical Fertilizer | 3,828.85 | 5,313.17 | 7,737.17 |
| Hydro Carbon | 39,244.69 | 34,371.27 | 37,010.74 |
| Infrastructure | 2,464.78 | 1,883.71 | 1,813.72 |
| Mettallurgy | 760.55 | 1,529.30 | 549.34 |
| Others | 54.16 | 165.39 | 292.08 |
| **Total** | **46,353.03** | **43,262.84** | **47,403.05** |

**b) Credit risk exposure**

**(i) Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**31 March 2017** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 15,745.08 | - | 15,745.08 |
| Other bank balances | 215,304.16 | - | 215,304.16 |
| Loans (excluding security deposits) | 3,820.35 | - | 3,820.35 |
| Security deposits | 366.57 | 0.69 | 365.88 |
| Other financial assets | 38,643.34 | 182.23 | 38,461.11 |

**31 March 2016** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 872.78 | - | 872.78 |
| Other bank balances | 260,709.83 | - | 260,709.83 |
| Loans (excluding security deposits) | 3,831.82 | - | 3,831.82 |
| Security deposits | 328.85 | 0.69 | 328.16 |
| Other financial assets | 45,634.06 | 2.67 | 45,631.39 |

**1 April 2015** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 1,255.26 | - | 1,255.26 |
| Other bank balances | 242,147.31 | - | 242,147.31 |
| Loans (excluding security deposits) | 3,732.26 | - | 3,732.26 |
| Security deposits | 303.27 | 0.69 | 302.58 |
| Other financial assets | 29,561.11 | - | 29,561.11 |

**(ii) Expected credit loss for trade receivables under simplified approach**

**As at 31 March 2017** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 18,747.11 | 3,010.90 | 3,127.78 | 3,251.06 | 122.40 | 416.09 |
| Expected credit loss (provision) | 441.41 | 218.57 | 146.87 | 108.72 | 8.48 | 108.19 |
| Carrying amount (net of impairment) | 18,305.70 | 2,792.33 | 2,980.91 | 3,142.34 | 113.92 | 307.90 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 2,272.57 | 896.05 | 4,179.55 | 6,000.85 |
| Expected credit loss (provision) | 456.44 | 181.26 | 374.42 | 6,000.85 |
| Carrying amount (net of impairment) | 1,816.13 | 714.79 | 3,805.13 | - |

**As at 31 March 2016** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 20,710.49 | 4,926.02 | 4,035.87 | 1,598.80 | 270.31 | 2,083.98 |
| Expected credit loss (provision) | 63.49 | 270.38 | 348.84 | 14.59 | 27.16 | 164.29 |
| Carrying amount (net of impairment) | 20,647.00 | 4,655.64 | 3,687.03 | 1,584.21 | 243.15 | 1,919.69 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 1,172.65 | 1,345.14 | 2,260.61 | 4,695.91 |
| Expected credit loss (provision) | 100.82 | 51.73 | 1,194.92 | 4,695.91 |
| Carrying amount (net of impairment) | 1,071.83 | 1,293.41 | 1,065.69 | 0.00 |

**As at 1 April 2015** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 20,331.99 | 6,856.47 | 3,201.34 | 2,025.06 | 2,313.99 | 1,228.97 |
| Expected credit loss (provision) | 64.25 | 257.72 | 171.52 | 28.82 | 268.84 | 185.56 |
| Carrying amount (net of impairment) | 20,267.74 | 6,598.76 | 3,029.81 | 1,996.24 | 2,045.15 | 1,043.41 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 704.12 | 1,436.84 | 4,488.29 | 4,587.30 |
| Expected credit loss (provision) | 51.62 | 110.04 | 914.18 | 4,587.30 |
| Carrying amount (net of impairment) | 652.50 | 1,326.80 | 3,574.11 | - |

**Reconciliation of loss provision – lifetime expected credit losses** **(₹ in Lakhs)**

| Reconciliation of loss allowance | Security deposits | Other financial assets | Trade receivables |
|---|---|---|---|
| **Loss allowance as on 1 April 2015** | 0.69 | - | 6,639.85 |
| Impairment loss recognised/reversed during the year | - | 2.67 | 356.85 |
| Amounts written off | - | - | (64.57) |
| **Loss allowance on 31 March 2016** | **0.69** | **2.67** | **6,932.13** |
| Impairment loss recognised/reversed during the year | - | 179.56 | 1,125.24 |
| Amounts written off | - | - | (12.16) |
| **Loss allowance on 31 March 2017** | **0.69** | **182.23** | **8,045.21** |

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

**(₹ in Lakhs)**

| 31 March 2017 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 22,289.71 | - | - | 22,289.71 |
| Security deposits and retentions | 17,857.53 | 98.15 | 41.27 | 17,996.95 |
| Capital creditors | 2,063.36 | - | - | 2,063.36 |
| Other financial liabilities | 9,817.15 | - | - | 9,817.15 |
| **Total** | **52,027.75** | **98.15** | **41.27** | **52,167.17** |

**(₹ in Lakhs)**

| 31 March 2016 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 20,250.21 | - | - | 20,250.21 |
| Security deposits and retentions | 18,639.17 | 106.33 | 46.95 | 18,792.45 |
| Capital creditors | 1,883.83 | - | - | 1,883.83 |
| Other financial liabilities | 7,713.51 | - | - | 7,713.51 |
| **Total** | **48,486.72** | **106.33** | **46.95** | **48,640.00** |

**(₹ in Lakhs)**

| 1 April 2015 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 24,656.41 | - | - | 24,656.41 |
| Security deposits and retentions | 21,049.73 | 76.55 | 1.73 | 21,128.01 |
| Capital creditors | 1,279.77 | - | - | 1,279.77 |
| Other financial liabilities | 5,229.80 | - | - | 5,229.80 |
| **Total** | **52,215.71** | **76.55** | **1.73** | **52,293.99** |

**(C) Market risk**

**(i) Foreign exchange risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

**Foreign Currency Risk Exposure:**

**(₹ in Lakhs)**

| Particulars | Currency | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| Trade payables,security deposits and retentions | AED | 84.62 | 417.13 |
| | USD | 9,430.48 | 9,669.88 |
| | EURO | 173.18 | 1,924.10 |
| | GBP | 341.63 | 398.98 |
| | Others | 37.00 | 92.89 |
| | | | |
| Trade receivables and security deposits | AED | 439.89 | 1,612.14 |
| | USD | 8,478.23 | 8,615.12 |
| | EURO | 1,722.34 | 1,462.62 |
| | GBP | 1.21 | 1.43 |
| | Others | 150.45 | 32.77 |
| | | | |
| Cash and bank balance | AED | 261.85 | 326.39 |
| | USD | - | - |
| | EURO | - | - |
| | GBP | 1.73 | 3.46 |
| | Others | 117.98 | 106.79 |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

**(₹ in Lakhs)**

| Particulars | Currency | Exchange rate increase by 1% | | Exchange rate decrease by 1% | |
|---|---|---|---|---|---|
| | | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Trade payables,security deposits and retentions | AED | 0.83 | 4.28 | (0.83) | (4.28) |
| | USD | 94.88 | 97.03 | (94.88) | (97.03) |
| | EURO | 1.72 | 19.29 | (1.72) | (19.29) |
| | GBP | 3.40 | 3.98 | (3.40) | (3.98) |
| | Others | 0.36 | 1.31 | (0.36) | (1.31) |
| | | | | | |
| Trade receivables and deposits | | | | | |
| | AED | 4.39 | 16.49 | (4.39) | (16.49) |
| | USD | 84.78 | 86.25 | (84.78) | (86.25) |
| | EURO | 17.22 | 14.60 | (17.22) | (14.60) |
| | GBP | 0.01 | 0.02 | (0.01) | (0.02) |
| | Others | 1.50 | 0.44 | (1.50) | (0.44) |
| | | | | | |
| Cash and bank balance | AED | 2.61 | 3.34 | (2.61) | (3.34) |
| | USD | - | - | - | - |
| | EURO | - | - | - | - |
| | GBP | 0.01 | 0.03 | (0.01) | (0.03) |
| | Others | 1.18 | 1.55 | (1.18) | (1.55) |

**(ii) Price risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

*Sensitivity analysis*

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Price sensitivity** | | |
| Price increase by (3 %)- FVTPL | 1,135.99 | 36.04 |
| Price decrease by (3 %)- FVTPL | (1135.99) | (36.04) |

## Note-36

**Capital management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Equity share capital | 33,693.67 | 16,846.84 | 16,846.84 |
| Other equity | 243,902.32 | 258,853.82 | 247,589.51 |

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has nil capital gearing ratio as at 31 March 2017, 31 March 2016 and 1 April 2015.

## Note-37

**Dividends**

**(₹ in Lakhs)**

| Nature | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for 31 March 2016 ( ₹ 2.00 per share) (previous year 1 April 2015: ₹ 2.00 per share) | 6,738.73 | 6,738.73 |
| Dividend distribution tax on final dividend | 1,310.77 | 1,320.95 |
| Interim dividend for 31 March 2017 (₹ 2.50 per share) – Post Bonus issue 1:1 (previous year 31 March 2016: ₹ 2 per share) | 16,846.83 | 6,738.73 |
| Dividend distribution tax on Interim dividend | 3,388.97 | 1,331.14 |
| **Total** | **28,285.30** | **16,129.55** |

**(₹ in Lakhs)**

| Proposed dividend on equity shares | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Proposed Final dividend for 31 March 2017 (₹ 0.50 per share) – Post Bonus issue 1:1 (previous year 31 March 2016: ₹ 2.00 per share) | 3,369.37 | 6,738.73 |
| Dividend distribution tax on Proposed dividend | 614.67 | 1,310.77 |
| **Total** | **3,984.04** | **8,049.50** |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax) | | |

## Note-38

**Related party**

| Particulars | Principal place of business | Ownership interests | Accounted on |
|---|---|---|---|
| Eil Asia Pacific Sdn. Bhd. Malaysia("EILAP")* | Malaysia | 100% | Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements' |
| Certification Engineers International Limited("CEIL") | India | 100% | |
| TEIL Projects Limited("TEIL") | India | 50% | |
| Jabal Eiliot Co. Ltd. ("JABAL") | Saudi Arabia | 33.33% | |
| Ramagundam Fertilizers and Chemicals Limited("RFCL") ** | India | 49.9898% | |

*Members voluntary winding up and proceeds amounted to ₹ 32.72 lakhs received during the previous year ended 31 March 2016.

** Includes share application money for 28,000,000 shares of ₹ 10 each fully paid amounting to ₹ 2800.00 Lakhs against which equity shares has been allotted on 17 April 2017( Previous Year 31 March 2016 : 9,000,000 shares of ₹ 10 each fully paid amounting to ₹ 900.00 lakhs against which equity shares has been allotted on 29 April 2016).

| Sl. No. | Name of the Related Party | Nature of Relationship |
|---|---|---|
| **1.** | Certification Engineers International Limited ("CEIL") | Wholly owned subsidiary |
| **2.** | Eil Asia Pacific SDN BHD("EILAP") | Wholly owned subsidiary (voluntary winded up on 7 August 2015) |
| **3.** | Petroleum India International ("PII")* | Joint operation |
| **4.** | TEIL Projects Limited ("TEIL") | Joint venture Company |
| **5.** | Jabal Eiliot Company Limited ("JABAL") | Joint venture Company |
| **6.** | Ramagundam Fertilizers And Chemicals Limited ("RFCL") | Joint venture Company |
| **7.** | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8 * | Joint operation - Participating Interest 20% |
| **8.** | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 * | Joint operation - Participating Interest 20% |
| **9.** | **Directors/key management personnel(KMP)(31 March 2017)** | |
| | Mr. Sanjay Gupta | Chairman & Managing Director and Additional Charge- Director (Projects) |
| | Mr. Sandeep Poundrik | Director (Government Nominee) |
| | Ms. Sushma Taishete | Director (Government Nominee) |
| | Mr. Ram Singh | Director (Finance) |
| | Ms. Veena Swarup | Director (Human resource) upto 30 June 2016 |
| | Mr. Ajay N. Deshpande | Director (Technical) |
| | Mr. Ashwani Soni | Director (Projects) upto 31 December 2016 |
| | Mr. Umesh Chandra Pandey | Non-Official Independent Director |
| | Mr. Vikas Khushalaro Deshpande | Non-Official Independent Director |
| | Dr. (Prof.) Mukesh Khare | Non-Official Independent Director |
| | Mrs. Arusha Vasudev | Non-Official Independent Director |
| | Ms. ShaziaIlmi Malik | Non-Official Independent Director with effect from 27 March 2017 |
| | Mr. Vipin Chander Bhandari | Director (Human resource) with effect from 26 August 2016 |
| | Mr. Rakesh Kumar Sabharwal | Director (Commercial) with effect from 27 September 2016 |
| | Mr. Rajan Kapur | Company Secretary |
| **10.** | **Directors/key management personnel(KMP)(31 March 2016)** | |
| | Mr. Sanjay Gupta | Chairman and Managing Director and Additional Charge- Director (Commercial) – with effect from 1 June 2015 |
| | Mr. A. K. Purwaha | Chairman and Managing Director – Upto 31 May 2015 |

| Sl. No. | Name of the Related Party | Nature of Relationship |
|---|---|---|
| | Mr. Sandeep Poundrik | Director (Government Nominee) –with effect from 14 July 2015 |
| | Ms. Sushma Taishete | Director (Government Nominee) –with effect from 2 January 2016 |
| | Dr. Archana S. Mathur | Director (Government Nominee) – Upto 27 October 2015 |
| | Mr. Ram Singh | Director (Finance) |
| | Ms. Veena Swarup | Director (Human Resource) |
| | Mr. Ajay N. Deshpande | Director (Technical) |
| | Mr. Ashwani Soni | Director (Projects) |
| | Mr. Umesh Chandra Pandey | Non-Official Independent director –with effect from 20 November 2015 |
| | Mr. Vikas Khushalaro Deshpande | Non-Official Independent Director –with effect from 20 November 2015 |
| | Dr. (Prof.) Mukesh Khare | Non-Official Independent Director –with effect from 20 November 2015 |
| | Mrs. Arusha Vasudev | Non-Official Independent Director –with effect from 15 December 2015 |
| | Mr. Bijoy Chatterjee | Non-Official Independent Director – Upto 3 July 2015 |
| | Dr. J.P.Gupta | Non-Official Independent Director – Upto 3 July 2015 |
| | Dr. R.K.Shevgaonkar | Non-Official Independent Director – Upto 3 July 2015 |
| | Mr. Rajan Kapur | Company Secretary |
| **11.** | **Directors/key management personnel(KMP)(1 April 2015)** | |
| | Mr. A. K. Purwaha | Chairman and Managing Director |
| | Dr. Archana S. Mathur | Director (Government Nominee) |
| | Mr. Ram Singh | Director (Finance) |
| | Mr. D. Moudgil | Director (Projects)- upto 31 August 2014 |
| | Mr. Sanjay Gupta | Director (Commercial) |
| | Ms. Veena Swarup | Director (Human Resource) |
| | Mr. Ajay N. Deshpande | Director (Technical) |
| | Mr. Ashwani Soni | Director (Projects) – with effect from 1 September 2014 |
| | Mr. Adit Jain | Non-Official Independent Director –upto 27 August 2014 |
| | Mr. Bijoy Chatterjee | Non-Official Independent Director |
| | Dr. J.P.Gupta | Non-Official Independent Director |
| | Dr. R.K.Shevgaonkar | Non-Official Independent Director |
| | Mr. D.R. Meena | Non-Official Independent Director –upto 27 August 2014 |
| | Dr. V. Vizia Saradhi | Non-Official Independent Director –upto 27 August 2014 |
| | Mr. Rajan Kapur | Company Secretary |

* These have been accounted for as joint operation in financial statements of the Company.

**Related party transactions**

**Transactions during the year**

**(₹ in Lakhs)**

| Particulars | Year | Wholly Owned Subsidiaries | | Joint Venture Companies | | | Joint Operation | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | CEIL | EIL AP | RFCL | TEIL | JABAL | PII | Block 2010-11 | Block 2010-8 | |
| Deputation of employees and reimbursement of expenses (at cost) | 31 March 2017 | - | - | 359.33 | 29.39 | - | - | - | - | 388.72 |
| | 31 March 2016 | - | - | 162.01 | 30.35 | - | - | - | - | 192.36 |
| Dividend | 31 March 2017 | 500.00 | - | - | - | - | - | - | - | 500.00 |
| | 31 March 2016 | 450.00 | - | - | - | - | - | - | - | 450.00 |
| Rendering of services and other transactions | 31 March 2017 | 177.70 | - | 5,127.02 | - | - | - | - | - | 5,304.72 |
| | 31 March 2016 | 310.39 | - | 1,724.60 | 2.59 | - | - | - | - | 2,037.58 |

(₹ in Lakhs)

| Particulars | Year | Wholly Owned Subsidiaries | | Joint Venture Companies | | | Joint Operation | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | CEIL | EIL AP | RFCL | TEIL | JABAL | PII | Block 2010-11 | Block 2010-8 | |
| Bad debts written off | 31 March 2017 | - | - | - | 36.00 | - | - | - | - | 36.00 |
| | 31 March 2016 | - | - | - | 110.00 | - | - | - | - | 110.00 |
| Services and facilities received | 31 March 2017 | 532.28 | - | - | - | - | - | - | - | 532.28 |
| | 31 March 2016 | 490.94 | - | - | 146.15 | - | - | - | - | 637.09 |
| Equity divestment/ repatriation of part capital | 31 March 2017 | - | - | - | - | - | - | - | - | - |
| | 31 March 2016 | - | 32.72 | - | - | 54.50 | - | - | - | 87.22 |
| Equity contribution | 31 March 2017 | - | - | 12,900.0 | 50.00 | - | - | - | - | 12,950.00 |
| | 31 March 2016 | - | - | 2,200.00 | - | - | - | - | - | 2,200.00 |
| (Reversal of Impairment)/impairment in value of investment | 31 March 2017 | - | - | - | (7.01) | 2.62 | - | - | - | (4.39) |
| | 31 March 2016 | - | - | - | (1.82) | 4.44 | - | - | - | 2.62 |
| Survey/ capital expenditure and other expenses | 31 March 2017 | - | - | - | - | - | - | 2137.01 | 1532.62 | 3,669.63 |
| | 31 March 2016 | - | - | - | - | - | - | 354.82 | 554.76 | 909.58 |
| Share of Income and Expenses | 31 March 2017 | - | - | - | - | - | 32.52 | - | - | 32.52 |
| | 31 March 2016 | - | - | - | - | - | 61.06 | - | - | 61.06 |

**Balances during the year** (₹ in Lakhs)

| Particulars | Year | Wholly Owned Subsidiaries | | Joint Venture Companies | | | Joint Operation | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | CEIL | EIL AP | RFCL | TEIL | JABAL | PII | Block 2010-11 | Block 2010-8 | |
| Outstanding receivables/advances paid/prepaid and other assets | 31 March 2017 | 34.47 | - | 40.70 | 35.84 | - | 148.57 | 332.55 | 227.43 | 819.56 |
| | 31 March 2016 | 115.23 | - | 387.79 | 55.47 | - | 286.09 | 76.32 | 0.80 | 921.70 |
| | 1 April 2015 | 22.65 | - | - | 121.76 | - | 1,405.50 | 0.80 | 0.80 | 1,551.51 |
| Outstanding payable/ retentions | 31 March 2017 | 161.19 | - | - | 8.46 | - | 0.17 | 116.75 | - | 286.57 |
| | 31 March 2016 | 158.82 | - | - | 5.51 | - | 0.24 | 65.82 | 230.55 | 460.94 |
| | 1 April 2015 | 137.23 | - | - | 8.34 | - | 0.71 | - | 7.84 | 154.12 |
| Intangible assets under development & PPE | 31 March 2017 | - | - | - | - | - | 0.03 | 1,893.44 | 1,875.88 | 3,769.35 |
| | 31 March 2016 | - | - | - | - | - | 0.06 | 275.52 | 467.23 | 742.81 |
| | 1 April 2015 | - | - | - | - | - | 0.07 | 3.46 | 1.79 | 5.32 |

**Transactions and balances pertaining to KMP's** (₹ in Lakhs)

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Transaction during the year** | | | |
| Remuneration/sitting fees | 234.81 | 228.55 | -- |
| Rent paid for residential accommodation | 7.34 | 6.97 | -- |
| Interest income on loans given | 0.26 | 0.30 | -- |
| **Balance as at year end** | | | |
| Outstanding loans, interest and other receivables | 5.88 | 6.39 | 7.70 |

**Funded** **(₹ in Lakhs)**

| Defined benefit obligation for key management personnel | | | | | | |
|---|---|---|---|---|---|---|
| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Total defined benefit obligation | 87.09 | 37.97 | 83.63 | 70.77 | 51.88 | 31.78 |

**Unfunded** **(₹ in Lakhs)**

| Defined benefit obligation for key management personnel | | | | |
|---|---|---|---|---|
| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Total defined benefit obligation | 2.79 | 1.74 | 2.26 | 2.30 |

## Note-39

**A. Finance leases – lessee**

The Company has taken certain lands on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands have been classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land.

**B. Operating leases – lessee**

(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 ₹ 1,092.96 Lakhs (previous year ₹ 1,013.27 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. The leases carry renewal option to renew lease on with escalation in rent in range of 5-15%.During the year an amount of ₹ 898.91 Lakhs has been paid (previous year ₹ 950.40 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Within one year | 556.63 | 681.56 |
| Later than one year but not later than five years | 488.73 | 78.95 |
| Later than five years | - | - |

(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 ₹ 554.75 Lakhs (previous year: ₹ 254.46 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

## Note-40

**A. Contingent Liabilities:**

a) Claims against the Company not acknowledged as debt.

Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 11778.07 lakhs (previous year 31 March 2016: ₹ 5,509.03 lakhs and previous year 1 April 2015: ₹4,518.75 lakhs).

b) Income tax/wealth tax assessments have been completed up to the assessment year 2014-15.

Company has filed an application for rectification u/s 154 for interest charged under section 234A amounting to ₹ 8.89 Lakhs for assessment year 2014-15 (Previous Year 31 March 2016: short credit given for Advance tax, Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 1496.59 Lakhs for assessment year 2012-13 and Previous year 1 April 2015: short credit given for Advance tax, Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 348.86 Lakhs for assessment year 2010-11 and 2011-12).

Income Tax Department is in appeal against tax demand of ₹ 373.83 Lakhs with Income Tax Appellate Tribunal, against the Commissioner of Income Tax (Appeals) Orders in Company's favour for various assessment years detailed below:

| Assessment Year | Amount (₹ in lakhs) 31 March 2017 | Amount (₹ in lakhs) 31 March 2016 | Amount (₹ in lakhs) 1 April 2015 |
|---|---|---|---|
| 2002-03 | 204.22 | 204.22 | 204.22 |
| 2004-05 | 76.07 | 76.07 | 76.07 |
| 2010-11 | - | 32.26 | 32.26 |
| 2011-12 | 50.82 | 50.82 | - |
| 2012-13 | 42.72 | - | - |
| **Total** | **373.83** | **363.37** | **312.55** |

Company has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 164.21 Lakhs against the order of Assessing Officer u/s 143(3) for various assessment years detailed below:

| Assessment Year | Amount (₹ in lakhs) 31 March 2017 | Amount (₹ in lakhs) 31 March 2016 | Amount (₹ in lakhs) 1 April 2015 |
|---|---|---|---|
| 2012-13 | - | 43.48 | 43.48 |
| 2013-14 | 89.56 | 89.56 | - |
| 2014-15 | 74.65 | - | - |
| **Total** | **164.21** | **133.04** | **43.48** |

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.32 Lakhs (Previous year 31 March 2016 and 1 April 2015 : ₹ 0.32 Lakhs) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

The Company has filed an appeal against the order of Additional Commissioner (Appeal), Mathura before sales Tax Tribunal, Agra, which has been subsequently transferred to Sales Tax tribunal, Noida, for an amount of ₹ 18.71 Lakhs (Previous year 31 March 2016 and 1 April 2015 : ₹ 18.71 Lakhs) on account of entry tax for the year 1999-2000 against which Company has deposited an amount of ₹ 5.01 Lakhs (Previous year 31 March 2016 and 1 April 2015 : ₹ 5.01 Lakhs).

The Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the VAT Assessment Order of commercial Tax Officer dated 27 August 2016 levying tax of ₹ 6,999.17 Lakhs for the period July 2011 to March 2014.

The Company has filed a writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 29 July 2016 levying tax of ₹ 2,955.19 lakhs for the financial year 2009-10.

The Company has filed writ petition on 17 April 2017 before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 23952.56 lakhs for the financial year 2010-11.

The Company has filed a writ petition before Hon'ble Karnataka High Court for issuance of pending 'C' forms for ₹ 741.53 lakhs by the commercial tax department, Mangalore.

c) Corporate Guarantee given on behalf of Joint Venture Nil (previous year 31March 2016: ₹ 200.00 lakhs and previous year 1 April 2015: ₹ 200.00 lakhs).

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

**B. Commitments:**

a) Property, plant and equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 1,692.70 Lakhs (previous year 31 March 2016: ₹ 777.45 Lakhs and 1 April 2015: ₹ 2,182.47 Lakhs)

b) Investment property – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to Nil (previous year 31 March 2016: ₹ 0.56 Lakhs and 1 April 2015 : Nil).

c) The Company's estimated share in work programmes committed under production sharing contract in respect of oil & gas exploration blocks as on 31 March 2017 is ₹ 1,150.49 Lakhs (previous year 31 March 2016: ₹ 4,499.07 Lakhs and 1 April 2015: ₹ 5,121.53 Lakhs)

## Note-41

a) Guarantees issued by the banks and outstanding as on 31 March, 2017: ₹ 79,518.82 Lakhs (previous year 31 March 2016: ₹ 67,576.08 Lakhs and 1 April 2015: ₹ 74,142.29 Lakhs), against which a provision of ₹ 27,191.43 Lakhs (previous year 31 March 2016: ₹ 23,337.63 Lakhs and 1 April 2015: ₹ 23,079.59 Lakhs) has been made in the books towards liability for performance guarantees/warranties.

b) Letter of credit outstanding as on 31 March, 2017: Nil (previous year 31 March 2016: ₹ 328.99 Lakhs and 1 April 2015: ₹ 3,599.88 Lakhs).

c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2017: ₹ 17473.54 Lakhs (previous year 31 March 2016: ₹ 6,977.00 Lakhs and 1 April 2015: ₹ 22,471.50 Lakhs).

## Note-42

**Land and buildings**

i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2016: ₹ 0.07 Lakhs and 1 April 2015: ₹ 0.07 Lakhs) being amount invested as share money in Cooperative Housing Societies as detailed below:

| | |
|---|---|
| Twintowers Premises Cooperative Society Limited, Mumbai | 10 ordinary shares of ₹ 50 each fully paid. |
| Gardenview Premises Cooperative Society Limited, Mumbai | 10 ordinary shares of ₹ 50 each fully paid. |
| Heera Panna Towers Cooperative Housing Society Limited, Vadodara | 10 ordinary shares of ₹ 50 each fully paid. |
| Suflam Cooperative Housing Society Limited, Ahmedabad | 8 ordinary shares of ₹ 250 each fully paid |
| Darshan Co-operative Society Limited, Vadodara | 80 ordinary shares of ₹ 50 each fully paid |

ii) For the following Land and Buildings, title deed/property card/mutuations etc is yet to be executed in the favour of the Company:

**(₹ in Lakhs)**

| | Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|---|
| | | Cost | WDV | Cost | WDV | Cost | WDV |
| (a) | Four Flats at Naranpura, Ahemdabad | 10.31 | 3.79 | 10.31 | 4.03 | 10.31 | 4.28 |
| (b) | Land at Memnagar, Ahemdabad | 69.21 | 56.28 | 69.21 | 57.86 | 69.21 | 59.45 |
| (c) | Two Floors at Race course Road, Vadodara | 204.02 | 158.75 | 200.17 | 159.74 | 200.17 | 164.54 |
| (d) | Two Flats at Viman Nagar, Pune | 8.45 | 3.25 | 8.45 | 3.45 | 8.45 | 3.65 |
| (e) | Eighty Four Flats at Gokuldham Goregaon, Mumbai * | 238.19 | 43.81 | 238.19 | 49.53 | 238.19 | 55.24 |
| (f) | Six Flats in Andheri East, Mumbai | 9.93 | 0.64 | 9.93 | 0.87 | 9.93 | 1.11 |
| (g) | One Floor at CBD Belapur, Navi Mumbai | 101.68 | 42.23 | 101.68 | 44.67 | 101.68 | 47.11 |

* Out of above properties, one of the properties, at S. No. ii (e) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldham, Goregaon (East), Mumbai. Around 4,400 square meter of area only is in the Company's possession. The Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as property, plant and equipment and partially as investment property.

## Note-43

**Useful life of assets**

i) The useful life and depreciation rates for fixed assets in terms of the Accounting Policy defined are as below :

| Sl. No. | Particulars | Rates (%age) | Useful Life (Years) | Sl. No. | Particulars | Rates (%age) | Useful Life (Years) |
|---|---|---|---|---|---|---|---|
| **1.** | **Land Freehold** | Nil | Perpetual | **4.** | **Plant and Machinery** | | |
| **2.** | **Land Leasehold** | Over a lease period except for perpetual lease Nil percentage | Over a lease period except for perpetual lease Nil percentage | | Plant and Machinery | 8.0 | 12 |
| | **Building** | | | | Laboratory Equipment | 9.6 | 10 |
| | Office Building | 2.4 | 40 | | Storage Tank | 6.0 | 16 |
| | R&D Centre, Gurgaon | 4.0 | 24 | **5.** | **Furniture and Fixtures, Office and Construction Equipment** | | |
| | Window/Split AC | 15.84 | 6 | | Furniture and Fixtures | 9.6 | 10 |
| | AC Central Plant | 6.5 | 15 | | Chairs | 16.0 | 6 |
| | Lifts | 6.5 | 15 | | Office Equipment | 19.2 | 5 |
| | Electric Power Sub Station | 9.6 | 10 | | Construction Equipment | 12.0 | 8 |
| | Invertors | 19.2 | 5 | | | | |
| | Solar photovoltaic modules | 9.6 | 10 | | | | |
| | Solar power conditioning system | 9.6 | 10 | **6.** | **Computer Software/ Hardware** | | |
| | Tube welland Pumps | 19 | 5 | | PC/Laptop/Printer | 32.43 | 3 |
| | Fire Alarm System | 6.52 | 15 | | Server, LAN and Networking Components | 19.45 | 5 |
| | Fire Fighting System | 9.5 | 10 | | Projector, Video Conference Equipments | 19.20 | 5 |
| | Chilling Plant | 9.6 | 10 | | | | |
| | Rain Harvesting System | 19.20 | 5 | | | | |
| | Building Management System | 6.5 | 15 | | Software * | 33.33 | 3 |
| | Hydraulic Access Control System | 6.5 | 15 | **7.** | **Motor Vehicles** | 13.75 | 7 |
| | Roads | 9.6 | 10 | **8.** | **Library Books** | 100 | 1 |
| | External Lighting | 9.6 | 10 | | | | |

* 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 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date | 1,810.11 | 1,703.56 | 1,906.09 |
| **Total** | **1,810.11** | **1,703.56** | **1,906.09** |

## Note-44

The Company is primarily operating under two segments namely Consultancy and Engineering Projects and turnkey Projects. The broad heads under which income of the Company is accounted for as per provisions of Ind AS-11 (Construction Contracts) are as below:

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Consultancy and Engineering Projects | 116,506.75 | 100,745.65 |
| Turnkey Projects | 28,357.56 | 50,355.82 |
| **Total** | **144,864.31** | **151,101.47** |

## Note-45

**Disclosure relating to construction contracts**

In terms of provision of Indian Accounting Standard (Ind AS 11) "Construction Contracts", the information in respect of Lump sum services/ Turnkey Projects for contract in progress as on 31 March 2017:

a. The aggregate amount of cost incurred and recognized profit up to 31 March 2017: ₹ 756339.98 Lakhs (previous year ₹ 1,151,018.90 Lakhs).

b. The amount of advances received ₹ 4,410.71 Lakhs (previous years: 31 March 2016:₹ 3,546.01 Lakhs and 1 April 2015:₹ 4,788.97 Lakhs).

c. The amount of retention ₹1,627.92 Lakhs (previous years: 31 March 2016:₹ 605.00 Lakhs and 1 April 2015:₹ 576.92 Lakhs).

d. Gross amount due to customers for contract work amounting to ₹ 42,167.17 Lakhs (previous years: 31 March 2016: ₹42,245.80 Lakhs and 1 April 2015: ₹ 21,485.22 Lakhs)

e. Gross amount due from customers for contract work amounting to ₹ 31,737.53 Lakhs (previous years: 31 March 2016: ₹ 34,696.90 Lakhs and 1 April 2015: ₹ 27,261.48 Lakhs).

f. The estimates with respect 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 Indian Accounting Standard (Ind AS) -11 "Construction Contracts". However, it is impracticable to quantify the impact of change in estimates.

## Note-46

**Brief description of the Company's joint ventures**

**a) TEIL Projects Limited ('TEIL')**

A joint venture with Tata Projects Limited was formed in the financial year 2008-09 for pursuing projects on engineering procurement and construction basis (EPC Projects) in selected sectors such as oil and gas, fertilizers, steel, railways, power and infrastructure.

TEIL has been formed in this regard having its Registered Office at New Delhi has an Authorized capital of ₹ 1,500 Lakhs and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2016 and 1 April 2015: ₹ 1,000 lakhs) .

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00lakhs (previous years: 31 March 2016 ₹ 500.00 Lakhs and 1 April 2015 ₹ 500.00 Lakhs) are held by the Company, being 50% of paid-up capital of TEIL.

Till 31March 2016, the TEIL had negative 'other equity' to the tune of ₹ 1,089.66 Lakhs. The Company's share of negative 'other equity' ₹ 544.83 Lakhs has been accounted for as under-:

a. Impairment in value of investment to the extent of ₹ 500.00 Lakhs; and

b. Provision for related outstanding guarantee liability of ₹ 44.83 Lakhs.

During the current financial year 2016-17, TEIL had a net profit of ₹ 14.02 Lakhs. The Company's share of profit for ₹7.01 Lakhs has been recorded as reversal of impairment loss recognised in earlier years. The outstanding guarantee liability has been extinguished with the contribution of additional equity capital of ₹ 50.00 Lakhs by the Company.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

**b) Jabal Eiliot Company Limited ('Jabal')**

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure and Engineering Services Limited, Mumbai was formed during the financial year 2011-12 for execution of contracts in Saudi Arabia in the field of oil and gas, non-ferrous metallurgy, infrastructure projects etc.

The joint venture Company namely "Jabal Eiliot Company Limited" was registered with Dammam Commercial registry, Kingdom of Saudi Arabia. Jabal was formed for pursuing its business interests has an initial capital of SR. 15,000,000, out of which one third i.e. SR. 5,000,000 (Equivalent Indian ₹ 599.00 Lakhs) was contributed by the Company as its share.

Till 31 December, 2014, Jabal had incurred losses to the tune of SR 4,897,181, of which the Company's share of SR 1,632,394 (equivalent Indian ₹195.56 Lakhs at historical conversion rate) which was accounted as impairment in value of investment in Company's financial statements till 31 March 2015.

Based on unaudited financial statement for the period 1 January 2015 to 22 January 2016 the Joint Venture Company had a net loss of SR 491,608 of which the Company's share is SR 37,076 after adjustment of taxes between partners (equivalent ₹ 4.44 Lakhs at historical conversion rate) which has been accounted for as impairment in the value of investment in the financial statements of the Company for the year ended 31 March 2016.

Despite all around efforts, Jabal could not secure any EPC business (except one small order of engineering) due to extremely challenging environment coupled with the preconditions of deployment of large work force in KSA to secure business.

In the absence of any business and to arrest further losses of capital the JV partners decided to dissolve Jabal and accordingly the Board of Directors of the Company in their meeting held on 30 January 2015 passed the resolution to initiate action for dissolution and liquidation of Jabal. The process of dissolution is underway.

In view of process of dissolution, till last year the part capital of SR 3,308,713.33 (equivalent ₹ 549.85 Lakhs) has already been repatriated. The outstanding investment as on 31 March 2016 in equivalent ₹2.62 Lakhs has been impaired during the current year.

**c) Ramagundam Fertilizers and Chemicals Limited ('RFCL')**

The Company has, along with National Fertilizers Limited (NFL) and Fertilizer Corporation of India Limited (FCIL) incorporated a joint venture for setting up and operation of a gas based urea and ammonia complex in February 2015 namely Ramagundam Fertilizers and Chemicals Limited ('RFCL') having registered office in Delhi.

The Company has Authorized share capital of ₹ 150,000 Lakhs consisting 15,000 Lakhs shares of face value of ₹ 10 each.

The Shareholding of the Company, on commencement of commercial production of the project shall be in the following proportion:

National Fertilizers Limited (NFL): 26%

Engineers India Limited (EIL): 26%

The Fertilizer Corporation of India Limited (FCIL): 11%

Others: 37% (untied as on 31 March 2017)

Shareholding of 11% by FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of usable assets and other items on the land at Ramagundam to the Company.

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the Company in regard to facility area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project.

FCIL shall be allocated shares on completion of compliance of the condition precedent of the Concession Agreement, which is in progress. The paid up capital by Joint Venture Partners as on 31 March 2017 is as under:

**(in Lakhs)**

| Shareholder | 31 March 2017 | | 31 March 2016 | | 1April 2015 | |
|---|---|---|---|---|---|---|
| | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital |
| EIL | 1,254.40 | ₹ 12,544.00 | 154.40 | ₹ 1,544.00 | 24.40 | ₹ 244.00 |
| NFL | 1,254.40 | ₹ 12,544.00 | 154.40 | ₹ 1,544.00 | 24.40 | ₹ 244.00 |
| FCIL | 0.10 | ₹ 1.0 | 0.10 | ₹ 1.00 | 0.10 | ₹ 1.00 |
| | **2,508.90** | **₹ 25,089.00** | **308.90** | **₹ 3,089.00** | **48.90** | **₹ 489.00** |

**Summarised financial information for Joint Venture is set out below:**

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Cash and cash equivalents | 1.69 | 221.91 |
| **Current assets** | **2,752.55** | **4.17** |
| **Current assets (A)** | **2,754.24** | **226.08** |
| Non-current assets (B) | 31,648.75 | 5,475.01 |
| Current financial liabilities (excluding trade payables and provisions) | 4,107.09 | 1,133.15 |
| Trade payables and provisions | - | - |
| **Current liabilities (C)** | **4,107.09** | **1,133.15** |
| **Non-current liabilities (D)** | **-** | **-** |
| **Net assets (A+B-C-D)** | **30,295.90** | **4,567.94** |

**Summarised Statement of profit and loss** **(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016* |
|---|---|---|
| Interest income | 30.98 | 32.40 |
| **Total revenue (A)** | **30.98** | **32.40** |
| Other expense | 79.44 | 341.48 |
| **Total expenses (B)** | **79.44** | **341.48** |
| Profit before tax (C = A-B) | (48.46) | (309.08) |
| Tax expense (D) | - | 10.28 |
| **Loss for the year (E = C-D)** | **(48.46)** | **(319.36)** |
| Other comprehensive income (F) | - | - |
| **Total comprehensive income (E-F)** | **(48.46)** | **(319.36)** |

* The comparative figures are for the period 17 February 2015 to 31 March 2016 (i.e. more than 12 month period).

## Note-47

As per Cabinet Committee on Economic Affairs (CCEA) decision, the nominated PSU (Engineers India Limited) was required to pay a commitment fee of ₹ 833.00 Lakhs to Fertilizer Corporation of India (FCIL) for revival of Ramagundam fertilizer plant so that net worth of FCIL is made positive to enable it to deregister from Board for Industrial and Financial Reconstruction(BIFR). In terms of approval, post deregistration, based on sale of assets by FCIL, the amount can be returned/adjusted, if necessary.

The approval of Board of EIL was accorded in the financial year 2013-14 for release of ₹ 833.00 lakhs towards commitment fee to FCIL subject to refund/adjustment in due course. Till date no amount has been disbursed to FCIL. Pending disbursement, if any, to FCIL, the amount has been disclosed as other current financial assets and a corresponding liability has been disclosed as other current financial liabilities in the financial statements of the Company.

Subsequent to deregistration of FCIL from BIFR, the Company along with National Fertilizers Limited (NFL) and Fertilizers Corporation of India (FCIL) has formed a joint venture for setting up and operation of gas based urea and ammonia complex by incorporating the Company namely Ramagundam Fertilizers and Chemicals Limited.

## Note-48

**Employee benefits**

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under: **(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 4242.16 | 3,994.13 |
| Employees Defined Contributory Superannuation Scheme | 5130.84 | 4,419.96 |

In respect of Provident Fund, the Company has a separate irrevocable PF Trust, managing the Provident Fund accumulation of employees. In this regard, Actuarial valuation as on 31 March, 2017 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to interest rate guarantee by the Company towards Provident Fund. In terms of said valuation the Company has no liability towards interest rate guarantee as on 31 March 2017, 31 March 2016 and 1 April 2015.

**Defined Benefit Plan**

Company is having the following Defined Benefit Plans:

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

**Risks associated with plan provisions**

Risks associated with the plan provisions are actuarial risks. These risks are: (i) Investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit. |
| Interest risk (discount rate risk) | A decrease in the bond interest rate (discount rate) will increase the plan liability. |
| Mortality risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table A change in mortality rate will have a bearing on the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
| Medical expense inflation risk | The present value of the defined benefit plan liability is calculated with the assumption of medical expense inflation increase rate of plan participants in future. Deviation in the rate of increase of medical expense inflation in future for plan participants from the rate of increase in medical expense used to determine the present value of obligation will have a bearing on the plan's liability. |
| Cash allowance inflation risk | The present value of the defined benefit plan liability is calculated with the assumption of cash allowance inflation increase rate of plan participants in future. Deviation in the rate of increase of cash allowance in future for plan participants from the rate of increase in cash allowance used to determine the present value of obligation will have a bearing on the plan's liability. |

**Disclosures related to funded obligations**

**a) The amounts recognized in the balance sheet**

**(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (funded) | | | Post-retirement medical benefits (funded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at the end of year | 21,042.81 | 11,458.64 | 11,298.75 | 20,072.27 | 16,722.98 | 15,793.61 | 17,618.70 | 12,944.16 | 11,762.50 |
| Fair value of plan assets as at the end of the year | 11,590.58 | 11,152.44 | 10,887.81 | 16,909.34 | 14,189.78 | 13,966.16 | 12,660.71 | 11,599.12 | 10,450.94 |
| Funded status | (9,452.23) | (306.20) | (410.94) | (3,162.93) | (2,533.20) | (1,827.45) | (4,957.99) | (1,345.04) | (1,311.56) |
| **Net (asset)/liability recognized in balance sheet** | **9,452.23** | **306.20** | **410.94** | **3,162.93** | **2,533.20** | **1,827.45** | **4,957.99** | **1,345.04** | **1,311.56** |

**b) Expenses recognized in statement of profit and loss**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Current service cost | 1,439.21 | 915.81 | 3,479.52 | 2,992.60 | 356.68 | 237.17 |
| Past service cost | 8,911.92 | - | - | - | - | - |
| Interest cost on defined benefit obligation | 905.23 | 903.90 | 1,321.12 | 1,263.49 | 1,022.59 | 941.00 |
| Interest income on plan assets | (881.04) | (871.02) | (1,120.99) | (1,117.29) | (916.33) | (836.08) |
| Re-measurements | - | - | (516.93) | (605.83) | - | - |
| **Expenses recognized in statement of profit and loss** | **10,375.32** | **948.69** | **3,162.72** | **2,532.97** | **462.94** | **342.09** |

**c) Expenses recognized in Other comprehensive income**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Return on plan assets | (60.87) | (56.51) | - | - | (98.64) | (114.10) |
| Actuarial (gains)/loss | (860.52) | (585.34) | - | - | 4,593.58 | 1,116.92 |
| **Expenses recognized in other comprehensive income** | **(921.39)** | **(641.85)** | **-** | **-** | **4,494.94** | **1,002.82** |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Present value of obligations as at beginning of year | 11,458.64 | 11,298.75 | 167,22.98 | 15,793.61 | 12,944.16 | 11,762.50 |
| Interest cost | 905.23 | 903.90 | 13,21.12 | 1,263.49 | 1,022.59 | 941.00 |
| Current service cost | 1,439.21 | 915.81 | 3,479.51 | 2,992.60 | 356.68 | 237.17 |
| Actuarial (gains)/losses arising from | | | | | | |
| Changes in demographic assumptions | - | - | - | - | - | - |
| Changes in financial assumptions | 420.49 | 84.78 | (498.32) | 85.42 | 1,907.65 | 151.32 |
| Experience adjustments | (1,281.00) | (670.12) | 148.73 | (640.50) | 2,685.93 | 965.61 |
| Past service cost | 8,911.92 | - | - | - | - | - |
| Benefits paid | (811.68) | (1,074.48) | (1,101.76) | (2,771.64) | (1,298.31) | (1,113.44) |
| **Present value of obligations as at end of year** | **21,042.81** | **11,458.64** | **20,072.27** | **16,722.98** | **17,618.70** | **12,944.16** |

**e) Reconciliation of opening and closing balances of fair value of plan assets**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Fair value of plan assets as on beginning of year | 11,152.44 | 10,887.81 | 14,189.78 | 13,966.16 | 11,599.12 | 10,450.94 |
| Interest income | 881.04 | 871.02 | 1,120.99 | 1,117.29 | 916.33 | 836.08 |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense) | 60.87 | 56.51 | 167.35 | 50.75 | 98.64 | 114.10 |
| Contributions from the employer | 307.91 | 411.58 | 2,532.98 | 1,827.22 | 1,344.93 | 1,311.44 |
| Benefits paid | (811.68) | (1,074.48) | (1,101.76) | (2,771.64) | (1,298.31) | (1,113.44) |
| Fair value of plan assets at the end of year | 11,590.58 | 11,152.44 | 16,909.34 | 14,189.78 | 12,660.71 | 11,599.12 |

**f) Actuarial Assumptions**

| | Gratuity (funded) | | | Leave encashment (funded) | | | Post-retirement medical benefits (funded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Discount rate | 7.40% | 7.90% | 8.00% | 7.40% | 7.90% | 8.00% | 7.40% | 7.90% | 8.00% |
| Expected rate of future salary increase | 9.00% | 10.00% | 10.00% | 9.00% | 10.00% | 10.00% | - | - | - |
| Increase in compensation levels | - | - | - | - | - | - | 8.00% | 7.50% | 7.50% |
| Retirement age | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | - | - | - |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

**g) Maturity profile of defined benefit obligation**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Weighted average of the defined benefit obligation | 15 years | 15 years | | | | |
| Duration of defined benefit obligation | | | | | | |
| Duration (years) | | | | | | |
| 1 | 2,725.66 | 1,245.55 | 3,363.86 | 2,579.64 | 921.47 | 740.35 |
| 2 | 2,404.51 | 1,299.90 | 2,874.56 | 2,331.78 | 913.34 | 720.68 |
| 3 | 2,103.83 | 1,164.27 | 2,412.54 | 2,002.72 | 896.49 | 708.58 |
| 4 | 1,703.81 | 1,009.80 | 1,987.43 | 1,693.11 | 876.36 | 690.24 |
| 5 | 1,115.82 | 829.62 | 1,450.53 | 1,395.46 | 848.75 | 669.30 |
| Above 5 | 10,989.18 | 5,909.50 | 7,983.35 | 6,720.27 | 13,162.29 | 9,415.01 |
| Total | 21,042.81 | 11,458.64 | 20,072.27 | 16,722.98 | 17,618.70 | 12,944.16 |
| Duration of defined benefit payments | | | | | | |
| Duration (years) | | | | | | |
| 1 | 2,824.71 | 1,287.03 | 3,486.10 | 2,674.02 | 954.95 | 769.03 |
| 2 | 2,676.29 | 1,456.72 | 3,199.47 | 2,615.46 | 1,016.58 | 807.75 |
| 3 | 2,514.90 | 1,401.18 | 2,883.93 | 2,417.93 | 1,071.66 | 856.92 |
| 4 | 2,187.44 | 1,312.81 | 2,551.57 | 2205.72 | 1,125.11 | 900.69 |
| 5 | 1,538.56 | 1,163.76 | 2,000.08 | 1,962.44 | 1,170.31 | 942.36 |
| Above 5 | 34,636.84 | 19,638.57 | 18,151.23 | 16,465.86 | 69,199.17 | 49,941.45 |
| Total | 46,378.74 | 26,260.07 | 32,272.38 | 28,341.43 | 74,537.78 | 54,218.20 |

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

| | Gratuity (funded) | | | Leave encashment (funded) | | | Post-retirement medical benefits (funded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Fund managed by insurer | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

**i) Sensitivity analysis** **(₹ in Lakhs)**

| Sensitivity analysis in respect of gratuity | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 1,755.58 | 924.04 | 1,497.56 | 793.41 |
| Expected rate of future salary increase | +/-1% | +/-1% | 380.56 | 123.10 | 429.86 | 138.83 |

**(₹ in Lakhs)**

| Sensitivity analysis in respect of leave encashment | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 1,066.73 | 908.07 | 957.67 | 814.55 |
| Expected rate of future salary increase | +/-1% | +/-1% | 1,040.12 | 881.30 | 952.62 | 806.75 |

**(₹ in Lakhs)**

| Sensitivity analysis in respect of post-retirement medical benefits | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 2,547.75 | 1,705.03 | 2,033.14 | 1,383.05 |
| Expected rate of future salary increase | +/-1% | +/-1% | 2,201.90 | 1,449.07 | 1,772.64 | 1,183.06 |

***Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (f) above, where assumptions for prior period are given.

**Disclosures related to unfunded obligations**

**a) The amounts recognized in the balance sheet** **(₹ in Lakhs)**

| | Long service award (unfunded) | | | Other benefits on retirement (unfunded) | | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at the end of year | 626.31 | 612.45 | 1,721.53 | 279.68 | 271.21 | 138.65 |
| Funded status | (626.31) | (612.45) | (1,721.53) | (279.68) | (271.21) | (138.65) |
| Net (asset)/liability recognized in balance sheet | 626.31 | 612.45 | 1,721.53 | 279.68 | 271.21 | 138.65 |

**b) Expenses recognized in statement of profit and loss** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Current service cost | 39.37 | 37.38 | 14.21 | 13.72 |
| Past Service Cost | - | (1109.87) | - | 133.29 |
| Interest cost | 48.38 | 137.72 | 21.42 | 11.09 |
| Re-measurements | 28.04 | (14.69) | - | - |
| **Expenses recognized in statement of profit and loss** | **115.79** | **(949.46)** | **35.63** | **158.10** |

**c) Expenses recognized in other comprehensive income** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Return on plan assets | - | - | - | - |
| Actuarial (gains)/losses | - | - | 0.09 | (1.44) |
| Expenses recognized in other comprehensive income | - | - | 0.09 | (1.44) |

**d) Reconciliation of opening and closing balances of defined benefit obligation** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Present value of obligations as at beginning of year | 612.45 | 1,721.53 | 271.21 | 138.65 |
| Interest cost | 48.38 | 137.72 | 21.42 | 11.09 |
| Current service cost | 39.37 | 37.38 | 14.21 | 13.72 |
| Actuarial (gains)/losses arising from | | | | |
| Changes in demographic assumptions | - | - | - | - |
| Changes in financial assumptions | 16.58 | 3.14 | 9.54 | 1.82 |
| Experience adjustments | 11.46 | (17.83) | (9.45) | (3.26) |
| Past service cost, including losses/(gains) on Curtailments | - | (1,109.87) | - | 133.29 |
| Benefits paid | (101.94) | (159.62) | (27.25) | (24.10) |
| **Present value of obligations as at end of year** | **626.30** | **612.45** | **279.68** | **271.21** |

**e) Actuarial Assumptions**

| | Long service award (unfunded) | | | Other benefits on retirement (unfunded) | | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Discount rate | 7.40% | 7.90% | 8.00% | 7.40% | 7.90% | 8.00% |
| Increase in compensation levels | - | - | - | 5.00% | 5.00% | 5.00% |
| Rate of Increase in price of Gold in the long run | - | - | 12.00% | - | - | - |
| Rate of Increase in price of Silver in the long run | - | - | 12.00% | - | - | - |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08).

**f) Maturity profile of defined benefit obligation** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Weighted average of the defined benefit obligation | - | - | - | - |
| Duration of defined benefit obligation | | | | |
| Duration (years) | | | | |
| 1 | 105.01 | 70.28 | 38.13 | 30.02 |
| 2 | 89.08 | 94.41 | 34.89 | 33.95 |
| 3 | 57.64 | 58.52 | 30.59 | 31.79 |
| 4 | 45.23 | 39.72 | 25.29 | 27.51 |
| 5 | 40.73 | 36.99 | 14.02 | 22.54 |
| Above 5 | 288.61 | 312.53 | 136.76 | 125.40 |
| Total | 626.30 | 612.45 | 279.68 | 271.21 |
| Duration of defined benefit payments | | | | |
| Duration (years) | | | | |
| 1 | 108.83 | 73.01 | 39.51 | 30.91 |
| 2 | 99.15 | 109.96 | 38.83 | 38.09 |
| 3 | 68.90 | 72.87 | 36.56 | 38.22 |
| 4 | 58.07 | 53.66 | 32.46 | 35.72 |
| 5 | 56.16 | 53.93 | 19.33 | 31.56 |
| Above 5 | 667.38 | 683.39 | 416.69 | 404.76 |
| Total | 1,058.49 | 1,046.82 | 583.38 | 579.26 |

**g) Sensitivity analysis** **(₹ in Lakhs)**

| Sensitivity analysis in respect of long service award | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 36.26 | 31.52 | 32.24 | 31.91 |

**(₹ in Lakhs)**

| Sensitivity analysis in respect of other benefits of retirement | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 21.46 | 19.75 | 18.41 | 17.08 |
| Expected rate of future salary increase | +/-1% | +/-1% | 21.76 | 20.13 | 18.97 | 17.67 |

***Changes in Defined benefit obligation due to 1 % Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (e) above, where assumptions for prior period, if applicable, are given.

## Note-49

The wage revision in respect of employees is due from 01 January 2017. In accordance with recommendation of 3rd Pay Revision Committee constituted by Department of Public Enterprises, the Company on estimated basis has provided wage revision liabilities in respect of employees for the period 01 January 2017 to 31 March 2017. The additional liability in respect of HRA/perquisites has not been provided, since these were revised prospectively in past from the date of presidential directives issued in this regard.

In terms of Committee's recommendations, the ceiling of gratuity to be enhanced from ₹ 10 lakhs to ₹ 20 lakhs w.e.f. 01 January 2017. Accordingly, the Company has provided the estimated liability as on 31 March 2017 on account of gratuity as per actuarial valuation based on ceiling of ₹ 20 lakhs. The impact of the same including for employees separated between periods 01 January 17 to 31 March 17 amounting to ₹ 9062.88 lakhs has been charged to Statement of Profit and Loss.

## Note-50

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

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

Based on audited financial statements of Block No. CB-ONN-2010/08 and unaudited available information for CB-ONN-2010/11 the revenue expenditure and capital expenditure has been accounted for in financial statements for year ended 31 March 2017 is as follows-:

**(₹ in Lakhs)**

| Particular | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Revenue expenditure | 255.88 | 172.08 |
| Drywell written off | 193.59 | - |
| Capital expenditure | 3220.17 | 737.50 |

In block No. CB-ONN-2010/08 and CB-ONN-2010/11 one of the consortium members has defaulted in its obligation towards cash calls. In accordance with joint operating agreement the lead operator has raised default cash calls and as such proportionate share amounting to₹ 526.60 Lakhs (previous years: 31 March 2016 : ₹ 74.82 Lakhs and 1 April 2015 :Nil) in respect of same has been paid and accounted for as other current asset.

## Note-51

**Segment reporting**

In line with Indian Accounting Standard (Ind AS108) "Operating Segments", the Company has (segmented) identified its business activity into two business segment i.e. Consultancy and Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segments. Segment results are given below:

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Segment revenue** | | |
| Consultancy and engineering projects | 116,506.75 | 100,745.65 |
| Turnkey projects | 28,357.56 | 50,355.82 |
| **Total** | **144,864.31** | **151,101.47** |
| **Segment profit** | | |
| Consultancy and engineering projects | 35919.83 | 26,455.78 |
| Turnkey projects | 10,355.12 | 1,218.41 |
| **Total (a)** | **46,274.95** | **27,674.19** |
| Interest | 317.15 | 24.61 |
| Other un-allocable expenditure * | 18,305.77 | 10,448.10 |
| **Total (b)** | **18,622.92** | **10,472.71** |
| **Other income (c)** | **22,366.04** | **24,779.26** |
| **Profit before tax (a-b+c)** | **50,018.07** | **41,980.74** |
| **Income tax expense** | **17,514.38** | **14,361.35** |
| **Profit for the year** | **32,503.69** | **27,619.39** |
| **Capital employed**** | **2,77,595.99** | **2,75,700.66** |

* Includes ₹ 9,062.88 lakhs on account of provision for increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs with effect from 01 January 2017.

** Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

**Geographical information with respect to segment revenue**

**(₹ in Lakhs)**

| Country Name | Consultancy and engineering projects | | Turnkey projects | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| India | 86,447.02 | 67,823.28 | 28,357.56 | 50,355.82 |
| Nigeria | 17,776.44 | 14,769.35 | - | - |
| United Arab Emirates (UAE) | 2,543.07 | 5,618.34 | - | - |
| Algeria | 4,104.64 | 3,454.76 | - | - |
| Oman | 2,064.76 | 3,373.23 | - | - |
| Others | 3,570.82 | 5,706.69 | - | - |
| **Total** | **116,506.75** | **100,745.65** | **28,357.56** | **50,355.82** |

**Segment revenue with major customers**

During the year 31 March 2017, ₹ 38,754.01 Lakhs (31 March 2016: ₹ 31,886.59 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two customers.

During the year 31 March 2017, ₹ 28,109.56 Lakhs (31 March 2016: ₹ 46,235.38 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from four (31 March 2016: two) customers.

## Note-52

**Disclosure relating to AOP**

The Company is having investment in Petroleum India International (PII), an Association of Person (AOP). PII, since financial year 2010-11 has ceased its business activities and is in the process of dissolution.

The process of dissolution is not completed due to pending activity relating to

a) Income tax assessment/appeals/refunds/rectification/nullification of demands etc.

b) Service tax refunds.

c) Pending dispute with Bank of Baroda regarding FD of ₹ 55.00 Lakhs (approximately) on which lien has been marked towards demand that could arise from Saudi British Bank.

Since, the dissolution of PII is not completed due to above factors, Management Committee of PII in their 57th Meeting held on 18 February 2016 at BPCL, Mumbai decided to return all monies forthwith except for retaining some amount to the members of PII.

Due to above decision, the Company has received till date an amount of ₹ 1,350.00 Lakhs (Previous Year 31 March 2016 : ₹ 1180.00 Lakhs) as its share out of total amount of ₹ 14,136.00 Lakhs (Previous Year 31 March 2016: ₹ 12354.00 Lakhs) distributed to its members. It was also decided that in case there is subsequent demand received, the members shall return the money in proportion to their share.

It was also decided that corpus fund of PII shall be restored to ₹ 5.00 Lakhs per member being original seed capital at the time of formation of PII.

## Note-53

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, contingent liabilities and contingent assets", the requisite disclosures are as under:

The movement in provisions are as under

**(₹ in Lakhs)**

| Sl. No. | Particulars | Class of provision | | | | | |
|---|---|---|---|---|---|---|---|
| | | Contractual obligations | | | Expected losses | | |
| | | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| 1 | Opening balance | 28,839.25 | 27,906.45 | 25,440.86 | 1,504.89 | 7,551.16 | - |
| 2 | Additional provision during the year | 4,923.04 | 5,212.30 | 3,782.89 | 175.75 | 118.32 | 7,551.16 |
| 3 | Provision used during the year | - | - | - | 914.17 | 6,054.62 | - |
| 4 | Provision reversed during the year | 6,704.91 | 4,279.50 | 1,317.30 | 53.19 | 109.97 | - |
| **5** | **Closing balance** | **27,057.38** | **28,839.25** | **27,906.45** | **713.28** | **1,504.89** | **7,551.16** |

Nature of provision

**a) Contractual Obligations :**

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

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

**b) Expected Losses :**

For each contracts, at reporting date, total contract cost and total contract revenue are estimated. In respect of contracts, where it is probable that total estimated contract cost will exceed the estimated total contract revenue, the expected loss is recognised as an expense in the statement of Profit and Loss as per principles of Indian Accounting Standard Ind AS -11 "Construction Contracts".

**c)** The disclosure in respect of contingent liabilities is given as per note no. 40.

## Note-54

The Company in the month of April 2016 terminated a contract; consequent to receipt of findings of investigating agency that certificate submitted by the contractor for qualifying the contract was bogus. The facts in this regard including lodging of claim, subsequent to termination of contract had been disclosed in the annual account of the last financial year 2015-16, being a significant item occurring after the balance sheet date, but before approval of the accounts by the Board of Directors of the Company for the financial year 2015-16.

Subsequent to termination of contract, the Company is completing the project at the risk and cost of contractor in terms of provisions of the contract. The contractor has gone into arbitration and has submitted its arbitration notice claiming an amount of ₹ 40757.00 lakhs. Arbitral Tribunal has been constituted. Statement of claim of contractor and counter claim/reply of the Company are yet to be lodged before the Arbitral Tribunal. The Management does not consider any possible obligation on this account requiring future probable outflow of resources of the Company.

## Note-55

In one of the turnkey project executed by the Company, there was a delay in completion of the project. In terms of provisions of applicable Accounting Standards, the Company in earlier years had reduced the contract price to the extent of liquidated damages leviable as per the provisions of the contract. During the current year, the Company has received time extension without applicability of liquidated damages from the client and accordingly the Company has recognized revenue to the extent of ₹ 3857.56 lakhs in its financial books and, as such, segment revenue and profits for the turnkey projects includes the above amount.

In one of the turnkey project, the Company had terminated a contract and encashed the performance guarantee of ₹ 2719.41 lakhs submitted by the contractor. The encashment proceeds of performance guarantee have been reduced from cost of the completion of the project, resulting into incremental revenue & profit from Turnkey segment by ₹ 2667.04 lakhs.

## Note-56

Details of loans given, investment made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

a) Loans given- Nil

b) Investments done are given in the joint venture note. No. 7.

c) Corporate Guarantees given by the Company to banks for working capital loans in respect Joint Venture:

**(₹ in Lakhs)**

| Sl. No. | Name of the Company | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| 1 | TEIL Projects Limited (Joint venture ) | - | 200.00 | 200.00 |

## Note-57

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.

## Note-58

Remuneration to Chairman and Managing Director and full time Directors are as per their appointment letters from the Ministry of Petroleum and Natural Gas, Government of India, New Delhi. They are also allowed to use the staff car for private journeys up to a ceiling of 1000 kms per month.

## Note-59

The statement of profit and loss account includes research and development expenditure of ₹ 1,267.04 Lakhs (previous year: ₹ 1,692.06 Lakhs).

## Note-60

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) “Impairment of Assets”.

## Note-61

The working capital and non-fund based facilities from banks are secured by hypothecation of stocks, book debts and other current assets of the Company, both present and future.

## Note-62

For lump-sum services and turnkey contracts, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction schedules for delay as on reporting date are assessed by the management and relied upon by the auditors.

## Note-63

The balances of trade receivables, loans and advances, customer's advances, retention money, security deposits receivable/payable and trade payables are subject to confirmation and reconciliation.

## Note-64

"Offer for sale" of 1,684,683 equity shares of the Company of face value of ₹ 5 each representing 0.50% of paid up equity share capital of the Company were made to employees of the Company by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India (Promoter) and 1,675,326 shares were allotted to the eligible employees of the Company.

The President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India, has sold 90,15,823 equity shares of the Company to Central Public Sector Enterprise Exchange Traded Fund (CPSE ETF) through a Further Fund Offer (FFO) in terms of Scheme framed in this regard.

Further, the President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India, has sold 34,59,433 equity shares of the Company to Central Public Sector Enterprise Exchange Traded Fund (CPSE ETF) through a Further Fund Offer (FFO) in terms of Scheme framed in this regard. Due to above, Government of India (Promoter) holding was reduced from 59.37% to 57.02%.

## Note-65

During the earlier years, the Company proposed to sale its old obsolete computers ('Assets'). Some of these Assets have been sold during the financial year 2016-17. The outstanding balance has been classified as Assets held for sale.

## Note-66

The Company has ₹ 23983.32 Lakhs (previous year 31 March 2016: ₹ 15276.07 Lakhs and 1 April 2015: ₹18461.99 Lakhs) trade receivables (on gross basis without provision) outstanding for more than six months.

## Note-67

The Board of Directors of the Company in their meeting held on 20 March 2017 has approved the proposal to Buyback of not exceeding 4,19,61,780 equity shares of the Company (representing 6.23% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹ 157 per equity share payable in cash for an aggregate consideration not exceeding ₹ 65,879.99 lakhs which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per audited accounts of the Company for the financial year ended 31 March 2016 (the last audited financial statements available as on the date of Board meeting recommending the proposal of the Buyback) from all the equity shareholders of the Company, as on the record date, on a proportionate basis through a Tender Offer route in accordance with Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Buy Back Securities) Regulations, 1998, as amended (the "Buyback Regulations"), subject to the approval of the shareholders of the Company by way of a special resolution through Postal Ballot and all other applicable statutory approvals.

## Note-68

**A Explanation of transition to Ind AS**

**1 Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

**(₹ in Lakhs)**

| Particulars | 31 March 2016 | | | | 1 April 2015 | | |
|---|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | Other adjustments** | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| **Non-current assets** | | | | | | | |
| Property, plant and equipment | 23,782.65 | 5.67 | - | 23,788.32 | 26,729.21 | - | 26,729.21 |
| Capital work-in-progress | 1,703.56 | - | - | 1,703.56 | 1,906.09 | - | 1,906.09 |
| Investment property | 3,877.25 | - | - | 3,877.25 | 30.12 | - | 30.12 |
| Other intangibles assets | 216.46 | (1.83) | - | 214.63 | 210.90 | - | 210.90 |
| Intangible assets under development | 735.69 | - | - | 735.69 | 5.11 | - | 5.11 |
| Financial assets | | | | | | | |
| Investments | 2,405.56 | 61.06 | - | 2,466.62 | 234.10 | 76.97 | 311.08 |
| Loans | 3,890.21 | (762.64) | - | 3,127.57 | 3,908.71 | (914.51) | 2,994.20 |
| Other financial assets | 7,590.96 | - | - | 7,590.96 | 155.10 | - | 155.10 |
| Deferred tax assets (net) | 21,683.73 | 216.54 | (533.05) | 21,367.22 | 23,195.87 | 259.53 | 23,455.40 |
| Non-current tax assets (net) | 336.38 | - | - | 336.38 | 539.09 | - | 539.09 |
| Other non-current assets | 137.73 | 665.26 | - | 802.99 | 330.33 | 811.55 | 1,141.88 |
| **Total non-current assets** | **66,360.18** | **184.06** | **(533.05)** | **66,011.19** | **57,244.63** | **233.55** | **57,478.18** |
| | | | | | | | |
| **Current assets** | | | | | | | |
| Inventories | 100.85 | - | - | 100.85 | 81.09 | - | 81.09 |
| Financial assets | | | | | | | |
| Investments | 1,201.38 | - | - | 1,201.38 | 12,400.00 | 1,093.18 | 13,493.18 |
| Trade receivables | 36,453.29 | (122.58) | - | 36,330.71 | 42,606.18 | (1,842.98) | 40,763.20 |
| Cash and cash equivalents | 872.78 | - | - | 872.78 | 1,255.26 | - | 1,255.26 |
| Other bank balances | 260,709.83 | - | - | 260,709.83 | 242,147.31 | - | 242,147.31 |
| Loans | 1,033.00 | (0.59) | - | 1,032.41 | 1,040.64 | - | 1,040.64 |
| Other financial assets | 36,500.19 | - | 1,540.24 | 38,040.43 | 29,406.01 | - | 29,406.01 |
| Other current assets | 4,637.17 | 102.25 | - | 4,739.42 | 5,414.27 | 102.69 | 5,516.96 |
| **Total current assets** | **341,508.49** | **(20.92)** | **1,540.24** | **343,027.81** | **334,350.77** | **(647.12)** | **333,703.65** |
| **Total assets** | **407,868.67** | **163.14** | **1,007.19** | **409,039.00** | **391,595.40** | **(413.57)** | **391,181.83** |
| | | | | | | | |
| **Equity** | | | | | | | |
| Equity share capital | 16,846.84 | - | - | 16,846.84 | 16,846.84 | - | 16,846.84 |
| Other equity | 249,654.83 | 8,191.79 | 1,007.19 | 258,853.82 | 239,943.25 | 7,646.26 | 247,589.51 |
| **Total equity** | **266,501.67** | **8,191.79** | **1,007.19** | **275,700.66** | **256,790.09** | **7,646.26** | **264,436.35** |
| | | | | | | | |
| **Liabilities** | | | | | | | |
| **Non-current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Other financial liabilities | 153.33 | (22.73) | - | 130.60 | 78.33 | (13.02) | 65.32 |
| Provisions | 783.36 | - | - | 783.36 | 1,746.82 | - | 1,746.82 |
| Other non-current liabilities | 1,419.41 | 31.82 | - | 1,451.24 | 143.51 | 5.61 | 149.12 |
| **Total non-current Llabilities** | **2,356.11** | **9.09** | **-** | **2,365.20** | **1,968.66** | **(7.41)** | **1,961.26** |

(₹ in Lakhs)

| Particulars | 31 March 2016 | | | | 1 April 2015 | | |
|---|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | Other adjustments** | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| **Current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Trade payables | 20,250.21 | - | - | 20,250.21 | 24,656.41 | - | 24,656.41 |
| Other financial liabilities | 28,230.61 | - | - | 28,230.61 | 27,559.30 | - | 27,559.30 |
| Other current liabilities | 47,371.77 | 11.75 | - | 47,383.52 | 30,556.77 | 7.26 | 30,564.03 |
| Provisions | 42,887.47 | (8,049.50) | - | 34,837.97 | 47,407.51 | (8,059.69) | 39,347.82 |
| Current tax liabilities (net) | 270.83 | - | - | 270.83 | 2,656.66 | - | 2,656.66 |
| **Total current liabilities** | **139,010.89** | **(8,037.75)** | **-** | **130,973.14** | **132,836.65** | **(8,052.43)** | **124,784.22** |
| **Total equity and liabilities** | **407,868.67** | **163.14** | **1,007.19** | **409,039.00** | **391,595.40** | **(413.57)** | **391,181.83** |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.
** This adjustment is on account of income booked under Service Export of Indian Scheme. This has been a correction made under Ind AS from previous GAAP. Basic and diluted earninngs per share will be ₹ 3.95 per share if the related correction would not have been made.

**2 Reconciliation of total comprehensive income for the year ended 31 March 2016**

(₹ in Lakhs)

| Particulars | Previous GAAP | Effect of transition to Ind AS | Other adjustments* | Ind AS |
|---|---|---|---|---|
| Revenue from operations | 149,561.23 | - | 1,540.24 | 151,101.47 |
| Other income | 25,717.13 | (937.87) | - | 24,779.26 |
| **Total revenue** | **175,278.36** | **(937.87)** | **1,540.24** | **175,880.73** |
| | | | | |
| **Expenses** | | | | |
| Technical assistance/sub-contracts | 21,072.28 | - | - | 21,072.28 |
| Construction materials and equipments | 36,966.29 | - | - | 36,966.29 |
| Employee benefits expenses | 58,907.48 | 147.56 | - | 59,055.04 |
| Finance costs | 10.37 | 14.24 | - | 24.61 |
| Depreciation and amortisation expense | 2,488.08 | 4.39 | - | 2,492.47 |
| Other expenses | 16,250.83 | (1,961.53) | - | 14,289.30 |
| **Total expenses** | **135,695.33** | **(1,795.34)** | **-** | **133,899.99** |
| | | | | |
| **Profit before tax** | **39,583.04** | **857.46** | **1,540.24** | **41,980.74** |
| **Tax expense:** | | | | |
| Current tax | 12,609.01 | (226.32) | - | 12,382.69 |
| Earlier years tax adjustments (net) | (455.20) | - | - | (455.20) |
| Deferred tax | 1,598.29 | 302.53 | 533.05 | 2,433.86 |
| **Profit for the year** | **25,830.95** | **781.25** | **1,007.19** | **27,619.40** |
| | | | | |
| **Other comprehensive income** | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| Re-measurement gains (losses) on defined benefit plans | - | (359.54) | - | (359.54) |
| Income tax relating to items that will not be reclassified to profit and loss | - | 124.43 | - | 124.43 |
| Items that will be reclassified to profit and loss | | | | |
| Exchange differences on translation of foreign operations | - | 14.65 | - | 14.65 |
| Income tax relating to items that will be reclassified to profit and loss | - | (5.07) | - | (5.07) |
| **Total other comprehensive income for the year** | **25,830.95** | **555.72** | **1,007.19** | **27,393.87** |

* This adjustment is on account of income booked under Service Export of Indian Scheme. This has been a correction made under Ind AS from previous GAAP. Basic and diluted earninngs per share will be ₹ 3.95 per share if the related correction would not have been made.

**B First time adoption of Ind AS**

The accounting policies have been applied consitently in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, statement of profit and loss and cash flows is set out in the following tables and notes.

**C Ind AS optional exemptions**

**1 Deemed cost for property, plant and equipment, investment property and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and investment property covered by Ind AS 40 *Investment Properties*. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value as deemed cost.

**D Ind AS mandatory exemptions**

**1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in financial instruments carried at fair value through profit and loss ('FVTPL').

b) Impairment of trade receivables based on expected credit loss model.

**2 Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The Company has availed the exemption for loan to employees. All the other financial assets and financial liabilities have been restated retrospectively.

**E Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile total equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**1 Reconciliation of total equity as at 31 March 2016 and 1 April 2015** **(₹ in Lakhs)**

| Particulars | Notes to first time adoption | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Total equity (shareholder's funds) as per previous GAAP** | | **266,501.68** | **256,790.09** |
| **Adjustments:** | | | |
| Fair valuation of mutual funds | Note – 1 | - | 1,093.18 |
| Amortised cost security deposit asset | Note – 2 | (0.56) | (0.27) |
| Amortised cost security deposit liability | Note – 3 | 0.95 | 0.15 |
| Amortised cost employee advances | Note – 4 | 3.09 | - |
| Provision for trade receivables using provision matrix approach | Note – 5 | 122.58 | (1,842.98) |
| Amortisation of leasehold land | Note – 6 | (4.39) | - |
| Profit share of Association of Person | Note – 7 | 61.06 | 76.97 |
| Dividend adjustment | Note – 8 | 8,049.50 | 8,059.68 |
| Cumulative exchange difference on translation of foreign operation | Note – 9 | 2.55 | - |
| Tax impact on above adjustments | Note – 10 | (42.99) | 259.53 |
| **Total adjustments** | | **8,191.79** | **7,646.26** |

| Particulars | Notes to first time adoption | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Sub total** | | **274,693.47** | **264,436.35** |
| Receivable on account of service export of India Scheme | ** | 1,540.24 | - |
| Tax impact on above adjustment | ** | (533.05) | - |
| **Total equity as per Ind AS** | | **275,700.66** | **264,436.35** |

**2 Reconciliation of total comprehensive income for the year ended 31 March 2016**

**(₹ in Lakhs)**

| Particulars | Notes to first time adoption | 31 March 2016 |
|---|---|---|
| **Profit after tax as per previous GAAP** | | **25,830.96** |
| **Adjustments:** | | |
| Fair valuation of mutual funds | Note – 1 | (1,093.18) |
| Amortised cost security deposit asset | Note – 2 | (0.29) |
| Amortised cost security deposit liability | Note – 3 | 0.80 |
| Amortised cost employee advances | Note – 4 | 3.09 |
| Provision for trade receivables using provision matrix approach | Note – 5 | 1,965.56 |
| Amortisation of leasehold land | Note – 6 | (4.39) |
| Profit share of Association of Person | Note – 7 | (15.91) |
| Cumulative exchange difference on translation of foreign operation | Note – 9 | 2.55 |
| Tax impact on above adjustments | Note – 10 | (302.52) |
| **Total adjustments** | | **555.71** |
| **Sub total** | | **26,386.67** |
| Receivable on account of service export of India Scheme | ** | 1,540.24 |
| Tax impact on above adjustment | ** | (533.05) |
| **Total comprehensive income for the year ended 31 March 2016** | | **27,393.86** |

** this adjustment is on account of income booked under Service Export of Indian Scheme. This has been a correction made under Ind AS from previous GAAP. Basic and diluted earninngs per share will be ₹ 3.95 per share if the related correction would not have been made.

**3 Reconciliation of statement of cash flows for the year ended 31 March 2016**

**(₹ in Lakhs)**

| Particulars | Reference | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|---|
| Net cash flow from operating activities | *** | 8,846.88 | 179.35 | 8,667.53 |
| Net cash flow from investing activities | *** | 6,899.61 | (179.93) | 7,079.54 |
| Net cash used in financing activities | *** | (16,129.55) | (0.00) | (16,129.55) |
| Net increase/decrease in cash and cash equivalents | | (383.06) | (0.58) | (382.48) |
| Cash and cash equivalents at the 1 April 2015 | | 1,254.85 | (0.41) | 1,255.26 |
| **Cash and cash equivalents at the 31 March 2016** | | **871.79** | **(0.99)** | **872.78** |

*** Impact on accounted of association of person

**Note – 1**
**Fair valuation of mutual funds**

Under previous GAAP, investments in mutual funds are shown at cost or market value whichever is lower. Under Ind AS, such investments are evaluated under Ind AS 109 which requires the Company to account for such instruments at FVTPL wherein all the fair value gains/losses are recognised in statement of profit and loss.

**Note – 2**
**Amortised cost security deposit asset**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

**Note – 3**
**Amortised cost security deposit liability**

Under the previous GAAP, interest free lease/other security deposits (that are receivable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred income.

**Note – 4**

**Amortised cost employee advances**

Under the previous GAAP, employee advances are recorded at their transaction value and interest income is recognised on time proportion basis using the agreed interest rate. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these employee advances under Ind AS. Difference between the fair value and transaction value of the employee advances is recognised as prepaid employee advances and interest income will be recognised using effective interest rate.

**Note – 5**
**Provision for trade receivables using provision matrix approach**

Under previous GAAP, provision for trade receivables is recognised on specific identification method based on management assessment of recoverability of trade receivables. As per Ind AS 109, the Company is required to apply expected credit loss model (provision matrix approach) for recognising the allowance for doubtful receivables.

**Note – 6**
**Amortisation of leasehold land**

Under previous GAAP, long-term leasehold land is recognised at transaction value and annual lease rentals are recognised as expense on time period basis. Under Ind AS, long-term leasehold land are assessed as being finance or operating lease and are accounted for accordingly. The Company has recognised certain land under finance lease and accordingly amortisation of leasehold land is recorded over the remaining life considering deemed cost exemption on transition date.

**Note – 7**
**Profit share of Association of Person (AOP)**

Under previous GAAP, profit share from AOP was accounted under equity method. Under Ind AS, AOP being joint control operation is accounted under proportionate completion method.

**Note – 8**
**Dividend adjustment**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability and appropriation. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend has been reversed with corresponding adjustment to retained earnings.

**Note – 9**
**Cumulative exchange difference on translation of foreign operation**

Under the previous GAAP, all non-monetary items are translated using the historical exchange rate. Under Ind AS, considering functional currency of the branch is different from functional currency of the Company and hence, all items of balance sheet are converted at closing rate leading to translation adjustment.

**Note – 10**
**Tax impact on above adjustments**

Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

**Note – 11**
**Investment property**

Under the previous GAAP, there is no requirement of classification as investment property and these were included as part of fixed assets. Under Ind AS, investment property are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

**Note – 12**
**Other comprehensive income**

Items of income and expense that are not recognised in profit and loss are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations etc. The concept of other comprehensive income did not exist under previous GAAP.

**For Arun K Agarwal and Associates**
Chartered Accountants

Sd/-
Rajesh Surolia
**Partner**
Membership No. 088008
FRN No. 003917N

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

Sd/-
Rajan Kapur
**Company Secretary**
PAN : AAIPK0926B

Sd/-
R.K Garg
**Executive Director [F&A]**
PAN : ACIPJ5332P

Sd/-
Ajay N. Deshpande
**Director [Technical]**
DIN : 03435179

Sd/-
Sanjay Gupta
**Chairman & Managing Director**
DIN : 05281731

**Place :** New Delhi
**Date :** 22 May 2017

# Comments of the Comptroller and Auditor General of India Under Section 143(6)(B) of the Companies Act, 2013 on the Financial Statements of Engineers India Limited for the year ended 31st March, 2017

The preparation of financial statements of Engineers India Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Engineers India Limited for the year ended 31 March, 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

**(Nandana Munshi)**
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place: Delhi
Date: 17.07.2017

# Directors' Report

**To**
**The Shareholders**
**Certification Engineers International Limited**

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 22nd Annual Report together with Audited accounts of the Company for the year ended 31st March 2017 along with Audited Statement of Accounts, the Auditors' Report and Comments of the Comptroller and Auditor General of India.

**PERFORMANCE DURING THE YEAR 2016-17**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the Financial Year ended March 31, 2017 are the Company's first Ind AS compliant annual financial statements with comparative figures for the year ended March 31, 2016 also under Ind AS. The date of transition is April 1, 2015. The disclosure and effects of first time adoption of Ind AS are detailed in Note 46 of the financial statements.

The overall financial performance for the year 2016-17 is highlighted below:

(₹ in Lakhs)

| RESULTS OF OPERATIONS | For the year ended 31.3.2017 | For the year ended 31.03.2016 |
|---|---|---|
| **Income from services rendered** (Including adjustment of work-in-progress) | **3818.26** | **3756.34** |
| **Expenditure** | **2625.26** | **2674.09** |
| Operating profit | 1193.00 | 1082.25 |
| Other Income | 377.35 | 409.95 |
| **Profit before Tax** | **1570.35** | **1492.20** |
| Provision for Taxation (incl. earlier years) | | |
| Current Tax | 571.81 | 527.51 |
| Deferred Tax | (-)22.40 | (-)14.70 |
| **Profit after Tax** | **1020.94** | **979.39** |
| Other Comprehensive Income (Net of Taxes) | 15.46 | (9.65) |
| Total Comprehensive Income | 1036.40 | 969.74 |

**DIVIDEND**

The Board of Directors of the Company has recommended for the financial year 2016-17, a final dividend of ₹350/- 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 2016-17 works out to ₹550/- per share. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result into total dividend outflow of ₹ 550 Lakhs and dividend distribution tax of ₹111.97 Lakhs aggregating to total outflow of ₹661.97 Lakhs.

**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 for which

your Company is providing its services progressed well:

1) Oil & Natural Gas Corporation Limited (ONGC) – Certification & Third Party Inpection Services for Sagar Samrat Conversion Project (SSCP), HRD – II (PLP), Sagar Pragati Conversion Project (SPCON), Daman Development Project (DDP), C26 Pipeline Project, MHNRD Pipeline Project, Life extension of well platform project (Tender I & II)

2) Konkan Railway corporation Limited (KRCL)– Udhampura-Shrinagar-Baramulla Rail Link (USBRL) Project- Quality Assurance Services

3) Third Party Inpection Services for

   a. Vadodara & Surat Municipal Corporation (VMC & SMC) -Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation/RMC.

   b. Rajkot Urban Development Authority (RUDA) - Infrastructure Project of (RUDA) / RMC.

   c. Reliance Industries Ltd–Marketing Terminal at Bhopal, Rewari, Chennai, Kanpur & Haldia.

4) BPCL – TPI and Expediting Services for BPCL-MR, BPCL-KR and NRL.

5) Heurtey Petrochem – BPCL DCU Heater Project, Kochi- Third Party Inpection Services

6) Mazgaon Dock Ltd – MDL Project – 75 – Quality Control Services

7) Tamil Nadu Energy Development Authority – SPV Home Lighting system.

8) Punj Lloyds – TPI of Sulphur Block of Resid upgradation project, CPCL.

9) IOCL – TPI for Construction / Modernisation of Marketing Terminal, Madurai & Tuticorin & also Automation Works to be carried out at Retail Outlets, Bihar & Jharkhand.

10) Vizag Steel Plant - TPI and Capacity assessment.

11) Fabtech Project & Engineers Ltd – Third Party Inspection Services for Mounded Bullet Project for BPCL, Kochi.

12) Gujarat State Petronet Limited (GSPL) – TPI services for various Pipeline Project viz :

- Sanand GIDC Multiple Customer Connectivity
- Mandali Becharaji Pipeline
- Dahej Customer Connectivity
- PPI & Madhvas Top Works
- Vendor Assessment Works
- Technical audit of Pipeline Network as per PNGRB Regulations

13) Pune, Delhi Cantonment Boards & Maharashtra Maritime Board - Third Party Quality Audits.

14) Fernas Construction - TPI services for LSTK Contracts for OPaL, Dahej & SJPL, Paradeep.

15) Empire - TPI for Aluminum Dome roof of IOCL terminals.

16) CIDCO - Quality Audit of Infrastructure works.

17) During the year, CEIL completed Emergency Response and Disaster Management Plan (ERDMP) Certification, Pipeline Integrity Management system Certification, External Safety Audit.

18) ONGC Petro additional Ltd - Third Party Construction Supervision of IU & offsite Packages.

19) a. ERDMP Audits for:

GAIL (India) Ltd. Pata Petrochemical Complex, Khera and Dibiyapur Compressor Stations and Maharashtra Regional Pipeline Network, Petronet LNG Dahej.

b. IMS Audit for GAIL(India) Ltd. Khera Compressor Station.

c. T4S Audit for Torrent Power..

d. Industrial Hygiene and Ergonomics Survey for GAIL (India) Ltd.Jamnagar Loni Pipeline Network.

e. Fit For Purpose Certification of Upstream Intra-field pipeline in Rajasthan block of Cairn India Ltd.

f. External Safety Audit of Midstream Pipeline of Cairn India Ltd. and NG & Effluent Pipelines of GSP Ltd.

The following major TPI/ Certification/ Quality Assurance/ ERDMP/ Safety Audit etc. assignments were secured during the year:

- Konkan Railways corporation limited – Udhampura-Shrinagar-Baramulla Rail Link (USBRL) Project –Quality Assurance Services
- VMC, SMC &RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- Reliance Industries Ltd – Marketing Terminal at Bhopal, Rewari & Chennai, Kanpur & Haldia – Third Party Inspection Services
- Tamilnadu Energy Development Authority - Third Party Inspection Services SPV Home Lighting System.
- Pune Cantonment Board – Third Party Quality Audit. Technical Audit of Rajasthan Housing Board Nagur & J&K ERA Bridge Retaining work.
- OPaL Third Party Construction & Supervision of IU &O Packages.
- MMB – Third Party Quality Audit
- AFCONS – TPI for LEWPP –Tender –I, ONGC Project
- Jindal Steel Works – TPI of Pipes.
- SHA Dong Province, China – Third Party Inspection.
- Oil & Natural Gas Corporation Limited (ONGC) – Certification services for Sagar Samrat Conversion Project, Life Extension of WPP (Tender 2)
- HPCL- Mittal Energy Ltd : Expediting Services
- Bharat Oman Refineries Ltd : Expediting Services
- GSPL/GIGL – Third Party Inspection of various pipileine projects
- Mazagon Dock Ltd - Third Party Inspection of warship 15A & B work.
- ERDMP, IMS, External Safety Audits, Safety Awareness Survey assignments from IGL, GAIL Gas Ltd., Hazira LNG Private Limited, GAIL (India) Limited and IOCL.
- Fit For Purpose Certification of upstream intra-field pipelines of Cairn India Ltd - Rajasthan Block.
- ESA of Cross-country Pipelines and Process Plants of GAIL (India) Ltd.
- ERDMP, IMS, External Safety Audits, assignments from GAIL, Petronet LNG, Cairn, GSPC, HPCL and Adani Gas.
- T4S Audit of Torrent Power
- Industrial Hygiene and Ergonomic Survey from GAIL (India) Ltd.

**RISK MANAGEMENT**

CEIL has a robust Enterprise Risk Management (ERM) System which encompasses risk identification, assessment, and mitigation of strategic, operation, business and compliance related risks.

The ERM system is governed by the Risk Management Committee reporting to the Board on ERM matters, The risk Functional Committee executes and monitors enterprise risks at operational level and apprises RMC periodically

**INTERNAL AUDIT**

Internal audit of the Company is done by Internal Audit Department of Engineers India Ltd., the parent Company. Internal audit for the financial year 2016-17 was carried out and the Internal Audit Reports were 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 improvements are suggested to management and actions are undertaken for improvement.

CEIL observed the Vigilance Awareness Week w.e.f. 31st October 2016 to 5th November 2016 as per the directives for spreading vigilance awareness and encouraging "participative vigilance" amongst the employees of the Company.

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

**SUBSIDIARY JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any subsidiary, joint ventures or associate Company. Further the names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year are NIL.

**MANPOWER**

As on 31st March 2017, your Company had total manpower of 73. Regular employees were 71 and number of employees on deputation from EIL stood at 2.

Employees were nominated for various training programs in the field like 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 14.09.2016 and 'Hindi Fortnight' was organized from 14.09.2016 to 28.09.2016 in association with holding Company EIL. With a view to create greater awareness, consciousness and to encourage employees to enhance use of Hindi in official work several workshops, inspection and seminar were also organized

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

As the Company's operations do not involve any manufacturing or processing activities, the particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not applicable.

The particulars regarding foreign exchange earnings and outgo are as under :

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings : ₹ 34.17 Lakhs

(b) Total Foreign Exchange Outgo : ₹ 85.23 Lakhs

The Company does not own any manufacturing facilities hence the other particulars required under Section 134 (3)(m) of the Companies Act, 2013 relating to Foreign Exchange Earnings & Outgo are not applicable.

**CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

The information required under Company's (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report. The CSR Policy is given on the website of the Company at http://ceil.co.in/Company.html.

**DETAILS OF LOANS/GUARANTEES/INVESTMENTS**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year 2016-17.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES (RPTs)**

In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the parent Company i.e. Engineers India Limited has formulated a Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions as per which the necessary compliances have been done in this regard.

During the financial year 2016-17, there were no material RPTs. Further, suitable disclosure as per statutory requirements has been given in Note35 of Notes to Financial Statements.

**EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return in the prescribed form is annexed to this Report.

**COST AUDITORS**

The Company does not fall under the Cost Audit Rules and therefore, there is no requirement of Cost Audit for the Company as per the Statutory requirements.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met seven times during the financial year 2016-17, the details of which are given in the Corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013 and DPE Guidelines on Corporate Governance. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

**CODE OF BUSINESS CONDUCT AND ETHICS**

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

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

**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. The details of such familiarization programmes/Training Policy have also been posted on the website of the Company at http://ceil.co.in/Company.html.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Board hereby submit its responsibility Statement:

(a) In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) The Directors 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 for the year ended on the date;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis;

(e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) The Directors have devised proper systems to ensure compliance with the provisions of the applicable laws and that such system were adequate and operating effectively.

**RIGHT TO INFORMATION ACT, 2005**

In order to promote transparency and accountability, appropriate action is taken to reply to queries from any source whenever received, on time. In compliance to the provisions of the Right to Information Act, 2005, Central Public Information Officer (CPIO) and ACPIOs have been appointed and utmost care is being taken for timely compliance and dissemination of information. As on 31.3.2017, no application is pending under RTI Act, 2005.

**DIRECTORS**

After the date of last Directors' Report i.e. 18.07.2016, Shri R.K. Garg, Executive Director (F&A), EIL was appointed as Additional (Part-time) Director w.e.f. 1.10.2016. Shri Sudershan Gupta ceased to be Director of the Company w.e.f. 1.10.2016 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 30.09.2016. Shri R.K. Garg ceased to be Director of the Company w.e.f. 1.07.2017 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 30.06.2017. The Board placed on record its sincere appreciation for the valuable services rendered and contributions made by Shri Sudershan Gupta and Shri R.K. Garg, Directors of the Company.

In accordance with the provisions of the Companies Act, 2013, Shri R. Mahajan, Part-time Director would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offer himself for reappointment. Brief resume of the Director seeking reappointment together with the nature of his expertise in specific functional areas, disclosures of relationships between Directors inter-se, names of companies in which he holds directorships and the memberships/chairmanships of Committees of the Board along with his shareholding in the Company etc. pursuant to the statutory requirements are given in the Annexure to Notice of 22nd Annual General Meeting.

**BANKERS**

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

**PARTICULARS OF EMPLOYEES**

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government Companies are exempted from inclusion of the statement of particulars of employees. The information has, therefore, not been included as part of the Directors' Report. However the same information is open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.

**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 Renewal Audit was carried out by NABCB successfully with accreditation validity till 19th June 2018. 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 IMS, ERDMP and T4S Audits under PNGRB.

**CERTIFICATION**
**ISO 9001:**

CEIL successfully underwent ISO 9001 Certificate Surveillance Audit carried out by IRQS. The ISO 9001 Certification is valid till 3rd September 2017.

**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 NG and crude Pipelines to Petrochemical Complex, LPG Recovery Units and Compressor Stations.

- **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.

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

  CEIL continues to be an approved Third party Inspection body under PNGRB for carrying out Pipeline Integrity Management System Audits for Natural Gas Pipelines and CGD Networks.

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

  CEIL continues its approval from PESO as a recognized inspection authority as well as competent authority for inspections under SMPV(U) Rules 1981.

- Indian Boiler Regulations (IBR):

  During the year, CEIL continued approval from IBR as a recognized inspection authority as well as competent authority for inspections of Materials in Europe, Middle East and China.

- Bureau of Energy Efficiency (BEE) ESCO:

  CEIL continues to be a CARE BEE Grade 2 rating as an Energy service Company. The Grading indicates "HIGH" ability to carry out energy efficiency audits and undertake energy efficiency projects.

**STATUTORY AUDITORS**

M/s Luthra & Luthra, Chartered Accountants were appointed as Auditors of your Company for the Financial Year 2016-17 by the Office of the Comptroller & Auditor General of India.

**COMPOSITION OF AUDIT COMMITTEE**

The recommendations made by the Audit Committee during the year 2016-17 were accepted by the Board. The other details of Audit Committee like composition, terms of reference, meetings held are provided in the Corporate Governance Report.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company is governed by the Whistle Blower Policy/Vigil Mechanism formed by the holding Company i.e. M/s Engineers India Limited and no personnel have been denied access to the Audit Committee. The same has also been given on the website of the holding Company.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

**SIGNIFICANT AND MATERIAL ORDERS**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**OTHER DISCLOSURES**

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2016-17 :-

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Details regarding receipt of remuneration or commission by the Managing Director or the Whole–time Director from any of its subsidiaries.
5. Buy Back of shares.
6. Issue of Bonus shares.

During the financial year 2016-17, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

**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.

For and on behalf of the Board of Directors

Place: New Delhi
Date : July 21, 2017

**Sanjay Gupta**
Chairman

# Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the Company for the year 2016-17 and the future outlook.

**FINANCIAL PERFORMANCE**

During the financial year, the income from services rendered by the Company has increased to ₹ 38.18 Crores from ₹ 37.56 Crores in the previous year, which is 1.6% more than the previous year.

Profit before tax has increased to ₹ 15.70 Crores from ₹ 14.92 Crores in previous year, which is 5.2% higher. Similarly, Profit after tax has increased by 4.2% from ₹ 9.79 Crores in previous year to ₹ 10.21 Crores in the current year.

**BUSINESS OVERVIEW**

During the financial year 2016-17, your Company was able to secure business worth ₹ 36.62 Crores.

The order book as on 31.03.2017 was ₹ 31.70 Crores.

During the year Company secured major orders from ONGC, VMC, KRCL, SMC, RIL, GSPL, IOCL TNSO, RMC, Afcons, Empire Industries, Jindal Steel Works, other esteemed clients, besides securing sizable business from various state government organizations.

**BUSINESS ENVIRONMENT AND FUTURE OUTLOOK**

Inspite of downward trend in Oil & Gas sector, your Company has been able to maintain its order book at ₹ 31.70 Crores. The order book is comprising of the unexecuted portion of the orders from ONGC Vadodara Mahanagar Seva Sadan, Surat Municipal GSPL, Vizag Steel Plant, BPCL, DCB, AFCONS, EIL, Reliance, CIDCO, IOCL, GSPL, TEDA, PLL, Thermax, DRDO, RUDA, MDL, GAIL, KRCL etc. Your Company expects to secure further assignments during the year from current and new clients which will translate into healthy turnover growth and good order book position.

Your Company is aligning it growth strategy with GOI initiatives and is continuously exploring the possibility of scaling its overseas and domestic business and securing certification and TPI jobs in high growth sectors like Nuclear, Fertlizers, Power, Infrastructure, Affordable Housing, Railways etc.

**RISK & CONCERNS**

The Company has a robust Enterprise Risk Management System (ERM) in place which includes risk identification, assessment and risk mitigation. Risks pertaining to business, stakeholder, strategy, financial, execution and other related risks are systematically identified using a Risk Matrix. The ERM process is maintained and executed by the Risk Functional Committee whose outcome is monitored at the apex by the Risk Management Committee. The Management periodically reviews the status of identified risks and probable new risks and uses Enterprise Risk Management as an effective tool to foresee and take prompt actions for optimizing its business model 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. your Company continued its efforts to align all its process and control with best practices and is also controlling its operating process through well-defined international standard certification of ISO 9001:2008 and ISO 17020 accreditation.

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

Memorandum of Understanding (MoU) with Engineers India Limited

Your Company has signed MOU with EIL for the year 2017-18, with target for Turnover, Operating profit, Return on Investment Production efficiency, R&D, Innovation, Technology up-gradation, Human Resource Management (HRM) related parameters.

**SIGNIFICANT INITIATIVES**

In order to meet the challenges of continuing changes in business environment and growing competition, corporate focus has been on various initiatives on increasing engagement in Company's core strength areas, gaining entry into areas that are expected to show significant growth in the near future like Railways, Defense, Infrastructure, Nuclear, Fertilizer etc.; Number of initiatives have also been taken for improvement in systems and processes, HR and for training & recruitment.

**HUMAN RESOURCES**

Strength of regular employees, including employees on deputation from EIL, was 73 during the year. 64 Man days training was imparted to employees during the year through 28 nos. training programs.

Your Company intends to pursue aggressive specific training of CSWIP 3.1 and CSWIP 3.2 Inspection of weld joints by Phased Array Ultrasonic Testing (PAUT) and managerial training programs for the employees in future too, to retain the knowledge edge in its area of business.

**MARKETING**

The Company is successfully expanding its client's 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. Staffing in the Marketing Department has been substantially increased. Surveyors are motivated to discuss with the clients and suppliers during the inspection visit and inform the potential leads to marketing department.

**OPERATIONAL IMPROVEMENT**

Major Operational Improvements like improving manpower productivity, optimization of cost, realization of outstanding etc. are ensured through strict monitoring of operations in the Company and 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. Deputation of surveyors based on project requirements from nearby locations results in less travel cost.

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company's CSR initiatives aim at assisting socially and economically weaker segments of society, as well as defining the Company as a socially responsible business 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, and environment protection, development of backward regions and upliftment of marginalized & underprivileged section of society.

As part of CSR activities, during the financial year 2016-17, MoU was signed with NMMC for purchase of various therapy equipments for Navi Mumbai Municipal Corporation Education & training centre (NMMC-ETC) for the treatment of persons with disability (PWD'S) and Children with disability (CWD'S).

**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 materials 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.

# Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2016-17

1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. To assist socially and economically disadvantageous segments of society to overcome hardship and impoverishment. To enhance increased commitment at all levels in the organization towards reinforcing its image as a social and environmental conscience Company. The Company has undertaken CSR Projects/ Programs in line with Schedule VII of the Companies Act 2013, which are under the followingthrust areas:

   i) Education

   ii) HealthCare

   iii) Renewable Energy

   iv) Drinking Water/ Sanitation Facility

   v) Environment Protection.

   The web link for CSR project or programme and policy is given at http://ceil.co.in/Company.html.

2) Composition of CSR and SD Committee

   The details regarding composition of CSR and SD Committee are given in the Corporate Governance Report annexed to the Directors' Report.

3) Average Net Profit of the Company for the last three financial years was ₹12.37 cr

4) Prescribed CSR Expenditure (2% of the amount as in item 3 above) is ₹24.74 Lac

5) Details of amount spent towards CSR during the financial year 2016-17

   a) Total amount to be spent for the financial year 2016-17 was ₹24.74 Lac

   b) Amount unspent, if any - NIL

   c) Manner in which the amounts spent towards CSR during the financial year 2016-17.

| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Project or programs [1] Local area or other [2] Specify the State and district where projects or programs was undertaken | Amount outlay [budget] project or programs wise | Amount spent on the projects or programs Sub -heads: [1] Direct expenditure on projects or programs. [2] Overheads: | Cumulative expenditure upto to the reporting period. | Amount spent : Direct or through implementing agency * |
|---|---|---|---|---|---|---|---|
| 1 | To Support/Sponsor Tata Memorial Centre-ACTREC, Kharghar for purchase of 40 seater Bus to take the cancer patients to their lower parel hospital for specialised treatment & back. | Medical | Local Area | ₹17.31 Lac | Direct on project | ₹125902/- | Through TMC ACTREC |
| 2 | To support/ Sponsor Smt. Thamabai Ganpat Patil Education Society's (STGPES), Matoshree Vidyamandir School replacing benches located at Deonar to impart education to children of slums. | Education | Local Area | ₹8.50 Lac | Direct on project | ₹84966/- | Through STGPES |

| Sl. No. | CSR project or activity identified | Sector in which the Project is covered | Project or programs [1] Local area or other [2] Specify the State and district where projects or programs was undertaken | Amount outlay [budget] project or programs wise | Amount spent on the projects or programs Sub -heads: [1] Direct expenditure on projects or programs. [2] Overheads: | Cumulative expenditure upto to the reporting period. | Amount spent : Direct or through implementing agency * |
|---|---|---|---|---|---|---|---|
| 3 | To support/ sponcer Navi Mumbai. Municipal Corporation, for purchase of various therapy equipments for Navi Mumbai Municipal Corporation, education, training & Service Centre (NMMC ETC) for the treatment of person with disability (PWP's and children with disability (CWD's) | Medical | Local Area | ₹25.60 Lac | Direct on project | ₹2455558/- | Through NMMC etc |
| | **TOTAL** | | | **₹51.41 Lac** | | **₹2666426/-** | |

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report - Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

   The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

**S. D. Kherdekar**
Chief Executive Officer

# Form No. MGT-9

## Extract of Annual Return
## as on the Financial Year ended on 31st March, 2017

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS:

| | | | |
|---|---|---|---|
| i) | CIN | : | U74899DL1994GOI062371 |
| ii) | Registration Date | : | 26/10/1994 |
| iii) | Name of the Company | : | Certification Engineers International Limited |
| iv) | Category / Sub-Category of the Company | : | Public Limited Company (Limited by Shares)- Govt. of India Undertaking. |
| v) | Address of the Registered office and contact details | : | Engineers India Bhawan,<br>1, Bhikaiji Cama Place, New Delhi-110066<br>Tel: 011-26762121, Fax: 011-26164868, 26186245<br>E-mail: ceil.del@eil.co.in, Website: http://ceil.co.in |
| vi) | Whether listed Company Yes / No | : | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | None |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Certification /Re-certification & Third Party Inspection Services | Not Applicable | 100% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | NAME AND ADDRESS OF THE Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Engineers India Limited<br>Engineers India House, 1, Bhikaji Cama Place, New Delhi - 110066 | L74899DL1965GOI004352 | Holding | 100% | 2(46) |

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

The shareholding pattern of the Company as on 31.03.2017 is as follows:

| Sl. No. | Name of Shareholder | Number of Equity Shares of ₹ 100 each | % of Issued Capital |
|---|---|---|---|
| 1 | Shri Sanjay Gupta, Part-time Chairman<br>(C&MD, Engineers India Limited, Holding Company of CEIL) | 5* | 0.005% |
| 2 | Shri Ram Singh, Director (Finance), Engineers India Limited | 5* | 0.005% |
| 3 | Mr. Ajay N. Deshpande, Director (Technical), Engineers India Limited | 5* | 0.005% |
| 4 | Shri S. K. Handa, Part-time Director<br>[ED (Projects), Engineers India Limited, Holding Company of CEIL] | 5* | 0.005% |
| 5 | Shri L. K. Vijh, Part-time Director<br>[ED (Technical), Engineers India Limited, Holding Company of CEIL] | 8* | 0.008% |
| 6 | Shri R. Mahajan, Part-time Director<br>[ED (Projects), Engineers India Limited, Holding Company of CEIL] | 5* | 0.005% |

| Sl. No. | Name of Shareholder | Number of Equity Shares of ₹ 100 each | % of Issued Capital |
|---|---|---|---|
| 7 | Shri S. D. Kherdekar, CEO, CEIL | 5* | 0.005% |
| 8 | Shri Jagdish Chander Nakra, Director (Projects), Engineers India Limited | 5* | 0.005% |
| 9 | Shri R.K. Garg, Part-time Director<br>[ED (F&A), Engineers India Limited, Holding Company of CEIL] | 5* | 0.005% |
| 10 | Engineers India Limited, Holding Company of CEIL | 99952 | 99.952% |

* These shares are held by these officials on behalf of Engineers India Limited and the beneficiary interest lies with Engineers India Limited in respect of these shares.

**V. INDEBTEDNESS :**

The Company is a debt-free Company.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL**

**B. Remuneration to other directors:**

| Name of Directors | Particulars of Remuneration- Sitting Fee |
|---|---|
| Dr. (Prof.) Mukesh Khare | ₹130000 |
| Shri Umesh Chandra Pandey | ₹170000 |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD - NIL***

*The Company does not have Managing Director/Manager/Whole time Director/ Company Secretary. Further, Chief Executive Officer of the Company is on deputation from EIL (Holding Company), the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of manhour cost as per agreement with the Company which are accounted for as professional charges, under the head “Manpower Services”.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

# 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 7 Directors on its Board comprising of 5 (five) Part-time Directors including Chairman and 2 (two) Non-official Part-time Independent Directors nominated by Holding Company, Engineers India Limited.

### b) Number of Board Meetings

The Board of Directors met 7 times during the financial year 2016-17. The details of the Board Meetings are as under:

| Sl. No. | Date of Meeting | Place | Board Strength | No. of Directors present |
|---|---|---|---|---|
| 1. | May 4, 2016 | New Delhi | 7 | 6 |
| 2. | May 19, 2016 | New Delhi | 7 | 7 |
| 3. | August, 10, 2016 | New Delhi | 7 | 6 |
| 4. | November 4, 2016 | New Delhi | 7 | 5 |
| 5. | December 19, 2016 | Mumbai | 7 | 7 |
| 6. | January 13, 2017 | New Delhi | 7 | 4 |
| 7. | March 31, 2017 | New Delhi | 7 | 5 |

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

Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the financial year 2016-2017 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 22.08.2016 | Other Directorships | Other Committee Memberships** | Other Committee Chairmanships** |
| **A) Part time Directors- From Holding Company, EIL** | | | | | |
| **I) Present Directors** | | | | | |
| Shri Sanjay Gupta, Chairman | 6 | Yes | 3 | - | - |
| Shri S. K. Handa | 4 | Yes | - | - | - |
| Shri L. K. Vijh | 6 | Yes | - | - | - |
| Shri R. Mahajan | 6 | Yes | - | - | - |
| Shri R. K. Garg*-1 | 4 | - | 1 | - | - |
| **II) Past Directors** | | | | | |
| Shri Sudershan Gupta*-2 | 3 | Yes | - | - | - |
| **B) Non-official Part-time Independent Directors** | | | | | |
| **I) Present Directors** | | | | | |
| Dr. (Prof.) Mukesh Khare | 4 | - | 2 | 1 | - |
| Shri Umesh Chandra Pandey | 7 | Yes | 2 | - | 1 |

Remarks:

*-1 Shri R. K. Garg, Executive Director (F&A) of Engineers India Limited was appointed as Additional (Part-time) Director w.e.f. 01.10.2016.

*-2 Shri Sudershan Gupta, Part-time Director ceased to be Director of the Company w.e.f. 1.10.2016 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 30.09.2016.

** 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 Stakeholders Relationship Committee and based on disclosures received from Directors.

Notes:

(i) None of the Independent Directors are holding directorships in more than seven listed companies.

(ii) The Company has not issued any convertible instruments.

**d) Board Procedure**

The 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. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials and sponsored by CEO of the Company. 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 setup for the purpose.

**e) Code of Business Conduct and Ethics for Board Members and Senior Management**

The Board of Directors has laid down the Code of Business Conduct and Ethics for all Board Members and Senior Management of the Company. The same has also been posted on the Website of the Company at http://ceil.co.in/Company.html.

**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, 2017.

Place: New Delhi
Date: May 19, 2017

**(S.D. Kherdekar)**
Chief Executive Officer

**f) Separate Meeting of Independent Directors**

A separate Meeting of the Independent Directors was held on 20.03.2017 as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs and in compliance to the other statutory provisions in this regard. All the Independent Directors attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

**g) Compliance Reports**

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

**h) 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 hold directorships and the memberships/chairmanships of Committees of the Board alongwith his shareholding in the Company etc. pursuant to the statutory requirements is annexed to the Notice calling the Annual General Meeting.

**3. Audit Committee**

Presently, the Audit Committee comprises of three Directors (out of which 2 are Non-official Part-time Independent) viz. Shri Umesh Chandra Pandey as the Chairman, Dr. (Prof.) Mukesh Khare and Shri R. K Garg as members. The Audit Committee was reconstituted during the year due to the following:

- Shri Sudershan Gupta ceased to be member w.e.f. 1.10.2016.

- Shri R. K. Garg was inducted as member w.e.f. 1.10.2016.

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 2016-17 and the attendance of the Members is given below:

| Sl. No. | Date of the Meeting | Name | Chairman/Member | Attendance |
|---|---|---|---|---|
| 1. | 19.05.2016 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri Sudershan Gupta | Member | Present |
| 2. | 10.08.2016 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri Sudershan Gupta | Member | Present |
| 3. | 04.11.2016 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri R. K. Garg | Member | Present |
| 4. | 02.03.2017 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri R. K. Garg | Member | Present |
| 5. | 31.03.2017 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri R. K. Garg | Member | Present |

**4. Subsidiary Companies**

The Company is not having any subsidiary Company.

**5. Remuneration Committee/Remuneration of Directors**

The Company has formed a Remuneration Committee as per DPE OM dated 26th November, 2008 regarding pay revision of CPSE executives. Presently, the Remuneration Committee comprises of four Directors (out of which 2 are Non-official Part-time Independent) viz. Dr. (Prof.) Mukesh Khare as Chairman, Shri Umesh Chandra Pandey, Shri L. K. Vijh and Shri R. K. Garg as members. The Remuneration Committee was reconstituted during the year due to the following:

- Shri Sudershan Gupta ceased to be member w.e.f. 1.10.2016.

- Shri R. K. Garg was inducted as member w.e.f. 1.10.2016.

The details of meetings held during the financial year 2016-17 and the attendance of the Members is given below:-

| Sl. No. | Date of the Meeting | Name | Chairman/Member | Attendance |
|---|---|---|---|---|
| 1. | 19.05.2016 | Dr. (Prof.) Mukesh Khare | Chairman | Present |
| | | Shri Umesh Chandra Pandey | Member | Present |
| | | Shri Sudershan Gupta | Member | Present |
| | | Shri L. K. Vijh | Member | Present |
| 2. | 31.03.2017 | Dr. (Prof.) Mukesh Khare | Chairman | Present |
| | | Shri Umesh Chandra Pandey | Member | Present |
| | | Shri L. K. Vijh | Member | Present |
| | | Shri R. K. Garg | Member | Present |

The scope of the Remuneration Committee includes finalizing the salary structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and Non-Unionised Supervisors 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

Non-official Part-time 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-officia Part-time Independent Directors during the financial year 2016-17 are given below:-

(Amount in ₹)

| Name of Non-official Part-time Independent Director | Sitting Fees* | | Total |
|---|---|---|---|
| | Board Meeting | Committee Meeting | |
| Shri Umesh Chandra Pandey | 70000 | 100000 | 170000 |
| Dr. (Prof.) Mukesh Khare | 40000 | 90000 | 130000 |

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

**6. CSR and SD Committee of the Board**

The CSR and SD Committee of the Board has been constituted to deliberate and decide on the matters as per defined Scope of the committee. Presently, the CSR and SD Committee comprises of four Directors (out of which 2 are Non-official Part-time Independent) viz. Shri Umesh Chandra Pandey as Chairman, Dr. (Prof.) Mukesh Khare, Shri R. Mahajan and Shri S.K. Handa as members. The details of meetings held during the financial year 2016-17 and the attendance of the Members is given below.

| Sl. No. | Date of the Meeting | Name | Chairman/Member | Attendance |
|---|---|---|---|---|
| 1. | 19.12.2016 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri S. K. Handa | Member | Present |
| | | Shri R. Mahajan | Member | Present |
| 2. | 13.01.2017 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Not Present |
| | | Shri S. K. Handa | Member | Not Present |
| | | Shri R. Mahajan | Member | Present |
| 3. | 31.03.2017 | Shri Umesh Chandra Pandey | Chairman | Present |
| | | Dr. (Prof.) Mukesh Khare | Member | Present |
| | | Shri S. K. Handa | Member | Not Present |
| | | Shri R. Mahajan | Member | Present |

**7. Accounting Treatment**

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

**8. CEO/CFO Certification**

The CEO and 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 and the same is annexed to this Report.

**9. Risk Management**

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

**10. General Body Meetings**

**i) Annual General Meeting (AGM)**

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

| AGM | Year | Venue | Date | Time |
|---|---|---|---|---|
| 19th | 2013-2014 | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. | 12.08.2014 | 11.00 a.m. |
| 20th | 2014-2015 | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. | 20.08.2015 | 3.30 p.m. |
| 21st | 2015-2016 | EIB, 1, Bhikaiji Cama Place, New Delhi-110066. | 22.08.2016 | 3.00 p.m. |

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

| AGM | Details of Special Resolutions Passed |
|---|---|
| 19th | Nil |
| 20th | Nil |
| 21st | Nil |

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

**iii) No Extra-ordinary General Meeting of the Members was held during the Financial Year 2016-17.**

**11. Disclosures**

(i) Details of transactions between the Company and its holding Company, associates, key managerial personnel during the financial year 2016-2017 are given in Note 35 of the Notes to Accounts for the year ended 31st March, 2017. These transactions do not have any potential conflict with the interests of the Company at large.

(ii) There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any statutory authority on any matters related to any Guidelines issued by Government during the last three years.

(iii) The Company has complied with all mandatory requirements of DPE Guidelines on Corporate Governance for CPSEs, save and except the composition of Board of Directors.

(iv) During the last three years, no Presidential Directives were received by the Company.

(v) No Expenditures were debited in the Books of Accounts during the financial year 2016-17 which are not for the purposes of the Business.

(vi) No expenses had been incurred which are personal in nature and incurred for the Board of Directors and the top Management.

(vii) The administrative and office expenses are 23.74% of the total expenses in the Financial year 2016-17 as against 23.85% during the Financial year 2015-16. The decrease in the administrative and office expenses are mainly due to better cost management.

(viii) None of the Directors of the Company are inter-se related as on 31st March, 2017.

(ix) None of the Non-official Part-time Independent Directors holds any equity shares in the Company as on 31st March, 2017.

**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.

**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 which is given on the website of the Company at http://ceil.co.in/Company.html. Detailed presentations are made by senior executives/professionals/consultants on business related issues and the Directors have attended seminars/conferences/programmes from time to time. .

**15. Vigil Mechanism/Whistle Blower Policy**

The scope of Vigil Machanism/Whistle Blower Policy of holding Company i.e EIL covers the subsidiary Company also.

**16. General Information**

**i) Annual General Meeting**

| | |
|---|---|
| **Date** | Monday, 28nd August, 2017. |
| **Time** | 3.00 P. M. |
| **Venue** | E.I. Bhawan, 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 ₹ 350/- per share (on the face value of ₹ 100/-each) for the Financial Year ended 31st March, 2017 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. Bhawan,
1, Bhikaiji Cama Place,
New Delhi-110066.
CIN:U74899DL1994GOI062371
Tel. No.011-26762121, Fax : 011-26164868, 011-26192693
Website: http://ceil.co.in

**v) Auditors**

M/s Luthra & Luthra
Chartered Accountants
A16/9, Vasant Vihar
New Delhi – 110 057
Tel. : 011- 26151853, Fax:011-26145222
Email:delhi@IIca.net

Place: New Delhi
Date: May 19, 2017

# Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, SD Kherdekar, Chief Executive Officer and G.D. Goswami, Asst. General Manager (Finance & Accounts) of Certification Engineers International Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial results for the Quarter and year ended 31st March 2017.
2. Based on our knowledge and information, these Financial Results do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, these Financial Results together present a true and fair view of the Company's operations for the quarter & period and are in compliance with the existing Accounting Standards and /or applicable Laws and Regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the quarter and period, are fraudulent, illegal or violative of the Company's Code of Conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of such controls.
6. We have disclosed, wherever applicable, to the Company's Auditors and Audit Committee :
   a) Any deficiencies in the design or operation of internal control for financial reporting including any corrective action with regard to deficiencies.
   b) Significant changes in internal control over financial reporting during the quarter and period
   c) Significant changes in accounting Policies during the quarter & period and the impact thereof, if any, have been disclosed in Notes to the Financial Results.
   d) Instances of significant fraud, of which we are aware, that involves management or other employees who have significant role in the Company's internal control system over financial reporting.

| **SD Kherdekar** | **GD Goswami** |
|---|---|
| Chief Executive Officer | AGM (F&A) |

Place: New Delhi
Date: May 19, 2017

# Independent Auditors Report on Compliance with Corporate Governance requirements under Guidelines Issued by Ministry of Heavy Industries and Public Enterprises

**To,**
**The Members of**
**Certification Engineers International Limited**

1. This certificate is issued in accordance with the terms of our engagement letter with the Company.

2. This report contains details of compliance of conditions of corporate governance by Certification Engineers International Ltd. ('the Company') for the year ended 31st March, 2017 as stipulated in guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

**Management's Responsibility for Compliance with the conditions of Corporate Governance**

3. The compliance with the terms and conditions for corporate governance contained in the aforesaid guidelines of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance mentioned in the aforesaid guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the aforesaid guidelines issued by the Ministry of Heavy Industries and Public Enterprises, it is our responsibility to provide a reasonable assurance as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid guidelines for the year ended 31st March, 2017.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, subject to clause (a) to (b) mentioned below we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India:

   a) Composition of Board w.r.t number of independent directors was not proper.

   b) Company's Audit Committee has not reviewed the functioning of whistle blower mechanism during the financial year.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Luthra & Luthra**
CHARTERED ACCOUNTANTS
FRN: 002081N

**NILESH MEHTA**
PARTNER
M.No: 093847

Place: New Delhi
Dated: May 19, 2017

# Management's Reply to Auditors' Report on Corporate Governance (2016-17)

| Auditors' Comments | Management's Reply |
|---|---|
| (a) Composition of the Board of Directors was not proper during the financial year. | 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. |
| (b) Company's Audit Committee has not reviewed the functioning of whistle blower mechanism during the financial year. | No complaint under whistle blower mechanism had been reported to Audit Committee; therefore, the need to review the whistle blower mechanism has not arisen during the financial year. |

# Independent Auditor's Report

**TO THE MEMBERS OF**
**CERTIFICATION ENGINEERS INTERNATIONAL LIMITED**

**Report on Standalone Financial Statements**

We have audited the accompanying standalone Ind AS Financial Statements of Certification Engineers International Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow, the Statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information for the year then ended (hereinafter referred to as standalone Ind AS financial statements).

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS , of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. The Comptroller & Auditor General of India has issued directions u/s 143(5) of the Companies Act 2013 indicating areas to be examined by the auditor, the compliance of which is given in Annexure A-1.

3. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with the books of accounts

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) Requirement relating to declaration from directors under section 164 (2) is not applicable to the Company in terms of exemption vide notification no. 1/2/2014-CL –V dt. 05th June 2015.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note No. 36.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 14(i) to the standalone Ind AS financial statements

**For Luthra & Luthra**
(Chartered Accountants)
FRN :002081N

**CA Nilesh Mehta**
Partner
M.No. : 093847

Place: New Delhi
Date: May 19, 2017

# Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company's fixed assets have been physically verified at reasonable intervals and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the lease deed in respect of leasehold building is held in the name of the Company.

ii) a) The Company being a service Company does not have 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. Inventory consists of stock of office stationery. Physical verification of inventory of stationery has been conducted at reasonable intervals by the management.

b) Procedures for physical verification of inventory (of stationery) followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business. There are no inadequacies in such procedures that should be reported.

c) Company is maintaining proper records of inventory stationery & stores. No material discrepancies were noticed on physical verification

iii) The Company has not granted any loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v) The Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act 2013 and Rules framed thereunder.

vi) According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in deposition of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues except for some delays in deposition of professional tax. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the examination of records of the Company, there are no dues of Provident Fund, ESI, sales tax, duty of customs, excise, value added tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute except for Service tax, income tax and property tax . The details for the same are hereunder:

| Name of the statue | Nature of dues | Amount (₹ In Lacs) | 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 | 486.57 | April 2004 to March 2013 | CESTAT |
| Income Tax Act, 1961 | Penalty order | 1.22 | April 2010 to March 2011 | Commissioner of Income Tax (Appeals) |

viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Luthra & Luthra**
(Chartered Accountants)
FRN :002081N

**CA Nilesh Mehta**
Partner
M.No. : 093847

Place: New Delhi
Date: May 19, 2017

ANNEXURE A-1

# Supplementary-Directions to the Statutory Auditors

| SL. No. | Directions | Reply |
|---|---|---|
| 1 | Whether the Company has clear title/ lease deeds for freehold and leasehold property respectively. If not please state the area of freehold and leasehold land for which title/ lease deeds are not available. | The Company has leasehold building in its possession for which lease deed is available in Company's name. |
| 2 | Whether there are any cases of waiver/ write off of debts/ loans/interest etc., if yes, the reasons there for and the amount involved. | As per record and information provided to us no amount has been written off / waived off of debtors / loans/interest during the year. Further an amount of ₹ 64.57 lacs have been provided during the year. |
| 3 | Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities. | This Clause in not applicable to the Company as no inventory is held with third parties and no assets recd as gift. |

**For Luthra & Luthra**
(Chartered Accountants)
FRN :002081N

**CA Nilesh Mehta**
Partner
M.No. : 093847

Place: New Delhi
Date: May 19, 2017

**ANNEXURE-B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Certification Engineers International Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting.**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Luthra & Luthra**
(Chartered Accountants)
FRN :002081N

**CA Nilesh Mehta**
Partner
M.No. : 093847

Place: New Delhi
Date: May 19, 2017

# Compliance Certificate

We have conducted the audit of accounts of M/s Certification Engineers International Ltd, for the year ending 31st March 2017 in accordance with the directions/ sub directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions / sub-directions issued to us.

**For Luthra & Luthra**
(Chartered Accountants)
FRN :002081N

**CA Nilesh Mehta**
Partner
M.No. : 093847

Place: New Delhi
Date: May 19, 2017

# Balance Sheet

AS AT 31ST MARCH, 2017

(₹ in Lakhs)

| PARTICULARS | Note | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current Assets** | | | | |
| Property, plant and equipment | 4 | 221.79 | 229.39 | 243.62 |
| Other intangibles assets | 5 | 0.14 | 0.89 | 1.66 |
| Financial assets | | | | |
| Loans | 6A | 13.29 | 87.78 | 54.94 |
| Other financial assets | 7A | 44.32 | 32.55 | 41.69 |
| Deferred tax assets (net) | 8 | 160.39 | 146.31 | 126.29 |
| Non-current tax assets (net) | 9 | 312.67 | 322.17 | 283.88 |
| Other non-current assets | 10A | 3.57 | 7.75 | 12.49 |
| **Total non-current Assets** | | **756.17** | **826.84** | **764.57** |
| **Current Assets** | | | | |
| Inventories | 11 | 3.48 | 4.66 | 2.87 |
| Financial assets | | | | |
| Investments | 12 | 257.04 | 159.11 | 53.20 |
| Loans | 6B | 263.44 | 184.25 | 144.30 |
| Trade receivables | 13 | 1,723.95 | 1,558.07 | 1,401.90 |
| Cash and cash equivalents | 14 | 139.80 | 54.73 | 62.88 |
| Other bank balances | 15 | 4,592.33 | 4,495.83 | 4,328.54 |
| Other financial assets | 7B | 340.57 | 509.74 | 362.51 |
| Other current assets | 10B | 68.70 | 62.12 | 22.18 |
| **Total current Assets** | | 7,389.31 | 7,028.51 | 6,378.38 |
| **Total assets** | | **8,145.48** | **7,855.35** | **7,142.96** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 16 | 100.00 | 100.00 | 100.00 |
| Other equity | 17 | 7,006.04 | 6,571.43 | 6,143.30 |
| **Total equity and Liabilities** | | **7,106.04** | **6,671.43** | **6,243.30** |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| Other financial liabilities | 18A | 13.34 | 12.62 | 0.01 |
| Other non-current liabilities | 19A | 0.04 | 1.31 | - |
| Long-term provisions | 20A | 408.33 | 391.21 | 294.18 |
| **Total non-current liabilities** | | 421.71 | 405.14 | 294.19 |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Trade payables | 21 | 199.92 | 292.56 | 136.85 |
| Other financial liabilities | 18B | 86.10 | 77.08 | 86.00 |
| Other current liabilities | 19B | 200.06 | 240.16 | 171.40 |
| Short-term provisions | 20B | 35.39 | 57.27 | 42.07 |
| Current tax liabilities (net) | 22 | 96.26 | 111.71 | 169.15 |
| **Total current liabilities** | | 617.73 | 778.78 | 605.47 |
| **Total equity and liabilities** | | **8,145.48** | **7,855.35** | **7,142.96** |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 45 | | | |

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

**For and on behalf of Certification Engineers International Limited**

| | | | |
|---|---|---|---|
| **For LUTHRA & LUTHRA** | **(S D KHERDEKAR)** | **(RAMA KANT GARG)** | **(SANJAY GUPTA)** |
| Chartered Accountants | Chief Executive Officer | Director | Chairman |
| Firm Regn. No. 002081N | PAN: ADQPK1440B | DIN: 02071295 | DIN: 05281731 |

**(NILESH MEHTA)**
Partner
Membership No. 093847
FRN No.002081N

Place: New Delhi
Date: May 19, 2017

# Statement of Profit & Loss

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

| PARTICULARS | Note | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Revenue** | | | |
| Income from services | 23 | 3,818.26 | 3,756.34 |
| Other income | 24 | 377.35 | 409.95 |
| **Total revenue** | | **4,195.61** | **4,166.29** |
| | | | |
| **Expenses** | | | |
| Manpower service | 25 | 888.43 | 961.09 |
| Employee benefits expense | 26 | 929.25 | 943.89 |
| Finance costs | 27 | 1.25 | 0.12 |
| Depreciation and amortisation expense | 28 | 19.55 | 20.07 |
| Other expenses | | | |
| Facilities | 29A | 155.97 | 152.02 |
| Corporate costs | 29B | 37.59 | 37.39 |
| Other costs | 29C | 593.22 | 559.51 |
| **Total expenses** | | **2,625.26** | **2,674.09** |
| | | | |
| **Profit before tax** | | **1,570.35** | **1,492.20** |
| Tax expense | | | |
| Current tax (including earlier years) | 30 | 571.81 | 527.51 |
| Deferred tax credit | | (22.40) | (14.70) |
| **Profit for the year** | | **1,020.94** | **979.39** |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit and loss | | | |
| Re-measurement gains (losses) on defined benefit plans | | 23.64 | (14.76) |
| Income tax relating to items that will not be reclassified to profit and loss | | (8.18) | 5.11 |
| **Total comprehensive income for the year** | | **1,036.40** | **969.74** |
| | | | |
| Earnings per equity share (face value ₹100 per share) | 31 | | |
| Basic (₹) | | 1,020.94 | 979.39 |
| Diluted (₹) | | 1,020.94 | 979.39 |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 46

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

**For and on behalf of Certification Engineers International Limited**

| **For LUTHRA & LUTHRA** | **(S D KHERDEKAR)** | **(RAMA KANT GARG)** | **(SANJAY GUPTA)** |
|---|---|---|---|
| Chartered Accountants | Chief Executive Officer | Director | Chairman |
| Firm Regn. No. 002081N | PAN: ADQPK1440B | DIN: 02071295 | DIN: 05281731 |

**(NILESH MEHTA)**
Partner
Membership No. 093847
FRN No.002081N

Place: New Delhi
Date: May 19, 2017

# Statement of changes in equity

AS AT 31ST MARCH, 2017

**A Equity share capital*** **(₹ in Lakhs)**

| Particulars | Opening balance as at 1 April 2015 | Issue of equity share capital during the year | Redemption of equity share capital during the year | Balance as at 31 March 2016 | Issue of equity share capital during the year | Redemption of equity share capital during the year | Balance as at 31 March 2017 |
|---|---|---|---|---|---|---|---|
| Equity share capital | 100.00 | - | - | 100.00 | - | - | 100.00 |

**B Other equity**** **(₹ in Lakhs)**

| Description | Reserves and surplus | | | Other comprehensive income | Total |
|---|---|---|---|---|---|
| | General reserve | Retained earnings | CSR activity reserve | Remeasurement of defined benefit plans | |
| **Balance as at 1 April 2015** | **5,816.33** | **283.47** | **43.50** | **-** | **6,143.30** |
| Profit for the year | - | 979.39 | - | - | 979.39 |
| Other comprehensive income | - | - | - | (9.65) | (9.65) |
| Dividend (including tax impact) | - | (541.61) | - | - | (541.61) |
| Transfer from retained earnings | - | (22.88) | 22.88 | - | - |
| Transfer to retained earnings | - | 28.12 | (28.12) | - | - |
| **Balance as at 31 March 2016** | **5,816.33** | **726.49** | **38.26** | **(9.65)** | **6,571.43** |
| Profit for the year | - | 1,020.94 | - | - | 1,020.94 |
| Other comprehensive income | - | - | - | 15.46 | 15.46 |
| Dividend (including tax impact) | - | (601.79) | - | - | (601.79) |
| Transfer from statement of profit and loss | - | - | - | - | - |
| Transfer from retained earnings | - | (24.74) | 24.74 | - | - |
| Transfer to retained earnings | - | 26.66 | (26.66) | - | - |
| **Balance as at 31 March 2017** | **5,816.33** | **1,147.56** | **36.34** | **5.81** | **7,006.04** |

**Refer note 16 for details*
***Refer note 17 for details*

**For and on behalf of Certification Engineers International Limited**

**For LUTHRA & LUTHRA**
Chartered Accountants
Firm Regn. No. 002081N

**(NILESH MEHTA)**
Partner
Membership No. 093847
FRN No.002081N

Place: New Delhi
Date: May 19, 2017

**(S D KHERDEKAR)**
Chief Executive Officer
PAN: ADQPK1440B

**(RAMA KANT GARG)**
Director
DIN: 02071295

**(SANJAY GUPTA)**
Chairman
DIN: 05281731

# Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

| | PARTICULARS | Year ended on 31.03.2017 | Year ended on 31.03.2016 |
|---|---|---|---|
| A | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 1,570.35 | 1,492.20 |
| | **Adjustments for:** | | |
| | Depreciation and amortisation expense | 19.55 | 20.07 |
| | Provision for employee benefits | 18.88 | 97.48 |
| | Provision for doubtful receivables | 64.57 | (55.96) |
| | Interest income and amortised income on security deposit liability | (362.40) | (385.91) |
| | Interest expense | 1.25 | 0.12 |
| | Dividend income | (14.09) | (11.94) |
| | Capital gain on sale of mutual funds | (0.86) | - |
| | **Operating profit before working capital changes** | **1,297.25** | **1,156.06** |
| | **Movement in working capital** | | |
| | Increase in trade receivables | (229.97) | (100.21) |
| | Decrease/(increase) in inventories | 1.18 | (1.79) |
| | Decrease/(increase) in other current and non-current assets | (2.40) | (35.19) |
| | Increase in loans | (4.70) | (72.67) |
| | Decrease/(increase) in other current financial assets | 169.15 | (147.39) |
| | (Decrease)/increase in other current and non-current liabilites | (39.47) | 69.97 |
| | (Decrease)/increase in other current financial and non-financial liabilites | (82.90) | 159.42 |
| | **Cash flow from operating activities post working capital changes** | **1,108.14** | **1,028.20** |
| | Income tax paid (net) | (579.99) | (623.25) |
| | **Net cash flow from operating activities (A)** | **528.15** | **404.95** |
| B | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Purchase of fixed assets | (11.20) | (5.06) |
| | Movement in current investments (net) | (97.06) | (106.05) |
| | Investment in bank deposits | (108.27) | (172.71) |
| | Interest received | 362.40 | 400.50 |
| | Dividend received | 14.09 | 11.94 |
| | **Net cash flows from investing activities (B)** | **159.96** | **128.62** |

# Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31ST MARCH, 2017

**(₹ in Lakhs)**

| | PARTICULARS | Year ended on 31.03.2017 | Year ended on 31.03.2016 |
|---|---|---|---|
| **C** | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Dividend paid (including tax) | (601.79) | (541.61) |
| | Interest paid | (1.25) | (0.12) |
| | **Net cash used in financing activities (C)** | **(603.04)** | **(541.73)** |
| | Increase in cash and cash equivalents (A+B+C) | 85.07 | (8.15) |
| | Cash and cash equivalents at the begining of the year | 54.73 | 62.88 |
| | **Cash and cash equivalents at the end of the year** | **139.80** | **54.73** |

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

**For and on behalf of Certification Engineers International Limited**

**For LUTHRA & LUTHRA**
Chartered Accountants
Firm Regn. No. 002081N

**(NILESH MEHTA)**
Partner
Membership No. 093847
FRN No.002081N

Place: New Delhi
Date: May 19, 2017

**(S D KHERDEKAR)**
Chief Executive Officer
PAN: ADQPK1440B

**(RAMA KANT GARG)**
Director
DIN: 02071295

**(SANJAY GUPTA)**
Chairman
DIN: 05281731

# Significant Accounting Policies and Notes to Accounts for the Year Ended March 31, 2017

**1. NATURE OF PRINCIPAL ACTIVITIES**

Certification Engineers International Limited (referred to as "CEIL" or "the Company") is a Government of India Enterprise a wholly owned subsidiary Company of Engineers India Limited. The Company undertakes certification, recertification, third party inspection, safety audits for offshore and onshore oil and gas facilities and other quality sensitive sectors of the industry. The Company is domiciled in India and has its registered office situated at 1 Bhikaji Cama Place, New Delhi 110066.

**2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE**

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). The Group has uniformly applied the accounting policies during the period presented.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first one the Company has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for the year ended 31 March 2016 are also prepared under Ind AS.

The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on 19 May 2017.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING CONCEPTS**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

**B. REVENUE RECOGNTION**

*REVENUE RECOGNTION*

Revenue from services rendered is accounted for at fair value of consideration received or receivable, excluding taxes and rebates. In most cases, the consideration is in the form of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable and is determined by discounting all expected receipts using an imputed rate of interest.

Revenue from services is accounted as follows:

- In the case of cost plus/rate basis jobs, on the basis of amount billable under the contracts
- In the case of lumpsum contracts, as proportion of actual direct costs of the work performed to latest estimated total directcost of the work performed
- 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

Any expected loss shall be recognised as an expense immediately.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

*WORK-IN-PROGRESS*

a) Cost of jobs are carried forward as Work-in-Progress for which:

   i. The terms of remuneration receivable by the Company have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit/(loss) on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.

   ii. The terms have been agreed to at lump sum basis but the physical progress is less than 25% of the job.

b) Work-in-Progress is valued at direct cost

**C. INTANGIBLE ASSETS**

**Recognition**

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition.

**D. PROPERTY, PLANT AND EQUIPMENT**

**Recognition**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged.

Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

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

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

**E. FOREIGN CURRENCY**

*Functional and presentation currency*

The financial statements are presented in INR, which is also the functional currency of the Company.

Foreign currency transactions and balances

*Initial recognition*

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month.

*Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

*Exchange differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**F. IMPAIRMENT OF NON-FINANCIAL ASSETS**

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit & Loss Account in the year of reversal.

G**. FINANCIAL INSTRUMENTS**

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

**i. Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**ii. Mutual funds** – All mutual funds in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value through profit and loss (FVTPL).

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

*Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. This category generally applies to long-term payables and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**H. IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**I. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**J. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**K. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are xpected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**L. CASH AND CASH EQUIVALENTS**

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

**M. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS**

*Defined benefit plans*

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the

defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

*Other long-term benefits*

The liabilities for leave (earned and sick) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) on the basis of actuarial valuation.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) on the basis of actuarial valuation.

*Short-term employee benefits*

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

*Defined contribution plans*

Contributions with respect to provident fund, a defined contribution plan, are deposited to Regional Provident Fund Commissioner. The Company's contribution to provident fund is recognised as expense in Statement of Profit and Loss.

*Other benefits*

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

**N. RECENT ACCOUNTING PRONOUNCEMENT**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from 1 April 2017.

**Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**O. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**P. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

*Significant management judgements*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Revenue** – The Company recognises revenue using the stage of completion method. This requires estimates to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement

**Notes to the Financial Statements for the year ended 31 March 2017**

## Note - 4

**Property, plant and equipment**

**(₹ in Lakhs)**

| Particulars | Vehicles | Office Equipments | Leasehold Property* | Air Conditioner | Computer hardware | Furniture and fixtures | Library books | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount (deemed cost)** | | | | | | | | |
| At 1 April 2015 | 3.24 | 3.73 | 202.08 | 6.98 | 9.30 | 18.29 | - | 243.62 |
| Additions | - | 1.52 | - | - | 0.34 | 2.85 | 0.04 | 4.75 |
| Disposals/assets written off | - | (0.27) | - | - | (1.01) | - | - | (1.28) |
| Balance as at 31 March 2016 | 3.24 | 4.98 | 202.08 | 6.98 | 8.63 | 21.14 | 0.04 | 247.09 |
| Additions | - | 0.62 | - | - | 8.61 | 1.82 | 0.15 | 11.20 |
| Disposals/assets written off | - | - | - | - | - | - | - | - |
| **Balance as at 31 March 2017** | **3.24** | **5.60** | **202.08** | **6.98** | **17.24** | **22.96** | **0.19** | **258.29** |
| | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | |
| At 1 April 2015 | | | | | | | | |
| Charge for the year | 0.65 | 3.22 | 3.87 | 2.02 | 3.81 | 5.36 | 0.04 | 18.97 |
| Adjustments for disposals | - | (0.26) | - | - | (1.01) | - | - | (1.27) |
| **Balance as at 31 March 2016** | **0.65** | **2.96** | **3.87** | **2.02** | **2.80** | **5.36** | **0.04** | **17.70** |
| Charge for the year | 0.65 | 0.61 | 3.89 | 2.01 | 5.93 | 5.56 | 0.15 | 18.80 |
| Adjustments for disposals | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Balance as at 31 March 2017** | **1.30** | **3.57** | **7.76** | **4.03** | **8.73** | **10.92** | **0.19** | **36.50** |
| | | | | | | | | |
| **Net book value as at 1 April 2015** | **3.24** | **3.73** | **202.08** | **6.98** | **9.30** | **18.29** | **-** | **243.62** |
| **Net book value as at 31 March 2016** | **2.59** | **2.02** | **198.21** | **4.96** | **5.83** | **15.78** | **-** | **229.39** |
| **Net book value as at 31 March 2017** | **1.94** | **2.03** | **194.32** | **2.95** | **8.51** | **12.04** | **-** | **221.79** |

**Acquired from CIDCO Limited on 60 years lease basis*

**(i) Contractual obligations**

Refer to note 36(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(ii) Deemed cost value of property plant and equipment**

**(₹ in Lakhs)**

| Particulars | Vehicles | Office Equipments | Leasehold Property* | Air Conditioner | Computer hardware | Furniture and fixtures | Library books | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | |
| At 1 April 2015 | 5.41 | 17.41 | 231.78 | 21.85 | 71.94 | 60.23 | 2.42 | 411.04 |
| **Accumulated depreciation** | | | | | | | | |
| At 1 April 2015 | 2.17 | 13.68 | 29.70 | 14.87 | 62.64 | 41.94 | 2.42 | 167.42 |
| **Net book value (deemed cost) as at 1 April 2015** | 3.24 | 3.73 | 202.08 | 6.98 | 9.30 | 18.29 | - | 243.62 |

## Note - 5

**Intangible assets**

(₹ in Lakhs)

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 1.66 | 1.66 |
| Additions | 0.33 | 0.33 |
| Disposals/assets written off | - | - |
| **Balance as at 31 March 2016** | **1.99** | **1.99** |
| Additions | - | - |
| Disposals/assets written off | - | - |
| **Balance as at 31 March 2017** | **1.99** | **1.99** |
| | | |
| **Accumulated amortisation** | | |
| At 1 April 2015 | - | - |
| Amortisation charge for the year | 1.10 | 1.10 |
| Adjustments for disposals | - | - |
| **Balance as at 31 March 2016** | **1.10** | **1.10** |
| Charge for the year | 0.75 | 0.75 |
| Adjustments for disposals | **-** | **-** |
| **Balance as at 31 March 2017** | **1.85** | **1.85** |
| | | |
| **Net book value as at 1 April 2015** | **1.66** | **1.66** |
| **Net book value as at 31 March 2016** | **0.89** | **0.89** |
| **Net book value as at 31 March 2017** | **0.14** | **0.14** |

**(i) Deemed cost value of intangible assets**

(₹ in Lakhs)

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 18.82 | 18.82 |
| Accumulated depreciation | | |
| At 1 April 2015 | 17.16 | 17.16 |
| **Net book value (deemed cost) as at 1 April 2015** | **1.66** | **1.66** |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**

(₹ in lakhs)

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note - 6** | | | |
| **A Loans - non-current** | | | |
| Unsecured, considered good unless otherwise stated | 13.29 | 87.78 | 54.94 |
| Security deposit | **13.29** | **87.78** | **54.94** |
| **B Loans - current** | | | |
| Unsecured, considered good unless otherwise stated | 9.18 | 18.71 | 7.62 |
| Loans to employees | - | 7.12 | - |
| Loans to others | 254.27 | 158.42 | 136.68 |
| Security deposit | **263.44** | **184.25** | **144.30** |
| **Note - 7** | | | |
| **A Other financial asset - non-current** | | | |
| Term deposits with maturity exceeding one year* | 44.32 | 32.55 | 41.69 |
| | **44.32** | **32.55** | **41.69** |

** Includes bank deposits held under lien against bank guarantees of ₹ 40.66 Lakhs (previous year 31 March 2016: ₹ 30.98 lakhs and previous year 1 April 2015: ₹ 35.94 lakhs)*

*The above also includes interest accrued on bank deposits of ₹ 3.66 Lakhs (previous year 31 March 2016: ₹ 1.57 lakhs and previous year 1 April 2015* : ₹ 5.75 lakhs)

| | | | |
|---|---|---|---|
| **B Other financial assets - current** | | | |
| Unbilled income | 339.87 | 507.48 | 360.80 |
| Work in progress* | 0.70 | 2.26 | 1.71 |
| | **340.57** | **509.74** | **362.51** |

*As taken, valued and certified by Management

| | | | |
|---|---|---|---|
| **Note - 8** | | | |
| **Deferred tax assets (net)** | | | |
| **Deferred tax assets arising on:** | | | |
| Employee benefits: | | | |
| Provision for leave encashment | 112.82 | 145.22 | 115.18 |
| Provision for long service awards | 6.56 | 5.40 | 4.98 |
| Provision for compensatory off - offshore/leave | 2.49 | 8.34 | 3.94 |
| Provision for gratuity | 34.19 | 4.60 | - |
| Provision for employee related expenses allowed on payment basis | 0.92 | 0.40 | 0.40 |
| Provision for doubtful receivables | 33.65 | 11.34 | 30.71 |
| Others: | | | |
| Amortised cost financial instruments | 0.88 | 1.26 | 1.11 |
| **Deferred tax liabilities arising on:** | | | |
| Depreciation | (31.11) | (30.24) | (30.03) |
| | **160.39** | **146.31** | **126.29** |

**Movement in abovementioned deferred tax assets and liabilities**

| Particulars | 1 April 2015 | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2016 | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2017 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Employee benefits | 124.50 | 5.11 | 34.35 | 163.96 | (8.18) | 1.19 | 156.97 |
| Trade receivables | 30.71 | - | (19.58) | 11.34 | - | 22.31 | 33.65 |
| Others | 1.11 | - | 0.14 | 1.26 | - | (0.23) | 0.88 |
| **Liabilities** | | | | | | | |
| Depreciation | (30.03) | - | (0.21) | (30.24) | - | (0.87) | (31.11) |
| | 126.29 | 5.11 | 14.70 | 146.31 | (8.18) | 22.40 | 160.39 |

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-9** | | | |
| **Non-current tax assets (net)** | | | |
| Advance income tax (net of provision for taxation amounting to ₹ 1,326.08 (previous year 31 March 2016: ₹ 787.36 lakhs and previous year 1 April 2015 : ₹ 2,069.11 lakhs) | 300.84 | 310.34 | 272.04 |
| Advance fringe benefit tax | 11.83 | 11.83 | 11.83 |
| | **312.67** | **322.17** | **283.88** |
| **Note-10** | | | |
| **A Other non-current assets** | | | |
| Prepaid expenses | 3.57 | 7.75 | 12.49 |
| | **3.57** | **7.75** | **12.49** |
| **B Other current assets** | | | |
| Balance with government authorities | 52.83 | 48.77 | 11.10 |
| Prepaid expense | 15.87 | 13.35 | 11.08 |
| | **68.70** | **62.12** | **22.18** |
| **Note-11** | | | |
| **Inventories (lower of cost or net realizable value)** | | | |
| Stores, spares and chemicals in hand | 3.48 | 4.66 | 2.87 |
| | **3.48** | **4.66** | **2.87** |
| **Note-12** | | | |
| **Investments** | | | |
| UTI Treasury Advantage Fund (face value ₹ 1000 per unit)* | 257.04 | 159.12 | 53.20 |
| | **257.04** | **159.12** | **53.20** |

* At 31 March 2017 25,609.07 units (previous year :31 March 2016: 15,874.725 units and previous year :1 April 2015: 5,307.325 units)

| | | | |
|---|---|---|---|
| **Note-13** | | | |
| **Trade receivables (unsecured)** | | | |
| Trade receivable | 1,723.95 | 1,558.07 | 1,401.90 |
| Considered good | 97.33 | 32.76 | 88.72 |
| Considered doubtful | 1,821.28 | 1,590.83 | 1,490.62 |
| **Less: Provision for doubtful receivables** | (97.33) | (32.76) | (88.72) |
| | **1,723.95** | **1,558.07** | **1,401.90** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-14** | | | |
| **Cash and cash equivalents** | | | |
| Balances with banks in current account | 139.76 | 54.58 | 62.84 |
| Cash on hand | 0.03 | 0.15 | 0.05 |
| | **139.80** | **54.73** | **62.88** |

**(i) Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(in ₹)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 8 November 2016 | 0.12 | 0.18 | 0.30 |
| **Add:** Permitted receipts | - | 0.20 | 0.20 |
| **Less:** Permitted payments | - | 0.22 | 0.22 |
| **Less:** Amount deposited in banks | 0.12 | - | 0.12 |
| Closing cash in hand as on 30 December 2016 | - | 0.16 | 0.16 |

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-15** | | | |
| **Other bank balances** | | | |
| Balances with banks in deposits account having maturity of more than three months but are due for maturity within twelve months* | 4,592.33 | 4,495.83 | 4,328.54 |
| | **4,592.33** | **4,495.83** | **4,328.54** |

*Includes ₹ 154.28 Lakhs (previous year 31 March 2016: ₹ 188.70 Lakhs and previous year 1 April 2015: ₹ 232.67 Lakhs) held under lien against bank guarantees.

*Includes interest accrued on bank deposits ₹ 208.79 lakhs (previous year 31 March 2016: ₹ 243.49 lakhs and previous year 1 April 2015: ₹253.87 lakhs)

| | | | |
|---|---|---|---|
| **Note-16** | | | |
| **Share capital** | | | |
| **Authorised share capital** | | | |
| 200,000 (previous year 31 March 2016 and 1 April 2015: 200,000) equity shares of par value of ₹ 100 each | 200.00 | 200.00 | 200.00 |
| | **200.00** | **200.00** | **200.00** |
| **Issued share capital** | | | |
| 100,000 (previous year 31 March 2016 and 1 April 2015: 100,000) equity shares of par value of ₹ 100 each | 100.00 | 100.00 | 100.00 |
| | **100.00** | **100.00** | **100.00** |
| **Subscribed and paid up*** | | | |
| 100,000 (previous year 31 March 2016 and 1 April 2015: 100,000) equity shares of par value of ₹ 100 each | 100.00 | 100.00 | 100.00 |
| | **100.00** | **100.00** | **100.00** |

**a) *All shares are held by Holding Company- Engineers India Ltd. and its Nominees**

Reconciliation of shares outstanding at the beginning and at the end of the year

| **Equity shares** | **Amount** | **Amount** | **Amount** |
|---|---|---|---|
| Shares outstanding at the beginning of the year | 10,000,000 | 10,000,000 | 10,000,000 |
| Add : shares issued during the year | | | |
| **Shares outstanding at the end of the year** | **10,000,000** | **10,000,000** | **10,000,000** |

**b) Details of shareholders holding more than 5% equity shares in the Company**

| **Name of shareholders** | **Number** | **Number** | **Number** |
|---|---|---|---|
| Engineers India Limited | 10,000,000 | 10,000,000 | 10,000,000 |
| Shareholding | 100% | 100% | 100% |

## Note-17

**Reserves and surplus**

Nature and purpose of other reserves

**CSR activity reserve**

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

**General reserve**

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of re-measurement of defined benefit plans.

**(₹ in Lakhs)**

| | **31 March 2017** | **31 March 2016** | **1 April 2015** |
|---|---|---|---|
| **Note-18** | | | |
| **A Other financial liabilities - non-current** | | | |
| Security deposits and retentions | 13.34 | 12.62 | 0.01 |
| | **13.34** | **12.62** | **0.01** |
| **B Other financial liabilities - current** | | | |
| Security deposits and retentions | 28.39 | 13.00 | 15.63 |
| Accrued employee benefits | 57.71 | 64.08 | 70.38 |
| | **86.10** | **77.08** | **86.00** |
| **Note-19** | | | |
| **A Other non-current liabilities** | | | |
| Deferred income | 0.04 | 1.31 | - |
| | **0.04** | **1.31** | **-** |
| **B Other current liabilities** | | | |
| Advances received from clients | 14.26 | 34.46 | 27.08 |
| Deferred income | 1.29 | 1.26 | |
| Unearned income billed to clients | 93.51 | 131.84 | 118.21 |
| Service tax payable | - | - | 2.92 |
| Withholding for income taxes | 16.63 | 19.42 | 11.56 |
| Withholding for employees including employers contribution | 11.22 | - | - |
| Other liabilities | 63.16 | 53.16 | 11.63 |
| | **200.06** | **240.16** | **171.40** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-20** | | | |
| **A Long-term provisions** | | | |
| Employees' post retirement/long-term benefits | 408.33 | 391.21 | 294.17 |
| | **408.33** | **391.21** | **294.17** |
| **B Short-term provisions** | | | |
| Employees' post retirement/long-term benefits | 35.39 | 57.27 | 42.07 |
| | **35.39** | **57.27** | **42.07** |
| **Note-21** | | | |
| **Trade payables** | | | |
| Trade and other payables (refer note 41) | 199.93 | 292.56 | 136.85 |
| | **199.93** | **292.56** | **136.85** |
| **Note-22** | | | |
| **Current tax liabilities (net)** | | | |
| Provision for taxation (net of advance tax amounting to ₹ 457.56 lakhs (previous year 31 March 2016: ₹ 425.20 lakhs and previous year 1 April 2015 : ₹ 294.56 lakhs) | 96.26 | 111.71 | 169.15 |
| | **96.26** | **111.71** | **169.15** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Note-23** | | |
| **Revenue from operations** | | |
| Income from services | 3,819.81 | 3,755.79 |
| | **3,819.81** | **3,755.79** |
| **Increase/(decrease) in work-in-progress** | | |
| Closing work-in-progress | 0.70 | 2.26 |
| Less : opening work-in-progress | 2.26 | 1.71 |
| | (1.56) | 0.55 |
| | **3,818.26** | **3,756.34** |
| **Note-24** | | |
| **Other income** | | |
| **Interest income** | | |
| Bank deposits | 345.01 | 379.83 |
| Income-tax refunds | - | 6.08 |
| Amortization of deferred income | 17.39 | 10.68 |
| Capital gain on sale of mutual fund units | 0.86 | - |
| Dividend from current investments | 14.09 | 11.94 |
| Foreign exchange difference (net)* | - | 1.33 |
| Income from sale of assets | - | 0.01 |
| Miscellaneous income | - | 0.08 |
| | **377.35** | **409.95** |
| **Note-25** | | |
| **Manpower service** | | |
| Manpower service | 888.43 | 961.09 |
| | **888.43** | **961.09** |
| **Note-26** | | |
| **Employee benefits expense** | | |
| Salaries and allowances | 746.05 | 865.78 |
| Contribution towards employees pension and provident fund and administration charges thereon | 66.84 | 63.79 |
| Staff welfare | 7.22 | 4.84 |
| Contribution to gratuity fund (net of contribution received from others) | 109.14 | 9.48 |
| | **929.25** | **943.89** |
| **Note-27** | | |
| **Finance cost** | | |
| Interest expenses | 1.25 | 0.12 |
| | **1.25** | **0.12** |
| **Note-28** | | |
| **Depreciation** | | |
| Depreciation on property, plant and equipment | 18.80 | 18.97 |
| Amortisation of intangible assets | 0.75 | 1.10 |
| | **19.55** | **20.07** |

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Note-29** | | | |
| | **Other expenses** | | |
| **A** | **Facilities Cost** | | |
| | Rent - residential accommodation (net of recovery of ₹ 4.87 lakhs (previous year: ₹ 4.65 lakhs)) | 48.95 | 42.80 |
| | Rental expense | 15.39 | 10.36 |
| | Rent - office | 30.72 | 32.72 |
| | Electricity and water | 22.94 | 22.39 |
| | Repairs to building | 3.31 | 2.30 |
| | Other repairs and maintenance | 27.52 | 32.10 |
| | Hire charges - office equipment | 3.75 | 3.83 |
| | Insurance | 3.37 | 5.52 |
| | | **155.97** | **152.02** |
| **B** | **Corporate Cost** | | |
| | Bank charges | 3.94 | 2.60 |
| | Sitting fees to independent directors | 3.00 | 0.40 |
| | Publicity | 4.16 | 7.30 |
| | Entertainment | 10.09 | 10.58 |
| | Remuneration to Auditors: | | |
| | For Audit | 2.50 | 2.00 |
| | For Tax Audit | 0.50 | 0.40 |
| | Certification | 0.10 | 0.21 |
| | Out of Pocket | 2.31 | 2.89 |
| | Filing fee | 0.69 | 0.07 |
| | Legal and professional charges | 7.32 | 4.94 |
| | Licences and taxes | 2.98 | 6.00 |
| | | **37.59** | **37.39** |
| **C** | **Other Cost** | | |
| | Travel and conveyance | 444.89 | 513.15 |
| | Printing, stationery and general office supplies | 11.07 | 10.73 |
| | Newspapers and periodicals | 0.12 | 0.15 |
| | Postage and telecommunications | 20.25 | 15.72 |
| | Courier, transportation and handling | 3.11 | 3.85 |
| | Provision for doubtful receivables | 64.57 | (55.96) |
| | Amounts written off | 5.95 | 33.94 |
| | Foreign exchange difference (net) | 1.26 | |
| | Corporate social responsibility expenditure | 26.66 | 28.12 |
| | Miscellaneous expenses | 9.22 | 7.95 |
| | Training expenses | 6.11 | 1.87 |
| | | **593.22** | **559.51** |

**Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year ended 2016-17 - ₹ 24.74 lakhs (previous year: ₹ 22.88 lakhs)

(b) Amount spent during the financial year ended 31 March 2017 and 31 March 2016 on:

**(₹ in Lakhs)**

| Particulars | | In cash | Yet to be paid in cash | Total |
|---|---|---|---|---|
| (i) Construction/acquisition of any asset | 31 March 2017 | - | - | - |
| | 31 March 2016 | - | - | - |
| (ii) On purposes other than (i) above | 31 March 2017 | 26.66 | - | 26.66 |
| | 31 March 2016 | 28.12 | - | 28.12 |

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Note-30** | | |
| **Income tax** | | |
| **Tax expense comprises of:** | | |
| Current income tax (including earlier years impact) | 571.81 | 527.51 |
| Deferred tax | (22.40) | (14.70) |
| Income tax expense reported in the statement of profit or loss | **549.41** | **512.81** |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in profit or loss are as follows:

| | | |
|---|---|---|
| **Statement of profit and loss** | | |
| **Accounting profit before tax** | 1,570.35 | 1,492.20 |
| **Accounting profit before income tax** | 1,570.35 | 1,492.20 |
| At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%) | 543.47 | 516.42 |
| **Adjustments in respect of current income tax** | | |
| Tax impact of exempted income | (4.88) | (4.13) |
| Tax impact of expenses which will never be allowed | 9.60 | 9.92 |
| Earlier years tax impact | 1.81 | (9.41) |
| Others | (0.59) | - |
| | **549.41** | **512.81** |

## Note-31

**Earnings per share (EPS)**

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

| | | |
|---|---|---|
| Profit attributable to equity shareholders | 1,020.94 | 979.39 |
| Weighted average number of equity shares | 100,000 | 100,000 |
| **Nominal value per share** | **100** | **100** |
| **Earnings per equity share** | | |
| Basic | 1,020.94 | 979.39 |
| Diluted | **1,020.94** | **979.39** |

## Note-32

**(i) Financial asset - fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets measured at fair value – recurring fair value measurements** **(₹ in Lakhs)**

| 31 March 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mutual funds | 257.04 | - | - | 257.04 |
| **Total financial assets** | **257.04** | **-** | **-** | **257.04** |

**Financial assets measured at fair value – recurring fair value measurements**

| 31 March 2016 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mutual funds | 159.12 | - | - | 159.12 |
| **Total financial assets** | **159.12** | **-** | **-** | **159.12** |

**Financial assets measured at fair value – recurring fair value measurements**

| 1 April 2015 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Fixed maturity plan of mutual funds | 53.20 | - | - | 53.20 |
| **Total financial assets** | **53.20** | **-** | **-** | **53.20** |

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

## Note-33

**Financial instruments**

**(i) Financial instruments by category**

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | FVTPL | Amortised cost | FVTPL | Amortised cost |
| **Financial assets** | | | | | | |
| Investments - mutual funds | 257.04 | - | 159.12 | - | 53.20 | - |
| Trade receivables | - | 1,723.95 | - | 1,558.07 | - | 1,401.90 |
| Loans | - | 9.18 | - | 25.83 | - | 7.62 |
| Other financial assets | - | 340.57 | - | 509.74 | - | 362.51 |
| Cash and cash equivalents | - | 139.80 | - | 54.73 | - | 62.88 |
| Other bank balances | - | 4,636.65 | - | 4,528.38 | - | 4,370.23 |
| Security deposits | - | 267.55 | - | 246.20 | - | 191.63 |
| **Total financial assets** | **257.04** | **7,117.70** | **159.12** | **6,922.95** | **53.20** | **6,396.77** |
| Financial liabilities | | | | | | |
| Trade payables | - | 199.93 | - | 292.56 | - | 136.85 |
| Security deposits and retentions | - | 99.44 | - | 89.71 | - | 86.01 |
| **Total financial liabilities** | **-** | **299.37** | **-** | **382.27** | **-** | **222.86** |

**(ii) Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

**(iii) Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

*i) Credit risk rating*

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Cash and cash equivalents, other bank balances and other financial assets | 12 month expected credit loss and Life time expected credit loss |
| Moderate credit risk | Trade receivables | Life time expected credit loss |
| High credit risk | Trade receivables | Life time expected credit loss or fully provided for |

In respect of trade receivables, the Company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**(₹ in Lakhs)**

| Credit rating | Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans and other financial assets | 7,374.73 | 7,082.06 | 6,449.96 |
| B: Moderate credit risk | Trade receivable | 29.00 | 16.19 | 35.33 |
| C: High credit risk | Trade receivables | 68.33 | 16.57 | 53.40 |

*ii) Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is as follows -

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Hydrocarbon | 937.90 | 774.59 | 685.56 |
| Infrastructure | 735.02 | 678.50 | 678.83 |
| Railways | 65.59 | 53.97 | 100.91 |
| Others | 82.77 | 83.77 | 25.32 |
| **Total** | **1,821.28** | **1,590.83** | **1,490.62** |

**b) Credit risk exposure**

**(i) Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**31 March 2017** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 139.80 | - | 139.80 |
| Other bank balances | 4,636.65 | - | 4,636.65 |
| Loans | 9.18 | - | 9.18 |
| Other financial assets | 608.12 | - | 608.12 |

**31 March 2016** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 54.73 | - | 54.73 |
| Other bank balances | 4,528.38 | - | 4,528.38 |
| Loans | 25.83 | - | 25.83 |
| Other financial assets | 755.94 | - | 755.94 |

**1 April 2015** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 62.88 | - | 62.88 |
| Other bank balances | 4,370.23 | - | 4,370.23 |
| Loans | 7.62 | - | 7.62 |
| Other financial assets | 554.14 | - | 554.14 |

**(ii) Expected credit loss for trade receivables under simplified approach**

**31 March 2017** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 860.65 | 246.63 | 113.71 | 196.26 | 151.27 | 47.90 |
| Expected credit loss (provision) | 4.50 | 3.58 | 1.37 | 11.23 | - | - |
| Carrying amount (net of impairment) | 856.15 | 243.05 | 112.34 | 185.04 | 151.27 | 47.90 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 14.79 | 69.20 | 68.48 | 68.33 |
| Expected credit loss (provision) | - | 2.91 | 5.42 | 68.33 |
| Carrying amount (net of impairment) | 14.79 | 66.29 | 63.07 | - |

**31 March 2016** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 764.88 | 194.24 | 102.09 | 349.89 | 3.70 | 25.79 |
| Expected credit loss (provision) | 6.06 | - | - | 0.37 | 0.71 | 0.11 |
| Carrying amount (net of impairment) | 758.81 | 194.24 | 102.09 | 349.52 | 2.99 | 25.68 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 31.26 | 19.55 | 82.86 | 16.57 |
| Expected credit loss (provision) | 0.74 | - | 8.19 | 16.57 |
| Carrying amount (net of impairment) | 30.52 | 19.55 | 74.67 | - |

**1 April 2015** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 829.25 | 222.95 | 39.37 | 180.83 | 81.15 | 26.77 |
| Expected credit loss (provision) | 17.10 | 2.29 | 0.79 | 2.89 | 2.14 | 0.70 |
| Carrying amount (net of impairment) | 812.15 | 220.66 | 38.58 | 177.95 | 79.01 | 26.06 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 13.10 | 27.94 | 15.86 | 53.40 |
| Expected credit loss (provision) | 0.25 | 2.13 | 7.05 | 53.40 |
| Carrying amount (net of impairment) | 12.86 | 25.81 | 8.81 | - |

**Reconciliation of loss provision – lifetime expected credit losses** **(₹ in Lakhs)**

| Reconciliation of loss allowance | Trade receivables |
|---|---|
| **Loss allowance as on 1 April 2015** | 88.72 |
| Impairment loss recognised/reversed during the year | (55.96) |
| **Loss allowance on 31 March 2016** | **32.76** |
| Impairment loss recognised/reversed during the year | 64.57 |
| **Loss allowance on 31 March 2017** | **97.33** |

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

**(₹ in Lakhs)**

| 31 March 2017 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 199.93 | - | - | 199.93 |
| Security deposits and retentions | 28.39 | 1.39 | 11.95 | 41.73 |
| Other financial liabilities | 57.71 | - | - | 57.71 |
| **Total** | **286.03** | **1.39** | **11.95** | **299.37** |

**(₹ in Lakhs)**

| 31 March 2016 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 292.56 | - | - | 292.56 |
| Security deposits and retentions | 13.00 | 1.52 | 11.10 | 25.62 |
| Other financial liabilities | 64.08 | - | - | 64.08 |
| **Total** | **369.64** | **1.52** | **11.10** | **382.26** |

**(₹ in Lakhs)**

| 1 April 2015 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 136.85 | - | - | 136.85 |
| Security deposits and retentions | 15.51 | - | - | 15.51 |
| Other financial liabilities | 70.38 | - | - | 70.38 |
| **Total** | **222.74** | **-** | **-** | **222.74** |

**(C) Market risk**

**(i) Foreign exchange risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

**Foreign currency risk exposure:**

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | | 31 March 2016 | |
|---|---|---|---|---|
| | USD | EURO | USD | EURO |
| Trade receivables | 3.23 | 12.09 | 9.49 | 9.37 |

**Sensitivity**

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | | 31 March 2016 | |
|---|---|---|---|---|
| Currency sensitivity | USD | EURO | USD | EURO |
| Currency increase by 1% | 0.03 | 0.12 | 0.09 | 0.09 |
| Currency decrease by 1% | (0.03) | (0.12) | (0.09) | (0.09) |

**(ii) Price risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

**Sensitivity analysis**

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Price sensitivity** | | |
| Price increase by (3 %)- FVTPL | 6.74 | 4.39 |
| Price decrease by (3 %)- FVTPL | (8.63) | (5.13) |

## Note-34

**Capital management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Equity share capital | 100.00 | 100.00 | 100.00 |
| Other equity | 7,006.04 | 6,571.43 | 6,143.30 |

**Net debt to equity ratio**

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has nil capital gearing ratio as at 31 March 2017, 31 March 2016 and 1 April 2015.

## Note-35

**(a) Related party**

The names of related parties as identified in accordance with provisions of the Indian Accounting Standard – 24 "Related Party Disclosure":

| Sl. No. | Name of the Related Party | | Nature of Relationship |
|---|---|---|---|
| 1 | Engineers India Limited ('EIL') | | Holding Company |
| 2 | **Directors/Key Management Personnel (31 March 2017)** | | |
| | Mr. Sanjay Gupta | Chairman | Chairman and Managing Director in Engineers India Limited |
| | Dr. (Prof.) Mukesh Khare | Director | Non-official Part-time Independent Director in Engineers India Limited |
| | Mr. Umesh Chandra Pandey | Director | Non-official Part-time Independent Director in Engineers India Limited |
| | Mr. Sudershan Gupta | Director (upto 30 September 2016) | Executive Director in Engineers India Limited |
| | Mr. S. K. Handa | Director | Executive Director in Engineers India Limited |
| | Mr. L. K. Vijh | Director | Executive Director in Engineers India Limited |
| | Mr. R. Mahajan | Director | Executive Director in Engineers India Limited |
| | Mr. R. K. Garg | Director (from 1 October 2016) | Executive Director in Engineers India Limited |
| | Mr. S D Kherdekar | Chief Executive Officer | Executive Director in Engineers India Limited |
| 3 | **Directors/Key Management Personnel (31 March 2016)** | | |
| | Mr. Sanjay Gupta | Chairman (from 1 June 2015) | Chairman and Managing Director in Engineers India Limited |
| | Mr. A. K. Purwaha | Chairman (Upto 31 May 2015) | Chairman and Managing Director in Engineers India Limited |
| | Dr. (Prof.) Mukesh Khare | Director (From 15 January 2016) | Non-official Part-time Independent Director in Engineers India Limited |
| | Mr. Umesh Chandra Pandey | Director (From 15 January 2016) | Non-official Part-time Independent Director in Engineers India Limited |
| | Mr. Sudershan Gupta | Director | Executive Director in Engineers India Limited |
| | Mr. S. K. Handa | Director (From 29 June 2015) | Executive Director in Engineers India Limited |
| | Mr. L. K. Vijh | Director (From 21 August 2015) | Executive Director in Engineers India Limited |
| | Mr. R. Mahajan | Director (From 21 August 2015) | Executive Director in Engineers India Limited |
| | Dr. J. P. Gupta | Director (Upto 3 July 2015) | Non-official Part-time Independent Director in Engineers India Limited |
| | Mr. S. D. Kherdekar | Chief Executive Officer | Executive Director in Engineers India Limited |

**(b) Related party transactions**

During the year ended 31 March 2017, the Company had following transactions and outstanding balances with related parties

| Particulars | Relationship | Year | Amount | (Payable)/ Receivable |
|---|---|---|---|---|
| Professional and technical services and facilities | Holding Company | 31 March 2017 | 177.70 | (35.05) |
| | | 31 March 2016 | 310.39 | (115.23) |
| | | 1 April 2015 | 273.06 | (22.65) |
| Execution of contract for Services | Holding Company | 31 March 2017 | 532.28 | 161.19* |
| | | 31 March 2016 | 490.94 | 158.82 |
| | | 1 April 2015 | 405.79 | 137.23 |
| Dividend (interim and final) | Holding Company | 31 March 2017 | 500.00 | - |
| | | 31 March 2016 | 450.00 | - |
| | | 1 April 2015 | 400.00 | - |

*includes security deposit of ₹ 21.77 Lakhs

**(c) Director's remuneration:**

Sitting fees paid to part time Directors for 31 March 2017 is ₹ 3.00 Lakhs (Previous year 31 March 2016: ₹ 0.40 Lakhs and 1 April 2015: ₹ 0.90 Lakhs)

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

## Note-36

**Contingent liabilities and commitments**

**i). Contingent Liabilities:**

a) Income Tax assessments have been completed up to the assessment year 2014-2015. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2016-17 cannot be ascertained. Due taxes on self-assessment basis have been paid.

b) 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 ₹ 42.63 Lakhs for the assessment year 2011-12.

c) The Company has filed an application to keep the recovery proceedings for a penalty order of ₹.1.22 Lakhs dated 30 March 2017 in abeyance, since an appeal (u/s 254) has been heard by CIT (Appeals) on 24 April 2017.

d) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 3.05 Lakhs for the assessment year 2012-13.

e) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 84.52 Lakhs for the assessment year 2013-14.

f) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 48.60 Lakhs in intimation u/s 143(1) for the assessment year 2014-15.

g) The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 58.53 Lakhs in intimation u/s 143(1) for the assessment year 2016-17.

h) The Company has filed an appeal against a demand of service tax of ₹ 486.57 Lakhs (inclusive of penalty of ₹ 230.62 Lakhs) and interest thereon by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

**ii). Commitments:**

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

## Note-37

**Employee benefits**

The disclosures required under Indian Accounting Standard (Ind AS 19) 'Employee Benefits' are given below:

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under: **(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 66.84 | 63.79 |

**Defined Benefit Plan**

Company is having the following Defined Benefit Plans:

- Gratuity (funded)
- Leave encashment (unfunded)
- Long service awards (unfunded)

In this regard, actuarial valuation as on 31 March, 2017 was carried out by actuary in respect of all three plans, and the details are as under:

**Risks associated with plan provisions**

| | |
|---|---|
| Inherent risk | The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks. |

**Disclosures related to funded obligations**

**a) The amounts recognized in the balance sheet**

**(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at the end of year | 270.09 | 173.10 | 136.54 | 325.98 | 419.59 | 332.79 | 18.94 | 15.60 | 14.40 |
| Fair value of plan assets as at the end of the year | 171.30 | 159.82 | 147.50 | - | - | - | - | - | - |
| Funded status | (98.79) | (13.28) | 10.96 | (325.98) | (419.59) | (332.79) | (18.94) | (15.60) | (14.40) |
| **Net (asset)/liability recognized in balance sheet** | **98.79** | **13.28** | **(10.96)** | **325.98** | **419.59** | **332.79** | **18.94** | **15.60** | **14.40** |

**b) Expenses recognized in statement of profit and loss**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (unfunded) | | Long service awards (unfunded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Current service cost | 11.52 | 10.35 | 95.25 | 81.32 | 2.57 | 2.33 |
| Past service cost | 96.99 | - | - | - | - | - |
| Interest on net benefit asset/ liability | 0.62 | (0.87) | 29.35 | 24.76 | 1.03 | 1.14 |
| Re-measurements gains/losses | - | - | (106.12) | 35.47 | (1.33) | 2.32 |
| **Expenses recognized in statement of profit and loss** | **109.14** | **9.47** | **18.44** | **141.57** | **2.28** | **5.79** |

**c) Expenses recognized in Other comprehensive income**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (unfunded) | | Long service awards (unfunded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Actuarial (gains)/loss | - | - | - | - | - | - |
| Change in financial assumption | (19.61) | 10.21 | - | - | - | - |
| Change in demographic assumption | - | 5.01 | - | - | - | - |
| Experience adjustments | (2.90) | 0.04 | - | - | - | - |
| Actual return on plan assets | (1.11) | (0.51) | - | - | | |
| **Expenses recognized in other comprehensive income** | **(23.62)** | **14.76** | **-** | **-** | **-** | **-** |

**d) Reconciliation of opening and closing balances of defined benefit obligation**

**(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at beginning of year | 173.10 | 136.54 | 116.62 | 419.59 | 332.79 | 279.75 | 15.60 | 14.40 | 12.49 |
| Interest cost | 12.66 | 10.92 | 9.33 | 29.35 | 24.76 | 26.56 | 1.14 | 1.03 | 1.15 |
| Current service cost | 11.52 | 10.35 | 9.40 | 95.21 | 81.32 | 71.79 | 2.33 | 2.57 | 2.84 |
| Past service cost | 96.99 | - | - | - | - | - | - | - | - |
| Actuarial (gain)/loss on obligations | (22.51) | 15.28 | 1.20 | (106.12) | 35.48 | (9.57) | 2.32 | (1.34) | (0.15) |
| Benefit paid | (1.66) | - | - | (112.06) | (54.77) | - | (2.45) | (1.07) | (1.93) |
| **Present value of obligations as at end of year** | **270.09** | **173.10** | **136.54** | **325.98** | **419.59** | **332.79** | **18.94** | **15.60** | **14.40** |

**e) Reconciliation of opening and closing balances of fair value of plan assets**

**(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Fair value of plan assets as on beginning of year | 159.81 | 147.50 | 115.73 | - | - | - | - | - | - |
| Interest on plan assets | 12.03 | 11.80 | 12.17 | - | - | - | - | - | - |
| Re-measurements due to actual return on plan assets less interest on plan assets | 1.11 | 0.51 | - | - | - | - | - | - | - |
| Contributions | - | - | 19.60 | - | - | - | - | - | - |
| Benefits paid | (1.66) | - | - | - | - | - | - | - | - |
| **Fair value of plan assets at the end of year** | **171.30** | **159.82** | **147.50** | **-** | **-** | **-** | **-** | **-** | **-** |

**f) Actuarial Assumptions**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Discount rate | 7.50% | 7.50% | 8.00% | 7.50% | 7.50% | 8.00% | 7.50% | 7.50% | 8.00% |
| Expected rate of future salary increase | 9.00% | 10.00% | 10.00% | 9.00% | 10.00% | 10.00% | 9.00% | 10.00% | 10.00% |
| Retirement age | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years |

4) Mortality rates inclusive of provision for disability -100% of IALM (2006 –08)

5) Rates of leaving service at specimen ages are as shown below-:

| Age (Years) | Rates (p.a.) |
|---|---|
| 21 – 30 | 10% |
| 31 – 40 | 5% |
| 41 – 50 | 3% |
| 51 – 59 | 2% |

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

**g) Maturity profile of defined benefit obligation**

**(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (Earned leave) (unfunded) | | Leave encashment (Sick leave) (unfunded) | | Long service awards (unfunded) | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Weighted average of the defined benefit obligation | 12.87 years | 12.33 years | 9.10 years | 6.96 years | 7.47 years | 6.25 years | 4.46 years | 5.21 years |
| Duration of defined benefit obligation | | | | | | | | |
| Duration (years) | | | | | | | | |
| 1 | 11.12 | 8.58 | 18.92 | 37.77 | 10.97 | 18.70 | 5.50 | 0.80 |
| 2 | 11.10 | 8.69 | 18.64 | 35.39 | 10.88 | 17.70 | 2.76 | 4.48 |
| 3 | 11.17 | 8.74 | 18.43 | 33.33 | 10.82 | 16.81 | 0.57 | 2.36 |
| 4 | 29.04 | 8.89 | 27.45 | 31.53 | 10.77 | 15.98 | 2.04 | 0.51 |
| 5 | 10.95 | 17.69 | 17.23 | 35.26 | 9.99 | 15.21 | 0.63 | 1.77 |
| 6 | 10.87 | 9.05 | 16.99 | 27.26 | 9.96 | 13.33 | 3.38 | 0.55 |
| 7 | 10.62 | 9.00 | 16.79 | 25.80 | 9.95 | 12.70 | 1.68 | 2.78 |
| 8 | 10.95 | 8.83 | 16.76 | 24.46 | 9.95 | 12.14 | 0.43 | 1.42 |
| 9 | 11.32 | 9.14 | 16.78 | 23.36 | 9.97 | 11.61 | 1.40 | 0.38 |
| Above 10 | 741.40 | 444.66 | 352.81 | 275.65 | 109.31 | 99.68 | 9.40 | 9.12 |

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

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Fund managed by insurer | 100% | 100% | 100% | - | - | - | - | - | - |

i) Sensitivity analysis

(₹ in Lakhs)

| Sensitivity analysis Gratuity (funded) | | | | |
|---|---|---|---|---|
| Particulars | Discount rate | | Salary escalation rate | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | +/-1% | +/-1% | 1,755.58 | 924.04 |
| Impact of decrease in 50 bps on defined benefit obligation | +/-1% | +/-1% | 380.56 | 123.10 |

(₹ in Lakhs)

| Leave encashment (Earned Leave) (unfunded) | | | | |
|---|---|---|---|---|
| Particulars | Discount rate | | Salary escalation rate | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -4.39% | -3.37% | 4.63% | 3.49% |
| Impact of decrease in 50 bps on defined benefit obligation | 4.72% | 3.59% | -4.35% | -3.31% |

(₹ in Lakhs)

| Leave encashment (Sick Leave) (Unfunded) | | | | |
|---|---|---|---|---|
| Particulars | Discount rate | | Salary escalation rate | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -3.62% | -3.04% | 3.78% | 3.13% |
| Impact of decrease in 50 bps on defined benefit obligation | 3.86% | 3.22% | -3.59% | -2.99% |

(₹ in Lakhs)

| Long service awards (unfunded) | | | | |
|---|---|---|---|---|
| Particulars | Discount rate | | Salary escalation rate | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -2.00% | -2.34% | -2.24% | -2.62% |
| Impact of decrease in 50 bps on defined benefit obligation | 2.10% | 2.46% | 2.34% | 2.74% |

## Note-38

**Proposed dividend**

(₹ in Lakhs)

| Proposed dividend on equity shares | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Proposed Final dividend for 31 March 2017 (₹ 350 per share) (previous year 31 March 2016: ₹ 300 per share) | 350.00 | 300.00 |
| Dividend distribution tax on Proposed dividend | 71.25 | 61.07 |
| **Total** | **421.25** | **361.07** |

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax)

## Note-39

CSR activity reserve amounting to ₹ 36.34 Lakhs for 31 March 2017 (Previous year 31 March 2016: ₹ 38.26 Lakhs and 1 April 2015: ₹ 43.50 Lakhs) represents unspent amount out of amounts set aside for meeting social obligations as per Department of Public Enterprise guidelines and the Companies Act 2013 for Corporate Social Responsibility

## Note-40

There is no impairment of cash generating assets during the year in terms of Ind AS 36 "Impairment of Assets" issued by the Institute of Chartered Accountants of India.

## Note-41

Liability in respect of 'Performance Related Pay', amounting to ₹ 49.33 Lakhs (previous year 31 March 2016: ₹ 38.81 Lakhs and for 1 April 2015: ₹ 47.97 Lakhs) for the employees for the year ended on 31 March 2017 has been estimated and provided based on scheme formulated in accordance with DPE guidelines, based upon certain ranking parameters.

## Note-42

Guarantees issued by banks and outstanding as on 31 March 2017 ₹ 467.73 Lakhs (previous years 31 March 2016 ₹ 313.64 Lakhs and 1 April 2015: ₹ 301.48 Lakhs).

## Note-43

The Company has a Memorandum of Understanding with Engineers India Limited (The Holding Company) for utilizing their facilities like providing manpower, office space and other facilities etc. The MOU provides level based fixed man hour/ man-day rates for EIL employees on cost plus overhead basis and fixed annual cost towards space, infrastructure and facilities etc.

The Company also has a Memorandum of Understanding with Engineers India Limited for providing manpower services to EIL at actual cost plus margin.

## Note-44

In terms of Section 22 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. The Company has asked the vendors the status of MSME registration. In the absence of the relevant information from most of the vendors about their registration, the required information cannot be properly ascertained.

Based on information available with the Company, ₹ 73.93 Lakhs (previous year 31 March 2016: ₹ 55.35 Lakhs and for 1 April 2015: ₹ NIL) was outstanding payable to MSMEs at the end of the year. No amount of interest was payable for the year.

## Note-45

The Company operates in the nature of service towards Certification and Third Party Inspection jobs, which comes under single segment. Hence segment reporting requirements under Ind AS-108 issued by The Institute of Chartered Accountant of India are not applicable.

## Note-46

These are the Company's first financial statements prepared in accordance with Ind AS.

**First time adoption of Ind AS**

The accounting policies have been applied consistently in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, statement of profit and loss and cash flows is set out in the following tables and notes.

**A Ind AS optional exemptions**

**1 Deemed cost for property, plant and equipment, investment property and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value

**B Ind AS mandatory exemptions**

**1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

**a) Investment in financial instruments carried at fair value through profit and loss ('FVTPL').**

**b) Impairment of financial assets based on expected credit loss model.**

**C Reconciliation of total equity (Balance sheet reconciliation) as at 31 March 2016 and 1 April 2015**

**(₹ in Lakhs)**

| Particulars | As at 31 March 2016 | | | As at 1 April 2015 | | |
|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 229.39 | - | 229.39 | 243.62 | - | 243.62 |
| Other intangibles assets | 0.89 | - | 0.89 | 1.66 | - | 1.66 |
| Financial assets | | | | | | |
| Loans | 126.98 | (39.21) | 87.78 | 78.08 | (23.14) | 54.94 |
| Other financial assets | 32.55 | - | 32.55 | 41.69 | - | 41.69 |
| Deferred tax assets (net) | 158.95 | (12.64) | 146.31 | 117.07 | 9.22 | 126.29 |
| Non-current tax assets (net) | 322.17 | - | 322.17 | 283.88 | - | 283.88 |
| Other non-current assets | 0.04 | 7.71 | 7.75 | 0.06 | 12.43 | 12.49 |
| **Total non-current assets** | **870.98** | **(44.15)** | **826.84** | **766.06** | **(1.48)** | **764.58** |
| | | | | | | |
| **Current assets** | | | | | | |
| Inventories | 4.66 | - | 4.66 | 2.87 | - | 2.87 |
| Financial assets | | | - | | - | - |
| Investments | 159.12 | 0.01 | 159.11 | 53.20 | - | 53.20 |
| Loans | 167.66 | 16.59 | 184.25 | 144.30 | - | 144.30 |
| Trade receivables | 1,517.90 | 40.26 | 1,558.06 | 1,425.32 | (23.44) | 1,401.90 |
| Cash and cash equivalents | 54.73 | - | 54.73 | 62.88 | - | 62.88 |
| Other bank balances | 4,495.83 | - | 4,495.83 | 4,328.54 | - | 4,328.54 |
| Other financial assets | 509.74 | - | 509.74 | 362.51 | - | 362.51 |
| Other current assets | 50.24 | 11.88 | 62.12 | 14.69 | 7.49 | 22.18 |
| **Total Current assets** | **6,959.88** | **68.73** | **7,028.50** | **6,394.32** | **(15.95)** | **6,378.38** |
| **Total assets** | **7,830.85** | **24.59** | **7,855.34** | **7,160.38** | **(17.43)** | **7,142.96** |
| | | | | | | |
| **Equity and liabilities** | | | | | | |
| **Equity** | | | | | | |
| Equity share capital | 100.00 | - | 100.00 | 100.00 | - | 100.00 |
| Other equity | 6,186.09 | 385.34 | 6,571.43 | 5,859.83 | 283.47 | 6,143.30 |
| **Total equity** | **6,286.09** | **385.34** | **6,671.43** | **5,959.83** | **283.47** | **6,243.30** |
| | | | | | | |
| **Liabilities** | | | | | | |
| **Non-current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| Other financial liabilities | 15.21 | (2.59) | 12.62 | 0.01 | - | 0.01 |
| Other non-current liabilities | - | 1.31 | 1.31 | - | - | - |
| Long-term provisions | 391.21 | - | 391.21 | 294.18 | - | 294.18 |
| **Total non-current Llabilities** | **406.42** | **(1.28)** | **405.15** | **294.19** | **-** | **294.19** |
| | | | | | | |
| **Current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| Trade payables | 292.32 | 0.24 | 292.56 | 136.85 | - | 136.85 |
| Other financial liabilities | 77.08 | - | 77.08 | 86.00 | - | 86.00 |
| Other current liabilities | 238.89 | 1.35 | 240.16 | 171.40 | - | 171.40 |
| Short-term provisions | 418.34 | (361.07) | 57.27 | 342.97 | (300.90) | 42.07 |
| Current tax liabilities (net) | 111.71 | - | 111.71 | 169.15 | - | 169.15 |
| **Total current liabilities** | **1,138.34** | **(359.48)** | **778.77** | **906.36** | **(300.90)** | **605.47** |
| **Total equity and liabilities** | **7,830.85** | **24.58** | **7,855.35** | **7,160.38** | **(17.43)** | **7,142.96** |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

**D Reconciliation of total comprehensive income for the year ended 31 March 2016**

(₹ in Lakhs)

| Particulars | Previous GAAP | Effect of transition to Ind AS | Ind AS |
|---|---|---|---|
| Revenue from operations | 3,756.34 | - | 3,756.34 |
| Other income | 399.27 | 10.68 | 409.95 |
| **Total revenue** | **4,155.61** | **10.68** | **4,166.29** |
| | | | |
| **Expenses** | | | |
| Manpower service | 961.09 | - | 961.09 |
| Employee benefit expenses | 958.65 | (14.76) | 943.89 |
| Finance cost | - | 0.12 | 0.12 |
| Depreciation and amortisation expense | 20.07 | - | 20.07 |
| Other expenses | | | |
| Facilities | 141.66 | 10.36 | 152.02 |
| Corporate costs | 37.39 | - | 37.39 |
| Other costs | 623.09 | (63.57) | 559.51 |
| **Total expenses** | **2,741.94** | **(67.86)** | **2,674.09** |
| | | | |
| **Profit before tax** | **1,413.67** | **78.54** | **1,492.20** |
| | | | |
| Current tax | 527.51 | - | 527.51 |
| Deferred tax | (41.88) | 27.18 | (14.70) |
| **Profit for the year** | **928.04** | **51.36** | **979.40** |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit and loss | | | |
| Re-measurement gains (losses) on defined benefit plans | - | (14.76) | (14.76) |
| Income tax relating to items that will not be reclassified to profit or loss | - | 5.11 | 5.11 |
| **Total Comprehensive Income for the period** | **928.04** | **41.70** | **969.74** |

**E Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

| Particulars | Notes to first time adoption | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Total equity (shareholder's funds) as per previous GAAP** | | **6,286.09** | **5,959.84** |
| **Adjustments:** | | | |
| Amortised cost security deposit asset | Note – 1 | (3.03) | (3.22) |
| Amortised cost security deposit liability | Note – 2 | 0.01 | - |
| Provision for trade receivables using provision matrix approach | Note – 3 | 40.15 | (23.43) |
| Dividend adjustment | Note – 4 | 361.06 | 300.89 |
| Tax impact on above adjustments | Note – 5 | (12.85) | 9.22 |
| **Total adjustments** | | **385.34** | **283.46** |
| **Total equity as per Ind AS** | | **6,671.43** | **6,243.30** |

**F Reconciliation of total comprehensive income for the year ended 31 March 2016**

| Particulars | Notes to first time adoption | 31 March 2016 |
|---|---|---|
| **Profit after tax as per previous GAAP** | | **928.04** |
| Adjustments: | | |
| Amortised cost security deposit asset | Note – 1 | 0.19 |
| Amortised cost security deposit liability | Note – 2 | 0.01 |
| Provision for trade receivables using provision matrix approach | Note – 3 | 63.57 |
| Tax impact on above adjustments | Note – 5 | (22.07) |
| **Total adjustments** | | **41.70** |
| **Total comprehensive income for the year ended 31 March 2016** | | **969.74** |

**Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016**

| Particulars | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|
| **Net cash flow from operating activities** | **404.69** | **(0.26)** | **404.95** |
| Net cash flows used in investing activities | 128.76 | 0.14 | 128.62 |
| Net cash used in financing activities | (541.61) | 0.12 | (541.73) |
| **Net increase/decrease in cash and cash equivalents** | **(8.15)** | **-** | **(8.15)** |
| Cash and cash equivalents at the 1 April 2015 | 62.88 | - | 62.88 |
| **Cash and cash equivalents at the 31 March 2016** | **54.73** | **-** | **54.73** |

**Note – 1**
**Amortised cost security deposit asset**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

**Note – 2**
**Amortised cost security deposit liability**

Under the previous GAAP, interest free lease/other security deposits (that are receivable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred income.

**Note – 3**
**Provision for trade receivables using provision matrix approach**

Under previous GAAP, provision for trade receivables is recognised on specific identification method based on management assessment of recoverability of trade receivables. As per Ind AS 109, the Company is required to apply expected credit loss model (provision matrix approach) for recognising the allowance for doubtful receivables.

**Note – 4**
**Dividend adjustment**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability and appropriation. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend has been reversed with corresponding adjustment to retained earnings.

**Note – 5**
**Tax impact on above adjustments**

Retained earnings has been adjusted consequent to the all Ind AS transition adjustments with corresponding impact to deferred tax.

**Note – 6**
**Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

**For and on behalf of Certification Engineers International Limited**

| | | | |
|---|---|---|---|
| **For LUTHRA & LUTHRA**<br>Chartered Accountants<br>Firm Regn. No. 002081N | **(S D KHERDEKAR)**<br>Chief Executive Officer<br>PAN: ADQPK1440B | **(RAMA KANT GARG)**<br>Director<br>DIN: 02071295 | **(SANJAY GUPTA)**<br>Chairman<br>DIN: 05281731 |

**(NILESH MEHTA)**
Partner
Membership No. 093847
FRN No.002081N

Place: New Delhi
Date: May 19, 2017

# Comments of the Comptroller and Auditor General of India Under Section 143(6)(B) of the Companies Act, 2013 on the Financial Statements of Certification Engineers International Limited for the year ended 31 March 2017.

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act. 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Certification Engineers International Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act.

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

**(Neelesh Kumar Sah)**
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board - II
New Delhi

Place: New Delhi
Date: 7.07.2017

# Independent Auditor's Report

**TO THE MEMBERS OF**
**ENGINEERS INDIA LIMITED**

**Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **ENGINEERS INDIA LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, comprising the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flows Statement and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls; that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2017, their consolidated profit (including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Emphasis of Matter**

We draw attention to the note no. 55 to the consolidated Ind AS financial statements of 31 March 2017, regarding claim of the contractor for ₹ 40,757 lakhs consequent to termination of the contract. Management does not consider any possible obligation on this account requiring future probable outflow of resources.

Our opinion is not modified in respect of this matter.

**Other Matters**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 8145.48 lakhs as of 31 March 2017, total revenues of ₹ 4195.61 lakhs, net cash flow of ₹ 85.07 lakhs total net profit after tax of ₹1020.94 and total comprehensive income of ₹ 1036.40 for the year ended on that date, and financial statements of 3 joint ventures in which Group's share of net loss is ₹ 19.83 lakhs for the year ended 31 March, 2017, as considered in the consolidated Ind AS financial statements. Joint Venture entity M/s Jabal Eiliot Co. Ltd is under process of wind up. These financial statements (except M/s Jabal Eiliot Co. Ltd.) have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors and unaudited information provided by the management in respect of unaudited financial statement.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 01 April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) for the year ended 31 March 2016 which were audited by us, on which we have expressed an unmodified opinion dated 25 May 2016 and for the year ended 31 March 2015 which were audited by other auditor, on which they have expressed an unmodified opinion dated 27 May 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 22 May 2017.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, and joint venture companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the consolidated Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the group and joint ventures. -refer note no. 40 to the consolidated Ind AS financial statements of 31 March 2017;

      ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. -refer note no. 54 to the consolidated Ind AS financial statements of 31 March 2017;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary Company and joint ventures incorporated in India; and

iv. the Holding Company has provided requisite disclosures in note no. 16 to the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on the management representation of Holding Company and reports of the other auditors, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**For Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May 2017

# Annexure - A to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **ENGINEERS INDIA LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company, its subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, its subsidiary companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one (1) subsidiary Company and three (3) joint ventures companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Arun K Agarwal & Associates**
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
**Rajesh Surolia**
(Partner)
M. No. 088008

Place: New Delhi
Date: 22 May 2017

# Consolidated Balance Sheet

AS AT 31ST MARCH, 2017

(₹ in Lakhs)

| | Note | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 4 | 22,763.86 | 24,017.71 | 26,972.83 |
| Capital work-in-progress | 4 | 1,810.11 | 1,703.56 | 1,906.09 |
| Investment property | 5 | 3,707.16 | 3,877.25 | 30.12 |
| Other intangibles assets | 6 A | 741.95 | 215.52 | 212.56 |
| Intangible assets under development | 6 B | 3,762.27 | 735.69 | 5.11 |
| Investments accounted using equity method | 7 A | 15,159.67 | 2,287.35 | 437.07 |
| Financial assets | | | | |
| Loans | 8 A | 3,123.10 | 3,215.36 | 3,049.14 |
| Other financial assets | 9 A | 132.27 | 7,623.51 | 196.79 |
| Deferred tax assets (net) | 10 | 26,732.38 | 21,513.54 | 23,581.70 |
| Non-current tax assets (net) | 11 | 736.75 | 658.55 | 822.96 |
| Other non-current assets | 12 A | 789.36 | 810.74 | 1,154.37 |
| **Total non-current assets** | | **79,458.88** | **66,658.78** | **58,368.74** |
| **Current assets** | | | | |
| Inventories | 13 | 108.92 | 105.51 | 83.96 |
| Financial assets | | | | |
| Investments | 7 B | 38,123.21 | 1,360.50 | 13,546.38 |
| Trade receivables | 14 | 39,861.29 | 37,643.89 | 42,027.87 |
| Cash and cash equivalents | 15 | 15,884.87 | 927.51 | 1,320.41 |
| Other bank balances | 16 | 219,896.49 | 265,205.66 | 246,515.42 |
| Loans | 8 B | 1,339.87 | 1,216.65 | 1,184.94 |
| Other financial assets | 9 B | 38,688.55 | 38,521.02 | 29,745.86 |
| Other current assets | 12 B | 6,231.37 | 4,801.52 | 5,539.12 |
| **Total current assets** | | **360,134.57** | **349,782.26** | **339,963.96** |
| **Total assets** | | **439,593.45** | **416,441.04** | **398,332.70** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 17 | 33,693.67 | 16,846.84 | 16,846.84 |
| Other equity | 18 | 250,791.84 | 265,345.96 | 253,999.50 |
| **Equity attributable to the owners of the parent Company** | | **284,485.51** | **282,192.80** | **270,846.34** |
| Non-controlling interests | | - | - | - |
| **Total equity** | | **284,485.51** | **282,192.80** | **270,846.34** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| Other financial liabilities | 19 A | 132.57 | 143.25 | 65.32 |
| Provisions | 20 A | 1,171.19 | 1,174.58 | 2,040.98 |
| Other non-current liabilities | 21 A | 1,222.95 | 1,452.55 | 149.12 |
| **Total non-current liabilities** | | **2,526.71** | **2,770.38** | **2,255.42** |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| Trade payables | 22 | 22,294.00 | 20,268.72 | 24,634.47 |
| Other financial liabilities | 19 B | 29,819.28 | 28,307.69 | 27,635.45 |
| Other current liabilities | 21 B | 48,743.20 | 47,623.67 | 30,745.29 |
| Provisions | 20 B | 45,612.42 | 34,895.24 | 39,389.90 |
| Current tax liabilities (net) | 23 | 6,112.33 | 382.54 | 2,825.83 |
| **Total current liabilities** | | **152,581.23** | **131,477.86** | **125,230.94** |
| **Total equity and liabilities** | | **439,593.45** | **416,441.04** | **398,332.70** |
| Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. | 1 to 70 | | | |

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

**For Arun K Agarwal and Associates**
Chartered Accountants

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Rajesh Surolia | Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Partner** | **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| Membership No. 088008 | PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |
| FRN No. 003917N | | | | |

**Place :** New Delhi
**Date :** 22 May 2017

# Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

| | Note | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 24 | 147,972.59 | 154,056.49 |
| Other income | 25 | 22,243.40 | 24,733.44 |
| **Total revenue** | | **170,215.99** | **178,789.93** |
| | | | |
| **Expenses** | | | |
| Techincal assistance/sub-contracts | 26 | 16,694.08 | 21,461.63 |
| Construction materials and equipments | 27 | 6,300.80 | 36,899.26 |
| Employee benefits expenses | 28 | 75,259.02 | 59,902.45 |
| Finance costs | 29 | 318.40 | 24.74 |
| Depreciation and amortisation expense | 30 | 2,270.44 | 2,512.54 |
| Other expenses | 31 | 18,289.15 | 14,972.79 |
| **Total expenses** | | **119,131.89** | **135,773.41** |
| | | | |
| **Profit before tax** | | **51,084.10** | **43,016.52** |
| Less: Tax expense | 32 | | |
| Current tax | | 22,050.52 | 12,919.60 |
| Earlier years tax adjustments (net) | | (6.44) | (464.61) |
| Deferred tax | | (3,980.29) | 2,419.16 |
| **Profit after tax** | | **33,020.31** | **28,142.37** |
| | | | |
| **Less:** share of (loss) in joint venture entities | | (19.83) | (310.07) |
| **Profit for the year** | | **33,000.48** | **27,832.30** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit and loss | | | |
| Re-measurement gains (losses) on defined benefit plans | | (3,550.00) | (374.30) |
| Income tax relating to items that will not be reclassified to profit and loss | | 1,228.58 | 129.54 |
| Items that will be reclassified to profit and loss | | | |
| Exchange differences on translation of foreign operations | | 21.14 | 14.64 |
| Income tax relating to items that will be reclassified to profit and loss | | (7.32) | (5.07) |
| **Total comprehensive income for the year** | | **30,692.88** | **27,597.11** |
| | | | |
| **Profit for the year attributable to** | | | |
| Owners of the Parent Company | | 33,000.48 | 27,832.30 |
| Non-controlling interests | | - | - |
| | | **33,000.48** | **27,832.30** |
| | | | |
| **Other comprehensive income attributable to** | | | |
| Owners of the Parent Company | | (2,307.60) | (235.19) |
| Non-controlling interests | | - | - |
| | | **(2,307.60)** | **(235.19)** |
| | | | |
| **Total comprehensive Income for the year attributable to** | | | |
| Owners of the Parent Company | | 30,692.88 | 27,597.11 |
| Non-controlling interest | | - | - |
| | | **30,692.88** | **27,597.11** |
| | | | |
| **Earnings per equity share (Face value ₹ 5 per share)** | 33 | | |
| Basic (₹) | | 4.90 | 4.13 |
| Diluted (₹) | | 4.90 | 4.13 |

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 70

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

**For Arun K Agarwal and Associates**
Chartered Accountants

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Rajesh Surolia | Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Partner** | **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| Membership No. 088008 | PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |
| FRN No. 003917N | | | | |

**Place :** New Delhi
**Date :** 22 May 2017

# Consolidated Statement of Changes in Equity

AS AT 31ST MARCH, 2017

**A Equity share capital***

**(₹ in Lakhs)**

| Particulars | Opening balance as at 1 April 2015 | Changes in equity share capital during the year | Redemption of equity share capital during the year | Balance as at 31 March 2016 | Changes in equity share capital during the year (Issue of bonus shares) | Redemption of equity share capital during the year | Balance as at 31 March 2017 |
|---|---|---|---|---|---|---|---|
| Equity share capital | 16,846.84 | - | - | 16,846.84 | 16,846.83 | - | 33,693.67 |

**B Other equity****

**(₹ in Lakhs)**

| Description | Reserves and surplus | | | | Other comprehensive income | | Attributable to non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital reserve on consolidation | Retained earnings | CSR activity reserve | Exchange difference on translation of foreign operation | Remeasurement of defined benefit plans | | |
| **Balance as at 1 April 2015** | **243,117.43** | **108.71** | **7,929.73** | **2,843.63** | **-** | **-** | **-** | **253,999.50** |
| Profit for the year | - | - | 27,832.29 | - | - | - | - | 27,832.29 |
| Other comprehensive income | - | - | - | - | 14.64 | (374.30) | - | (359.65) |
| Income tax related to items of other comprehensive income | - | - | - | - | (5.07) | 129.54 | - | 124.47 |
| Dividend including tax impact (refer note 37) | - | - | (16,221.08) | - | - | - | - | (16,221.08) |
| Share issue expenses | - | - | (0.85) | - | - | - | - | (0.85) |
| Transfer from retained earnings | 9,753.09 | - | (11,138.98) | 1,385.90 | - | - | - | - |
| Transfer to retained earnings | - | (28.71) | 1,438.23 | (1,438.24) | - | - | - | (28.72) |
| **Balance as at 31 March 2016** | **252,870.51** | **80.00** | **9,839.33** | **2,791.29** | **9.57** | **(244.76)** | **-** | **265,345.96** |
| Profit for the year | - | - | 33,000.48 | - | - | - | - | 33,000.48 |
| Other comprehensive income | - | - | - | - | 21.14 | (3,550.00) | - | (3,528.86) |
| Income tax related to items of other comprehensive income | - | - | - | - | (7.32) | 1,228.58 | - | 1,221.26 |
| Bonus issue of shares | (16,846.83) | - | - | - | - | - | - | (16,846.83) |

(₹ in Lakhs)

| Description | Reserves and surplus | | | | Other comprehensive income | | Attributable to non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| | General reserve | Capital reserve on consolidation | Retained earnings | CSR activity reserve | Exchange difference on translation of foreign operation | Remeasurement of defined benefit plans | | |
| Dividend including tax impact (refer note 37) | - | - | (28,388.36) | - | - | - | - | (28,388.36) |
| Share issue expenses | - | - | (11.79) | - | - | - | - | (11.79) |
| Transfer from retained earnings | - | - | (1,054.82) | 1,054.82 | - | - | - | - |
| Transfer to retained earnings | - | - | 1,126.35 | (1,126.35) | - | - | - | - |
| **Balance as at 31 March 2017** | **236,023.68** | **80.00** | **14,511.19** | **2,719.75** | **23.39** | **(2,566.18)** | **-** | **2,50,791.84** |

**Refer note 17 for details*
***Refer note 18 for details*

**For Arun K Agarwal and Associates**
Chartered Accountants

Sd/-
Rajesh Surolia
**Partner**
Membership No. 088008
FRN No. 003917N

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

Sd/-
Rajan Kapur
**Company Secretary**
PAN : AAIPK0926B

Sd/-
R.K Garg
**Executive Director [F&A]**
PAN : ACIPJ5332P

Sd/-
Ajay N. Deshpande
**Director [Technical]**
DIN : 03435179

Sd/-
Sanjay Gupta
**Chairman & Managing Director**
DIN : 05281731

**Place :** New Delhi
**Date :** 22 May 2017

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 51,084.10 | 43,016.52 |
| | **Adjustments for:** | | |
| | Depreciation and amortisation expense | 2,270.44 | 2,512.54 |
| | Fixed assets written off | 3.33 | 2.00 |
| | Deposits written off | 14.47 | 2.03 |
| | Bad debts written off | 55.91 | 200.48 |
| | Dry well written off | 193.59 | - |
| | Allowance for expected credit losses - trade receivables and advances (net) | 1,365.47 | (45.52) |
| | Reversal of provision for contractual obligations (net) | (1,781.87) | 932.80 |
| | Reversal of provision for expected losses (net) | (791.61) | (6,046.27) |
| | Interest expense | 318.40 | 24.74 |
| | (Profit)/loss on sale of fixed assets | (9.77) | 0.10 |
| | Interest income | (20,912.80) | (22,874.07) |
| | Loss/(gain) on modification of employee advances | 105.83 | (10.91) |
| | Amortization of deferred income | (40.08) | (25.72) |
| | Profit on sale of invesment | - | (29.68) |
| | Exchange gain on repatriation of part capital of joint venture | - | (17.52) |
| | Capital gain on redemption of investments in mutual funds | (0.86) | (39.90) |
| | Dividend income | (248.08) | (244.46) |
| | **Operating profit before working capital changes** | **31,626.47** | **17,357.16** |
| | **Movement in working capital** | | |
| | (Increase)/decrease in current and non-current loans | (161.92) | 171.31 |
| | (Increase)/decrease in inventories | (3.41) | (21.55) |
| | (Increase)/decrease in other current financial assets | (347.09) | (8,777.83) |
| | (Increase)/decrease in other current and non-current assets | (1,463.96) | 1,087.80 |
| | (Increase)/decrease in trade receivables | (3,450.95) | 3,947.18 |
| | Increase/(decrease) in other current and non-current financial liabilites | 1,368.79 | (2,871.63) |
| | Increase/(decrease) in current and non-current provisions | 9,737.27 | (621.89) |
| | Increase/(decrease) in other current and non-current liabilites | 930.01 | 18,207.53 |
| | Increase/(decrease) in trade payables | 2,025.28 | (4,365.75) |
| | **Cash flow from operating activities post working capital changes** | **40,260.49** | **24,112.33** |
| | Income tax paid (net) | (16,619.95) | (15,305.46) |
| | **Net cash flow from operating activities (A)** | **23,640.54** | **8,806.87** |

# Consolidated Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **B** | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment and investment property (including capital work-in-progress) | (4,549.08) | (3,062.20) |
| | Sale of fixed assets | 27.96 | 17.23 |
| | Interest received | 21,461.10 | 23,130.63 |
| | Dividend received | 248.08 | 244.46 |
| | Redemption of investment in fixed maturity plans of mutual funds | - | 13,533.08 |
| | Investment in liquid plans of mutual funds (net) | (36,741.68) | (1,307.43) |
| | Fixed deposit placed with banks having original maturity of more than three months | (198,792.01) | (264,814.37) |
| | Fixed deposit with banks matured having original maturity of more than three months | 251,000.81 | 241,168.91 |
| | Investment in joint ventures (net of equity pick up impact) | (12,950.00) | (1,889.00) |
| | **Net cash flows from investing activities (B)** | **19,705.18** | **7,021.31** |
| **C** | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Dividend paid (including tax) | (28,388.36) | (16,221.08) |
| | **Net cash used in financing activities (C)** | **(28,388.36)** | **(16,221.08)** |
| | Increase/(decrease) in cash and cash equivalents (A+B+C) | 14,957.36 | (392.90) |
| | Cash and cash equivalents at the begining of the year | 927.51 | 1,320.41 |
| | **Cash and cash equivalents at the end of the year** | **15,884.87** | **927.51** |

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

**For Arun K Agarwal and Associates**
Chartered Accountants

Sd/-
Rajesh Surolia
**Partner**
Membership No. 088008
FRN No. 003917N

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

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |

**Place :** New Delhi
**Date :** 22 May 2017

# Summary of significant accounting policies to the Consolidated financial statements for the year ended 31 March 2017

**1. NATURE OF PRINCIPAL ACTIVITIES**

Engineers India Limited and (referred to as "EIL" or "the Company" or "Parent Company") is a Government of India Enterprise under Ministry of Petroleum and Natural Gas. The Group operates into two major segments namely Consultancy and engineering projects and Turnkey projects.

**2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE**

The Company and its subsidiaries (referred to as "Group") are headquartered in India have their registered office situated at 1 Bhikaji Cama, New Delhi 110066, India. The shares of the Company are listed on the National Stock Exchange and the Bombay Stock Exchange.

The consolidated financial statements of the Group have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). The Group has uniformly applied the accounting policies during the period presented.

For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Group has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for the year ended 31 March 2016 are also prepared under Ind AS.

The consolidated financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on 22 May 2017.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. OVERALL CONSIDERATIONS**

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2017 and are summarised as below.

**B. BASIS OF CONSOLIDATION**

The Group financial statements comprise those of the Parent Company, all of its subsidiaries and joint venture entities as at 31 March 2017. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies-

(a) power over the investee;

(b) exposure, or rights to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect the amount of the investors' returns.

The particulars of subsidiaries considered in the consolidated financial statements are as under:

| Sl. No. | Name of the Entity | Country of Incorporation | Relationship | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|---|---|
| 1 | Certification Engineers International Limited | India | Subsidiary | 100% | 100% | 100% |
| 2 | EIL Asia Pacific Sdn. Bhd. | Malaysia | Subsidiary | -- | -- | 100% |

All of its group entities have a reporting date of 31 March except for subsidiary Company EIL Asia Pacific Sdn. Bhd. (Foreign Subsidiary of the Company) and Jabal Eiliot Co. Ltd. (Foreign Joint Venture Company) which have 31 December as their reporting date.

The Subsidiary Company EIL Asia Pacific Sdn. Bhd. (Foreign Subsidiary of the Company) has been voluntary winded up during financial year ended 31 March 2016 and as such transaction between the period 1 January 2015 to 7 August 2015 (date of winding) were considered in preparation of consolidated financial statements.

A decision was taken to dissolve the Joint Venture, Jabal Eiliot Co. Ltd. (Foreign Joint Venture Company) for which the approval was given by the Board of Directors of the Engineers India Limited on 30 January 2015. The latest unaudited available financial statements for the period 1 January 2015 to 22 January 2016 has been used in preparation of consolidated financial statements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

**C. INVESTMENT IN JOINT VENTURES AND JOINT OPERATIONS**

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

The particulars of joint venture considered in the consolidated financial statements are as under:

| Sl. No. | Name of the Entity | Country of Incorporation | Relationship | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|---|---|
| 1 | TEIL Projects Limited | India | Joint Venture | 50% | 50% | 50% |
| 2 | Jabal Eiliot Co. Ltd. | Saudi Arabia | Joint Venture | 33.33% | 33.33% | 33.33% |
| 3 | Ramagundam Fertilizers & Chemicals Limited | India | Joint Venture | 49.9898% | 49.9898% | 49.9898% |

A joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operation is generally not structured through a separate legal vehicle.

The particulars of joint operations considered in the consolidated financial statements are as under:

| Sl. No. | Name of the Entity | Country of Incorporation | Relationship | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|---|---|
| 1 | Petroleum India International (Association of Person (AOP)) | India | Joint Operation | 9.51% | 9.54% | 9.56% |
| 2 | CB-ONN-2010/11 | India | Joint Operation | 20% | 20% | 20% |
| 3 | CB-ONN-2010/08 | India | Joint Operation | 20% | 20% | 20% |

Investments in joint ventures are accounted for using the equity method whereas; joint operations are accounted using the proportionate consolidation method.

The carrying amount of the investment in joint ventures is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

**D. REVENUE RECOGNTION**

*REVENUE RECOGNTION*

Revenue from services rendered is accounted for at fair value of consideration received or receivable, excluding sales taxes and rebates. In most cases, the consideration is in the form of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable and is determined by discounting all expected receipts using an imputed rate of interest.

Revenue from services is accounted as follows:

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

Any expected loss on the construction contract shall be recognised as an expense immediately.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

*TURNOVER/WORK-IN-PROGRESS*

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

- The terms of consideration receivable by the Group has not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit or loss on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
- The terms have been agreed to at lumpsum services/turnkey contracts and outcome of job cannot be estimated reliably.

b) The cost of such jobs as stated in 'a' above is carried forward as work-in- progress at actual direct cost.

*EXPORT BENEFIT*

Export benefits constituting Service Export from India Scheme are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received.

*DIVIDEND INCOME*

Dividend on units/shares is accounted for on declaration made upto the close of the accounting year.

**E. INTANGIBLE ASSETS**

**Recognition**

Intangible assets (softwares) are stated at their cost of acquisition less accumulated amortization.

**Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of three years from the date of its acquisition. However, software individually costing upto ₹ 5 lakhs is fully amortized during the year of its acquisition.

**F. PROPERTY, PLANT AND EQUIPMENT**

**Recognition and de-recognition**

Properties plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged. When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

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

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

**G. LEASES**

**Group as a lessee**

*Finance leases*

Management applies judgment in considering the substance of a lease agreement and whether it gives substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to statement of profit and loss, as finance costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

*Operating leases*

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 straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

**Group as a lessor**

*Operating lease*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

**H. INVESTMENT PROPERTIES**

**Recognition**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

**Subsequent measurement (depreciation)**

Depreciation on investment properties is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

**De-recognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the year of de-recognition.

**I. FOREIGN CURRENCY**

*Functional and presentation currency*

The financial statements are presented in INR, which is also the functional currency of the Group.

*Foreign currency transactions and balances*

*Initial recognition*

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month in respect of Pound Sterling, US Dollars, Euro, Australian Dollar, Canadian Dollar, Swiss Franc and Japanese Yen and in respect of other currencies at Government rates prevailing in the month. However, foreign currency transactions in respect of sub-contractors/vendors are recorded at bank rate prevailing on the date of transaction.

*Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

For the foreign operations, all assets and liabilities are translated into INR using the exchange rate in effect at the balance sheet date and for revenue and expense items using the average exchange rate for respective period.

*Exchange differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

For the foreign operation of the Group, gain/(loss) arising on conversion of subsidiary/joint venture financial statements is recognised as exchange translation gain/(loss) under other comprehensive income and accumulated as foreign exchange translation reserve under the head other equity.

**J. IMPAIRMENT OF NON-FINANCIAL ASSETS**

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of profit and loss in the year of reversal and is restricted to the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**K. FINANCIAL INSTRUMENTS**

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

i. **Debt instruments at amortised cost –** A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Equity investments –** All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. **Mutual funds –** All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

*Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. This category generally applies to long-term payables and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Forward contracts**

A forward contract is recognised as an asset or a liability on the commitment date. Outstanding forward contracts as at reporting date are restated using the mark to market information and resultant gain/(loss) is accounted in statement of profit and loss.

**L. IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

**N. GOVERNMENT GRANTS**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to a revenue item, it is recognized in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.
- When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

When the Group receives grant as a non-monetary asset, the asset and the grant are recorded at fair value. The amount is then recognised in statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

**O. OIL AND GAS EXPLORATION ACTIVITIES**

The Group follows 'Successful Efforts Method' in accounting for Oil and Gas exploration and production activities as detailed below:

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

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

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

**P. RESEARCH AND DEVELOPMENT EXPENDITURE**

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year the expenditure is incurred. Capital Expenditure on Research and Development is capitalized under property, plant and equipment.

**Q. FINANCIAL GUARANTEES**

*Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

*Initial recognition*

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

*Subsequent recognition*

Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

**R. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**S. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

**T. CASH AND CASH EQUIVALENTS**

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

**U. POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS**

*Defined benefit plans*

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

*Other long-term benefits*

The liabilities for leave (earned and half pay leave) and are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Group has secured these liabilities against the plan assets. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period(using the projected unit credit method).

*Short-term employee benefits*

Short term benefits comprise of employee costs such as salaries, bonus etc. are accrued in the year in which the associated service are rendered by employees.

*Defined contribution plans*

Contributions with respect to provident fund and superannuation fund, defined contribution plans, are made to the trust set-up by the Group for the purpose.

*Other benefits*

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

**V. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**W. RECENT ACCOUNTING PRONOUNCEMENT**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Group from 1 April 2017.

**Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**X. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

*Significant management judgements*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

**Revenue –** The Group recognises revenue using the stage of completion method. This requires estimates to be made of the outcomes of long-term construction and service contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured.

**Recognition of deferred tax assets –** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of future taxable income against which the deferred tax assets can be utilized.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables –** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions –** At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

**Notes to the Consolidated Financial Statements for the year ended 31 March 2017**

**4. Property, plant and equipment**

**(₹ in Lakhs)**

| Particulars | Freehold land | Leasehold land* | Building | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Motor vehicles | Library books | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | |
| At 1 April 2015 | 298.08 | 1,753.86 | 21,558.24 | 43.54 | 1,713.53 | 1,602.01 | 3.57 | - | **26,972.83** | - |
| Additions | - | - | 2,255.44 | - | 597.57 | 212.18 | 0.05 | 2.44 | **3,067.68** | - |
| Reclassification to investment property due to change in use | (0.35) | (264.53) | (3,634.72) | - | - | (77.74) | - | - | **(3,977.34)** | - |
| Exchange difference on translation of foreign operation | - | - | - | - | 17.60 | 27.84 | - | - | **45.44** | - |
| Disposals/assets written off | - | - | (210.01) | - | (6.81) | (12.53) | - | - | **(229.35)** | - |
| **Balance as at 31 March 2016** | **297.73** | **1,489.33** | **19,968.95** | **43.54** | **2,321.89** | **1,751.75** | **3.62** | **2.44** | **25,879.26** | **-** |
| Additions | - | - | 45.90 | 3.98 | 702.68 | 46.35 | 0.07 | 3.20 | **802.18** | - |
| Exchange difference on translation of foreign operation | - | - | (0.77) | - | (4.75) | (10.38) | - | - | **(15.90)** | - |
| Transfer to investment property | - | - | (4.42) | - | - | - | - | - | **(4.42)** | - |
| Disposals/assets written off/ Adjustment | - | - | (172.39) | - | (5.58) | (9.02) | (0.15) | - | **(187.14)** | - |
| **Balance as at 31 March 2017** | **297.73** | **1,489.33** | **19,837.27** | **47.52** | **3,014.24** | **1,778.70** | **3.54** | **5.64** | **26,473.98** | **-** |
| | | | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | | | |
| At 1 April 2015 | - | - | - | - | - | - | - | - | **-** | - |
| Charge for the year | - | 21.70 | 890.15 | - | 714.78 | 254.38 | 0.70 | 2.44 | **1,884.15** | - |
| Transfer to investment property | - | (0.25) | (51.89) | - | - | (3.31) | - | - | **(55.45)** | - |
| Exchange difference on translation of foreign operation | - | - | - | - | 18.68 | 16.71 | - | - | **35.38** | - |
| Adjustments for disposals | - | - | (0.11) | - | (1.96) | (0.47) | - | - | **(2.54)** | - |
| **Balance as at 31 March 2016** | **-** | **21.45** | **838.15** | **-** | **731.50** | **267.31** | **0.70** | **2.44** | **1,861.54** | **-** |

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land* | Building | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Motor vehicles | Library books | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| Charge for the year | - | 21.46 | 854.11 | 0.03 | 743.55 | 241.43 | 0.72 | 3.20 | **1,864.50** | - |
| Transfer to investment property | - | - | (0.65) | - | - | - | - | - | **(0.65)** | - |
| Exchange difference on translation of foreign operation | - | - | (0.04) | - | (2.98) | (2.08) | - | - | **(5.10)** | - |
| Adjustments for disposals | - | - | (3.86) | - | (3.96) | (2.36) | - | - | **(10.18)** | - |
| **Balance as at 31 March 2017** | **-** | **42.91** | **1,687.71** | **0.03** | **1,468.11** | **504.30** | **1.42** | **5.64** | **3,710.11** | **-** |
| | | | | | | | | | | |
| **Net book value (deemed cost) as at 1 April 2015** | **298.08** | **1,753.86** | **21,558.24** | **43.54** | **1,713.53** | **1,602.01** | **3.57** | **-** | **26,972.83** | **1,906.09** |
| **Net book value as at 31 March 2016** | **297.73** | **1,467.88** | **19,130.80** | **43.54** | **1,590.39** | **1,484.45** | **2.92** | **-** | **24,017.71** | **1,703.56** |
| **Net book value as at 31 March 2017** | **297.73** | **1,446.42** | **18,149.56** | **47.49** | **1,546.13** | **1,274.41** | **2.12** | **-** | **22,763.86** | **1,810.11** |

**Refer note 39A for details*

**(i) Contractual obligations**

Refer to note 40B(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(ii)** Above excludes fixed assets having written down value of ₹ 0.44 lakhs (previous year 31 March 2016: ₹ 13.33 lakhs and previous year 1 April 2015: ₹ 12.00 lakhs) shown as assets held for disposal under note 'Other Current Assets'.

**(iii)** Restriction on title of property, plant and equipment, refer note 42 (ii and iii).

**(iv) Deemed cost of property plant and equipment**

(₹ in Lakhs)

| Particulars | Freehold land | Leasehold land* | Building | Plant and machinery | Computer hardware | Furniture, fixtures and office/ construction equipments | Motor vehicles | Library books | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | |
| At 1 April 2015 | 298.08 | 1,843.33 | 25,052.63 | 1,087.81 | 7,122.19 | 3,718.99 | 14.51 | 494.09 | **39,631.63** |
| **Accumulated depreciation** | | | | | | | | | |
| At 1 April 2015 | - | 89.47 | 3,494.38 | 1,044.27 | 5,408.66 | 2,116.98 | 10.94 | 494.09 | **12,658.79** |
| **Net book value (deemed cost) as at 1 April 2015** | 298.08 | 1,753.86 | 21,558.24 | 43.54 | 1,713.53 | 1,602.01 | 3.57 | - | 26,972.83 |

**5. Investment property**

(₹ in Lakhs)

| | Freehold land | Leasehold land* | Building and related fixtures/assets | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| At 1 April 2015 | - | - | 30.12 | **30.12** |
| Reclassification from property, plant and equipment due to change in use | 0.35 | 264.53 | 3,712.46 | **3,977.34** |
| Additions | - | - | 31.10 | **31.10** |
| Disposals/assets written off | - | - | - | **-** |
| **Balance as at 31 March 2016** | **0.35** | **264.53** | **3,773.68** | **4,038.56** |
| Reclassification from property, plant and equipment due to change in use | - | - | 4.42 | **4.42** |
| Additions | - | - | 7.15 | **7.15** |
| Disposals/assets written off | - | - | (16.75) | **(16.75)** |
| **Balance as at 31 March 2017** | **0.35** | **264.53** | **3,768.50** | **4,033.38** |
| | | | | |
| **Accumulated depreciation** | | | | |
| At 1 April 2015 | - | - | - | **-** |
| Reclassification from property, plant and equipment due to change in use | - | 0.25 | 55.20 | **55.45** |
| Charge for the year | - | 0.46 | 105.40 | **105.86** |
| Adjustments for disposals | - | - | - | **-** |
| **Balance as at 31 March 2016** | **-** | **0.71** | **160.60** | **161.31** |
| Reclassification from property, plant and equipment due to change in use | - | - | 0.65 | **0.65** |
| Charge for the year | - | 0.71 | 163.83 | **164.54** |
| Adjustments for disposals | - | - | (0.28) | **(0.28)** |
| **Balance as at 31 March 2017** | **-** | **1.42** | **324.80** | **326.22** |
| | | | | |
| **Net book value (deemed cost) as at 1 April 2015** | **-** | **-** | **30.12** | **30.12** |
| **Net book value as at 31 March 2016** | **0.35** | **263.82** | **3,613.08** | **3,877.25** |
| **Net book value as at 31 March 2017** | **0.35** | **263.11** | **3,443.70** | **3,707.16** |

*Refer note 39A for details

**(i) Contractual obligations**

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

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

(₹ inLakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Rental income | 554.75 | 254.46 |
| **Less:** | | |
| Direct operating expenses generating rental income | 72.57 | 3.31 |
| Direct operating expenses that did not generate rental income | 503.29 | 389.73 |
| **Profit/(Loss) from leasing of investment properties** | **(21.11)** | **(138.58)** |

**(iii) Leasing arrangements**

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

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

| Description | Fair value (₹ in lakhs) | | |
|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Residential flats | 6,144.56 | 4,692.25 | 4,155.59 |
| Land and building | 28,162.26 | 28,162.26 | 28,162.26 |
| Office premises | 693.00 | 719.87 | 706.42 |

**Fair value hierarchy and valuation technique**

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Group obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

**(v) Deemed cost value of investment property**

**(₹ inLakhs)**

| | Freehold land | Leasehold land | Building | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| At 1 April 2015 | - | - | 138.67 | **138.67** |
| **Accumulated depreciation** | | | | |
| At 1 April 2015 | - | - | 108.55 | **108.55** |
| **Net book value (deemed cost) as at 1 April 2015** | - | - | **30.12** | **30.12** |

**6A. Other intangible assets**

(₹ in Lakhs)

| | Computer software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 212.56 | **212.56** |
| Additions | 527.32 | **527.32** |
| Exchange difference on translation of foreign operation | 2.09 | **2.09** |
| Disposals/assets written off | - | **-** |
| **Balance as at 31 March 2016** | **741.97** | **741.97** |
| Additions | 769.57 | **769.57** |
| Exchange difference on translation of foreign operation | (5.34) | **(5.34)** |
| Disposals/assets written off | - | - |
| **Balance as at 31 March 2017** | **1,506.20** | **1,506.20** |
| | | |
| **Accumulated amortisation** | | |
| At 1 April 2015 | - | **-** |
| Amortisation charge for the year | 522.53 | **522.53** |
| Exchange difference on translation of foreign operation | 3.92 | **3.92** |
| Adjustments for disposals | - | **-** |
| **Balance as at 31 March 2016** | **526.45** | **526.45** |
| Amortisation charge for the year | 241.40 | **241.40** |
| Exchange difference on translation of foreign operation | (3.60) | **(3.60)** |
| Adjustments for disposals | - | - |
| **Balance as at 31 March 2017** | **764.25** | **764.25** |
| | | |
| **Net book value (deemed cost) as at 1 April 2015** | **212.56** | **212.56** |
| **Net book value as at 31 March 2016** | **215.52** | **215.52** |
| **Net book value as at 31 March 2017** | **741.95** | **741.95** |

**(i) Deemed cost value of intangible assets**

(₹ in Lakhs)

| | Computer Software | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 4,568.88 | **4,568.88** |
| **Accumulated amortisation** | | |
| At 1 April 2015 | 4,356.32 | **4,339.16** |
| **Net book value (deemed cost) as at 1 April 2015** | **212.56** | **212.56** |

**6B. Intangible assets under development**

(₹ in Lakhs)

| | Exploration and evaluation assets | Total |
|---|---|---|
| **Gross carrying amount** | | |
| At 1 April 2015 | 5.11 | **5.11** |
| Additions | 730.58 | **730.58** |
| **Balance as at 31 March 2016** | **735.69** | **735.69** |
| Additions | 3,220.17 | **3,220.17** |
| Disposals/assets written off | (193.59) | **(193.59)** |
| **Balance as at 31 March 2017** | **3,762.27** | **3,762.27** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-7** | | | |
| **A Investments accounted using equity method** | | | |
| **Equity instruments** | | | |
| **Investment in joint venture companies (unquoted)** | | | |
| TEIL Projects Limited | 12.18 | - | - |
| *5,500,000 (previous year 31 March 2016 and 1 April 2015: 5,000,000) equity shares of ₹ 10 each fully paid up* | | | |
| Jabal Eiliot Co. Ltd. | - | 3.85 | 193.07 |
| *500,000 (previous year 31 March 2016 and 1 April 2015: 500,000) shares of SR 10 each fully paid up* | | | |
| Ramagundam Fertilizers and Chemicals Limited* | 15,147.49 | 2,283.50 | 244.00 |
| *125,440,004 (previous year 31 March 2016: 15,440,004 and previous year 1 April 2015: 2,440,004) equity shares of ₹ 10 each fully paid up)* | | | |
| **Grand total (A+B+C+D)** | **15,159.67** | **2,287.35** | **437.07** |
| Aggregate book value of unquoted investments | 15,159.67 | 2,287.35 | 437.07 |

** Includes share application money for 28,000,000 shares of ₹ 10 each fully paid amounting to ₹2800.00 Lakhs against which equity shares has been allotted on 17 April 2017( Previous Year 31 March 2016 : 9,000,000 shares of ₹ 10 each fully paid amounting to ₹ 900.00 lakhs against which equity shares has been allotted on 29 April 2016)*

| | | | |
|---|---|---|---|
| **B Investments-current** | | | |
| **Fixed maturity plan of mutual funds (quoted)** | | | |
| UTI Fixed Term Income Fund Series XVIII-V (370 Days) (1 April 2015: 45,000,000 units) | - | - | 4,905.72 |
| *Direct Growth Plan of ₹ 10 each (1 April 2015: NAV - 10.9016)* | | | |
| SBI Debt Fund Series-A 17 (366 Days) (1 April 2015: 79,000,000 units) | - | - | 8,587.46 |
| *Direct Growth Plan of ₹ 10 each (1 April 2015: NAV - 10.8702)* | | | |
| **Liquid plan of mutual funds (quoted)** | | | |
| BOI AXA Liquid Fund - Direct Plan 1,067,606.675 units (Previous year 31 March 2016: 119,821.108 units) | 10,704.34 | 1,201.38 | - |
| *Daily dividend re-investment of ₹1,000 each (31 March 2017: NAV - ₹1,002.6483 and 31 March 2016: NAV -₹1,002.6483)* | | | |
| UTI - Liquid Cash Plan - Institutional - Direct Plan 2,664,372.376 units (31 March 2016: Nil units) | 27,161.83 | - | - |
| *Daily dividend re-investment of ₹ 1,000 each (31 March 2017: NAV - 1,019.4457)* | | | |
| UTI Treasury Advantage Fund - 25,609.07 units (31 March 2016: 15,874.725 units and 1 April 2015: 5,307.325 units) | 257.04 | 159.12 | 53.20 |
| *Daily dividend re-investment of ₹ 1,000 each* | | | |
| | **38,123.21** | **1,360.50** | **13,546.38** |
| Aggregate book value of quoted investments | 38,123.21 | 1,360.50 | 13,546.38 |
| Aggregate market value of quoted investments | 38,123.21 | 1,360.50 | 13,546.38 |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-8** | | | |
| **A Loans-non-current** | | | |
| **(Considered good unless otherwise stated)** | | | |
| **Secured** | | | |
| Loans to employees | 1,207.34 | 1,151.32 | 1,132.69 |
| **Unsecured** | | | |
| Security deposits | 110.74 | 201.50 | 152.93 |
| Loans to related parties: | | | |
| Loans to key managerial personnel | 4.29 | 4.78 | 5.17 |
| Loans to employees | 1,800.73 | 1,857.76 | 1,758.35 |
| | **3,123.10** | **3,215.36** | **3,049.14** |
| **B Loans-current** | | | |
| **(Considered good unless otherwise stated)** | | | |
| **Secured** | | | |
| Loans to related parties | | | |
| Loans to directors | - | - | 0.59 |
| Loans to employees | 233.22 | 237.52 | 259.69 |
| **Unsecured** | | | |
| Loans to related parties: | | | |
| Loans to directors | - | - | 0.21 |
| Loans to other key managerial personnel | 0.75 | 7.88 | 0.81 |
| Loans to employees | 583.20 | 598.39 | 582.37 |
| Security deposits | | | |
| Considered good | 522.70 | 372.86 | 341.27 |
| Considered doubtful | 0.69 | 0.69 | 0.69 |
| | **1,340.56** | **1,217.34** | **1,185.63** |
| **Less:** Allowance for expected credit losses | (0.69) | (0.69) | (0.69) |
| | **1,339.87** | **1,216.65** | **1,184.94** |
| **Note-9** | | | |
| **A Other financial asset - non-current** | | | |
| Bank deposits with maturity more than 12 months | 129.87 | 7,621.10 | 194.38 |
| Others | 2.40 | 2.41 | 2.41 |
| | **132.27** | **7,623.51** | **196.79** |

(i) The above includes bank deposits ₹ 126.21 lakhs (previous year as at 31 March 2016: ₹ 118.98 lakhs and previous year 1 April 2015: ₹ 94.08 lakhs) held as margin money/security against bank guarantees.

(ii) The above also includes interest accrued on bank deposits of ₹ 3.66 lakhs (previous year 31 March 2016: ₹ 3.12 lakhs and previous year 1 April 2015 : ₹ 5.75 lakhs)

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **B** | **Other financial assets - current** | | | |
| | **(Unsecured, considered good unless otherwise stated)** | | | |
| | Retention against contracts | 1,636.56 | 613.64 | 587.74 |
| | Work-in-progress* | | | |
| | Considered good | 787.07 | 330.25 | 50.58 |
| | Considered doubtful | 179.56 | - | - |
| | Unbilled revenue** | 32,052.22 | 35,175.23 | 27,599.63 |
| | Balances against joint venture entities | 833.00 | 833.00 | 833.00 |
| | Others | | | |
| | Considered good | 3,379.70 | 1,568.90 | 674.91 |
| | Considered doubtful | 2.67 | 2.67 | - |
| | | **38,870.78** | **38,523.69** | **29,745.86** |
| | **Less:** Allowance for expected credit losses | (182.23) | (2.67) | - |
| | | **38,688.55** | **38,521.02** | **29,745.86** |

*As taken, valued and certified by the management

**Represents Gross amount due from Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"

## Note-10

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Deferred tax assets (net)** | | | |
| **Deferred tax assets arising on:** | | | |
| Employee benefits: | | | |
| Provision for leave encashment | 7,059.44 | 5,932.72 | 5,581.40 |
| Provision for post retirement medical benefits | 6,097.48 | 4,479.71 | 4,070.77 |
| Provision for other benefits on retirement | 99.29 | 93.86 | 47.99 |
| Provision for long service awards | 223.31 | 217.36 | 600.77 |
| Provision for contractual obligations | 9,313.21 | 9,929.89 | 9,607.06 |
| Provision for estimated losses | 246.85 | 520.82 | 2,613.31 |
| Provision for compensatory off - offshore/leave | - | 8.34 | 3.94 |
| Provision for gratuity | 34.19 | 4.60 | - |
| Provision for doubtful debts and advances | 2,883.22 | 2,413.55 | 2,429.31 |
| Provision for employee related expenses allowed on payment basis | 3,224.17 | 0.40 | 1.16 |
| Others: | | | |
| Provision for loss in joint venture | 170.83 | 171.84 | 171.24 |
| Amortised cost financial instruments | 35.53 | 0.05 | 0.04 |
| Foreign currency translation reserve | 9.24 | - | - |
| **Deferred tax liabilities arising on:** | | | |
| Depreciation | (2,131.33) | (1,725.67) | (1,166.96) |
| Others | | | |
| Fair valuation of mutual fund | - | - | (378.33) |
| Income under service export of India scheme | (533.05) | (533.05) | - |
| Foreign currency translation reserve | - | (0.88) | - |
| | **26,732.38** | **21,513.54** | **23,581.70** |

**Movement in abovementioned deferred tax assets and liabilities**

| Particulars | 1 April 2015 | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2016 | Recognised in other comprehensive income | Recognised in statement of profit and loss | 31 March 2017 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Employee benefits | 10,306.03 | 351.88 | 79.08 | 10,736.99 | 1,228.45 | 4,772.44 | 16,737.88 |
| Provision for contractual obligations | 9,607.06 | - | 322.83 | 9,929.89 | - | (616.68) | 9,313.21 |
| Provision for estimated losses | 2,613.31 | - | (2,092.49) | 520.82 | - | (273.97) | 246.85 |
| Trade receivables | 2,429.31 | - | (15.76) | 2,413.55 | - | 469.67 | 2,883.22 |
| Others | 171.28 | - | 0.56 | 171.84 | - | 43.76 | 215.60 |
| **Deferred tax liabilities arising on:** | | | | | | | |
| Depreciation | (1,166.96) | - | (558.71) | (1,725.67) | - | (405.66) | (2,131.33) |
| Others | (378.33) | (0.88) | (154.67) | (533.88) | 10.10 | (9.27) | (533.05) |
| **Total** | **23,581.70** | **351.00** | **(2,419.16)** | **21,513.54** | **1,238.55** | **3,980.29** | **26,732.38** |

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-11** | | | |
| **Non-current tax assets (net)** | | | |
| Advance income tax (net of provision for taxation amounting to ₹ 29,798.02 lakhs (previous year 31 March 2016: ₹ 37,803.45 lakhs and previous year 1 April 2015 : ₹ 51,945.40 lakhs) | 724.92 | 646.72 | 807.63 |
| Advance fringe benefit tax | 11.83 | 11.83 | 15.33 |
| | **736.75** | **658.55** | **822.96** |
| **Note-12** | | | |
| **A Other non-current assets** | | | |
| **(Unsecured, considered good unless otherwise stated)** | | | |
| Capital advances | 40.53 | 36.06 | 314.00 |
| Prepaid expense and rent advance | 748.83 | 774.68 | 840.37 |
| | **789.36** | **810.74** | **1,154.37** |
| **B Other current assets** | | | |
| **(Unsecured, considered good unless otherwise stated)** | | | |
| Advances to vendors/contractors | | | |
| Considered good | 4,701.34 | 2,802.47 | 4,390.19 |
| Considered doubtful | 2.58 | 2.58 | 2.58 |
| Prepaid expenses | 576.88 | 583.45 | 505.83 |
| Deposit with statutory authorities | 653.33 | 884.83 | 191.17 |
| Assets held for sale (refer note 65) | 0.44 | 13.33 | 12.00 |
| Claims receivable | | | |
| Considered good | 12.93 | 8.89 | 8.89 |
| Considered doubtful | 10.05 | 1.79 | 286.30 |
| Advances to employees | | | |
| Considered good | 282.06 | 504.90 | 423.04 |
| Considered doubtful | 1.36 | 1.36 | 1.36 |
| Other advances | 4.39 | 3.65 | 8.00 |
| | **6,245.36** | **4,807.25** | **5,829.36** |
| **Less:** Impairment of non-financial assets | (13.99) | (5.73) | (290.24) |
| | **6,231.37** | **4,801.52** | **5,539.12** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-13** | | | |
| **Inventories** | | | |
| **(lower of cost or net realizable value)** | | | |
| Stores, spares and chemicals in hand | 108.92 | 105.51 | 83.96 |
| | **108.92** | **105.51** | **83.96** |
| **Note-14** | | | |
| **Trade receivables** | | | |
| Trade receivable | | | |
| Considered good | 39,861.29 | 37,643.89 | 42,027.87 |
| Considered doubtful | 8,142.54 | 6,964.90 | 6,728.58 |
| | **48,003.83** | **44,608.79** | **48,756.45** |
| **Less:** Allowance for expected credit loss | (8,142.54) | (6,964.90) | (6,728.58) |
| | **39,861.29** | **37,643.89** | **42,027.87** |
| **Note-15** | | | |
| **Cash and cash equivalents** | | | |
| Balances with banks in current account* | 1,991.21 | 918.21 | 1,298.08 |
| Remittance in transit | - | - | 13.15 |
| Banks deposits having maturity of less than three months** | 13,885.28 | - | - |
| Cash and stamps on hand* | 8.38 | 9.30 | 9.18 |
| | **15,884.87** | **927.51** | **1,320.41** |
| **Note-16** | | | |
| **Other bank balances** | | | |
| Unpaid dividend account | 139.12 | 77.28 | 92.95 |
| Amount held on behalf of clients | 5,031.33 | 5,099.11 | 2,066.73 |
| Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below) | 214,726.04 | 260,029.27 | 244,355.74 |
| | **219,896.49** | **265,205.66** | **246,515.42** |

** Includes ₹ 102.99 lakhs(previous year 31 March 2016: ₹91.03 lakhs and previous year 1 April 2015: ₹ 62.19 lakhs) in currencies which are not repatriable.*

*** Includes interest accrued on bank deposits ₹1.28 lakhs (previous year 31 March 2016: ₹ Nil and previous year 1 April 2015: ₹ Nil)*

**Notes:**

**(i)** *Includes bank deposits having more than twelve months original maturity of ₹ 52,920.64 Lakhs (previous year 31 March 2016: ₹ 63,111.62 lakhs and previous year 1 April 2015: ₹ 33,778.63 lakhs)*

**(ii)** *Includes bank deposits ₹ 12,471.75 Lakhs (previous year 31 March 2016: ₹ 276.19 lakhs and previous year 1 April 2015: ₹ 325.68 lakhs) held as margin money/security against bank guarantees.*

**(iii)** *Includes interest accrued on bank deposits ₹ 4,159.76 lakhs (previous year 31 March 2016: ₹ 4,778.61 lakhs and previous year 1 April 2015: ₹5,335.84 lakhs)*

**(iv) Disclosure on Specified Bank Notes (SBNs)**

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(in ₹)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 8 November 2016 | 167,000.00 | 72,603.00 | 239,603.00 |
| **Add:** Permitted receipts | - | 654,074.00 | 654,074.00 |
| **Less:** Permitted payments | - | (615,359.00) | (615,359.00) |
| **Less:** Amount deposited in banks | (167,000.00) | - | (167,000.00) |
| Closing cash in hand as on 30 December 2016 | **-** | **111,318.00** | **111,318.00** |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-17** | | | |
| **Equity share capital** | | | |
| **Authorised share capital** | | | |
| 800,000,000 (previous year 31 March 2016 and 1 April 2015: 600,000,000) equity shares of par value of ₹ 5 each | 40,000.00 | 30,000.00 | 30,000.00 |
| | **40,000.00** | **30,000.00** | **30,000.00** |
| **Issued share capital** | | | |
| 673,954,200 (previous year 31 March 2016 and 1 April 2015: 337,017,600) equity shares of par value of ₹ 5 each | 33,697.71 | 16,850.88 | 16,850.88 |
| | **33,697.71** | **16,850.88** | **16,850.88** |
| **Subscribed and paid up** | | | |
| 673,873,200 (previous year 31 March 2016 and 1 April 2015: 336,936,600) equity shares of par value of ₹ 5 each | 33,693.66 | 16,846.83 | 16,846.83 |
| **Add: Forfeited shares** | 0.01 | 0.01 | 0.01 |
| Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2016 and 1 April 2015: 2,600 equity shares of par value of ₹ 5 each ) | | | |
| | **33,693.67** | **16,846.84** | **16,846.84** |

**a) Reconciliation of shares outstanding at the beginning and at the end of the year**

| **Equity shares** | **Number** | **Number** | **Number** |
|---|---|---|---|
| Shares outstanding at the beginning of the year | 336,936,600 | 336,936,600 | 336,936,600 |
| Add : bonus shares issued during the year | 336,936,600 | - | - |
| **Shares outstanding at the end of the year** | **673,873,200** | **336,936,600** | **336,936,600** |

**b) Details of shareholders holding more than 5% equity shares in the Parent Company**

| **Name of shareholders** | **Number** | **Number** | **Number** |
|---|---|---|---|
| President of India | 384,224,594 | 200,025,251 | 233,727,299 |
| | 57.02% | 59.37% | 69.37% |
| Life Insurance Corporation of India | 27,384,340 | 18,690,269 | 15,430,085 |
| | 4.06% | 5.55% | 4.58% |

**c) Other disclosures**

| | | | |
|---|---|---|---|
| Aggregate number of equity shares having par value of ₹ 5 each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date | 336,936,600 | - | 224,624,400 |

**d) Terms and rights attached to equity shares**

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

## Note-18

**Nature and purpose of other reserves**

**General reserve**

General reserve is created out of the accumulated profits as per the provisions of Companies Act.

**Capital reserve on consolidation**

On acquisition of investments in subsidiaries by the Parent Company at different point in time, it has resulted in capital reserve on consolidation.

**Retained earnings**

All the profits made by the Group are transferred to retained earnings from statement of profit and loss.

**CSR activity reserve**

The Group is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re-measurement of defined benefit plans.

**(₹ in Lakhs)**

| | | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| **Note-19** | | | | |
| **A** | **Other financial liabilities - non-current** | | | |
| | Security deposits and retentions | 132.57 | 143.25 | 65.32 |
| | | **132.57** | **143.25** | **65.32** |
| **B** | **Other financial liabilities - Current** | | | |
| | Security deposits and retentions | 17,881.06 | 18,646.27 | 21,065.36 |
| | Capital creditors | 2,063.36 | 1,883.83 | 1,279.77 |
| | Accrued employees benefits | 3,871.41 | 1,723.37 | 2,250.99 |
| | Unpaid dividend* | 139.12 | 77.28 | 92.95 |
| | Amount held on behalf of clients | 5,031.33 | 5,099.11 | 2,066.73 |
| | Liability for equity accounted investee | - | 44.83 | 46.65 |
| | Other liabilities against joint venture entities | 833.00 | 833.00 | 833.00 |
| | | **29,819.28** | **28,307.69** | **27,635.45** |

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

| | | | | |
|---|---|---|---|---|
| **Note-20** | | | | |
| **A** | **Provisions - non-current** | | | |
| | Employees' post retirement/long-term benefits | 1,171.19 | 1,174.58 | 2,040.98 |
| | | **1,171.19** | **1,174.58** | **2,040.98** |
| **B** | **Provisions - current** | | | |
| | Employees' post retirement/long-term benefits | 17,751.67 | 4,342.01 | 3,705.39 |
| | Provision for contractual obligations | 27,057.38 | 28,839.25 | 27,906.45 |
| | Provision for expected losses | 713.28 | 1,504.89 | 7,551.16 |
| | Provision for corporate social responsibility | 90.09 | 209.09 | 226.90 |
| | | **45,612.42** | **34,895.24** | **39,389.90** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Note-21** | | | |
| **A Other non-current liabilities** | | | |
| Advances received from clients | 1,213.74 | 1,441.98 | 143.51 |
| Deferred income | 9.21 | 10.57 | 5.61 |
| | **1,222.95** | **1,452.55** | **149.12** |
| **B Other current liabilities** | | | |
| Advances received from clients | 3,714.21 | 2,380.18 | 4,944.44 |
| Income received in advance* | 42,260.68 | 42,377.64 | 21,603.43 |
| Service tax payable | 18.83 | 96.50 | 191.80 |
| Withholding for employees including employers contribution | 1,228.56 | 1,156.03 | 1,122.30 |
| Withholding for income taxes | 1,296.90 | 1,452.25 | 2,761.22 |
| Deferred income | 16.18 | 19.69 | 7.25 |
| Other liabilities | 207.84 | 141.38 | 114.85 |
| | **48,743.20** | **47,623.67** | **30,745.29** |

**Represents Gross amount due to Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"*

| | | | |
|---|---|---|---|
| **Note-22** | | | |
| **Trade payables** | | | |
| Trade and other payables (refer note 57) | 22,294.00 | 20,268.72 | 24,634.47 |
| | **22,294.00** | **20,268.72** | **24,634.47** |
| **Note-23** | | | |
| **Current tax liabilities (net)** | | | |
| Provision for taxation (net of advance tax) amounting to ₹ 16,211.32 lakhs (previous year 31 March 2016: ₹ 12,730.65 lakhs and previous year 1 April 2015 : ₹ 13,584.90 lakhs) | 6,112.33 | 382.54 | 2,825.83 |
| | **6,112.33** | **382.54** | **2,825.83** |

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Note-24** | | | |
| | **Revenue from operations** | | |
| **I** | **Consultancy and engineering services** | **118,162.67** | **101,836.39** |
| | **Increase/(decrease) in work-in-progress** | | |
| | Closing work-in-progress | 966.63 | 330.25 |
| | Less: Opening work-in-progress | 330.25 | 6.21 |
| | | **636.38** | **324.04** |
| | **Other operating income** | | |
| | Income under service export from India scheme | 815.98 | 1,540.24 |
| | **Sub-total (A)** | **119,615.03** | **103,700.67** |
| **II** | **Turnkey projects** | **28,357.56** | **50,400.19** |
| | **Increase/(decrease) in work-in-progress** | | |
| | Closing work-in-progress | - | - |
| | Less: Opening work-in-progress | - | 44.37 |
| | | **-** | **(44.37)** |
| | **Sub-total (B)** | **28,357.56** | **50,355.82** |
| | **Grantd total (A+B)** | **147,972.59** | **154,056.49** |
| **Note-25** | | | |
| | **Other income** | | |
| | Interest income | | |
| | Bank deposits | 20,198.68 | 21,706.10 |
| | Loan to employees | 311.48 | 306.50 |
| | Income-tax refunds | 71.86 | 6.08 |
| | Others | 330.78 | 855.39 |
| | Gain on modification of employee advances | - | 10.91 |
| | Amortization of deferred income | 40.08 | 25.72 |
| | Dividend income from current investments | 248.08 | 244.46 |
| | Capital gain on redemption of investments in mutual funds | 0.86 | 39.90 |
| | Funds received against research and development (netting off the utilisation) | - | - |
| | (31 March 2017: Received ₹ 80.66 lakhs and utilised ₹ 80.66 lakhs) and 31 March 2016: Received ₹ 4.08 lakhs and utilised ₹ 4.08 lakhs) | | |
| | Profit on sale of assets | 10.41 | 0.97 |
| | Gain on disposal of subsidiary | - | 29.68 |
| | Foreign exchange difference (net)* | - | 492.51 |
| | Rental income | 554.91 | 254.47 |
| | Miscellaneous income | 476.26 | 760.74 |
| | | **22,243.40** | **24,733.44** |

**Includes Nil (previous year 31 March 2016: ₹ 17.52 lakhs) towards exchange gain on repatriation of Joint Venture's part capital.*

| | | | |
|---|---|---|---|
| **Note-26** | | | |
| | **Technical assistance/sub contracts** | **16,694.08** | **21,461.63** |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Note-27** | | |
| **Construction materials and equipments** | **6,300.80** | **36,899.26** |
| **Note-28** | | |
| **Employee benefits expense** | | |
| Salaries and allowances@ | | |
| Staff | 51,737.43 | 47,808.78 |
| Directors | 190.56 | 161.02 |
| Contribution towards employees pension and provident fund and administration charges thereon | | |
| Staff | 4,295.41 | 4,045.10 |
| Directors | 13.59 | 12.81 |
| Contribution towards employees defined contributory superannuation scheme | | |
| Staff | 5,114.15 | 4,405.55 |
| Directors | 16.69 | 14.41 |
| Staff Welfare | | |
| Staff | 3,228.27 | 2,466.15 |
| Directors | 5.23 | 4.88 |
| Contribution to gratuity fund (net of contribution received from others)* | 10,657.69 | 983.75 |
| | **75,259.02** | **59,902.45** |

*@ Salaries and Allowances Includes :*

*a) Provision for bonus of ₹ 0.33 lakhs (previous year : ₹ 0.08 lakhs).*

*b) ₹ 3162.72 lakhs (previous year : ₹ 2,532.97 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.*

** Includes Term Insurance Premium paid to LIC of India.*

** Includes ₹ 9,062.88 lakhs on account provision for increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs.*

| | | |
|---|---|---|
| **Note-29** | | |
| **Finance cost** | | |
| Interest expenses | 318.40 | 24.74 |
| | **318.40** | **24.74** |
| **Note-30** | | |
| **Depreciation and amortization** | | |
| Depreciation on property, plant and equipment | 1,864.50 | 1,884.15 |
| Depreciation of investment property | 164.54 | 105.86 |
| Amortization of other intangible assets | 241.40 | 522.53 |
| | **2,270.44** | **2,512.54** |

(₹ in Lakhs)

| | | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| **Note-31** | | | |
| | **Other expenses** | | |
| **A** | **Facilities** | | |
| | Rent expense - office | 579.88 | 585.65 |
| | Rent - residential accommodation | | |
| | Staff (net of recovery of ₹ 210.50 lakhs (previous year: ₹ 183.93 lakhs)) | 1,177.40 | 1,178.64 |
| | Directors (net of recovery of ₹ 1.05 lakhs (previous year: ₹ 1.43 lakhs)) | 7.56 | 6.97 |
| | Light, water and power | 1,243.06 | 1,207.98 |
| | Insurance | 291.99 | 284.61 |
| | Miscellaneous repair and maintenance | 3,049.26 | 2,724.78 |
| | Repair and maintenance of own building | 97.10 | 133.42 |
| | Repair and maintenance of plant and machinery | 436.23 | 318.82 |
| | Hire charges of office equipments | 44.86 | 18.46 |
| | **Sub total (A)** | **6,927.34** | **6,459.34** |
| **B** | **Corporate costs** | | |
| | Bank charges | 201.57 | 171.94 |
| | Sitting fees to independent directors | 11.74 | 6.24 |
| | Advertisement for tender and recruitment | 584.73 | 594.11 |
| | Publicity | 346.74 | 357.45 |
| | Subscription | 93.45 | 138.51 |
| | Entertainment | 157.28 | 185.55 |
| | Remuneration to auditors: | | |
| | For Audit | 12.54 | 9.83 |
| | For Tax Audit | 2.35 | 2.05 |
| | Others | 10.84 | 8.59 |
| | Filing fee | 24.51 | 0.71 |
| | Legal and professional charges | 429.99 | 461.32 |
| | Licences and taxes | 444.19 | 304.72 |
| | Loss on sale of assets | 0.64 | 1.07 |
| | Foreign exchange difference (net) | 20.93 | - |
| | Fixed assets written off | 3.33 | 2.00 |
| | **Sub total (B)** | **2,344.83** | **2,244.09** |
| **C** | **Other costs** | | |
| | Consumables/stores/equipment - R&D Centre | 26.56 | 81.99 |
| | Travel and conveyance | | |
| | Directors* | 45.83 | 58.81 |
| | Others | 7,107.03 | 7,928.15 |
| | Printing, stationery and general Office supplies | 429.71 | 427.12 |
| | Newspapers and periodicals | 29.79 | 29.64 |
| | Postage and telecommunications | 537.83 | 557.15 |
| | Courier, transportation and handling | 40.84 | 53.95 |
| | Commission to foreign agents | 237.95 | 370.58 |
| | Allowance for expected credit losses - trade receivables and advances (net) | 1,365.47 | (45.52) |
| | Bad debts written off | 55.91 | 200.48 |
| | Deposits written off | 14.47 | 2.03 |
| | Dry well written off | 193.59 | - |
| | Provision for contractual obligations (net) | (1,781.87) | 932.80 |
| | Provision for expected losses (net) | (791.61) | (6,046.27) |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| (Reversal of impairment)/impairment in value of investments | - | - |
| Training Expenses | | |
| Travel | 6.34 | 24.19 |
| Others | 50.91 | 163.97 |
| CSR Expenses (Refer note below) | 1,126.35 | 1,438.24 |
| Expenditure relating to oil and gas exploration blocks | 255.88 | 172.08 |
| Loss on modification of employee advances | 105.83 | - |
| Miscellaneous expenses | 25.66 | 175.52 |
| | **9,082.47** | **6,524.91** |
| **Less: Inhouse expenditure relating to** | | |
| Capital works | (65.49) | (255.55) |
| **Sub total (C)** | **9,016.98** | **6,269.36** |
| **Grand total (A+B+C)** | **18,289.15** | **14,972.79** |

**Includes recovery of ₹ 1.38 lakhs on account of use of car (previous year : ₹ 1.32 lakhs)*

**Note:**

**Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

(a) Gross amount required to be spent during financial year ended 2016-17 - ₹ 1,054.82 lakhs (previous year: ₹ 1,385.89 lakhs)

(b) Amount spent during the financial year ended 31 March 2017 and 31 March 2016 on:

(₹ in Lakhs)

| Particulars | | In cash | Yet to be paid in cash | Total |
|---|---|---|---|---|
| (i) Construction/acquisition of any asset | 31 March 2017 | 106.81 | 47.39 | 154.20 |
| | 31 March 2016 | 755.77 | 135.84 | 891.61 |
| (ii) On purposes other than (i) above | 31 March 2017 | 929.45 | 42.70 | 972.15 |
| | 31 March 2016 | 473.38 | 73.25 | 546.63 |

(₹ in Lakhs)

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Note-32** | | |
| **Income Tax** | | |
| **Tax expense comprises of:** | | |
| Current income tax | 22,050.52 | 12,919.60 |
| Earlier years tax adjustments (net) | (6.44) | (464.61) |
| Deferred tax | (3,980.29) | 2,419.16 |
| | **18,063.79** | **14,874.15** |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 34.608% and the reported tax expense in statement of profit and loss are as follows:

| | | |
|---|---|---|
| **Statement of profit and loss** | | |
| Accounting profit before tax | 51,084.10 | 43,016.52 |
| At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%) | 17,679.19 | 14,887.16 |
| **Adjustments in respect of current income tax** | | |
| Tax expense on account of joint control operation | 3.22 | 0.85 |
| Tax impact of exempted income | (85.85) | (100.94) |
| Tax impact of expenses which will never be allowed | 480.28 | 441.24 |
| Earlier years tax adjustments (net) | (6.44) | (464.61) |
| Others | (6.61) | 110.45 |
| | **18,063.79** | **14,874.15** |

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

## Note-33

**Earnings per share (EPS)**

Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders' of the Parent Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The shareholders of the Parent Company in their extraordinary general meeting held on 23 December 2016 approved the issue of bonus shares in the ratio of 1:1, i.e. one new equity share of ₹ 5 each for one existing fully paid up equity share of ₹ 5 each held. The issue and allotment of 336,936,600 bonus shares was made by Company on 3 January 2017. Post allotment of bonus shares, Parent Company's share capital consist of 673,873,200 equity shares of ₹ 5 each amounting to ₹ 33,693.66 lakhs. Accordingly, as per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 31 March 2017 and 31 March 2016 has been computed on the basis of new numbers shares post bonus issue i.e. 673,873,200 equity shares of ₹ 5 each

| | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Profit attributable to equity shareholders (Amount in ₹ lakhs) | 33,000.48 | 27,832.30 |
| Weighted average number of equity shares | 673,873,200 | 673,873,200 |
| **Nominal value per share in ₹** | 5.00 | 5.00 |
| **Earnings per equity share in ₹** | | |
| Basic | 4.90 | 4.13 |
| Diluted | 4.90 | 4.13 |

## Note-34

**(i) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements** **(₹ in Lakhs)**

| 31 March 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Liquid plan of mutual funds | 38,123.21 | - | - | 38,123.21 |
| **Total financial assets** | **38,123.21** | **-** | **-** | **38,123.21** |

**Financial assets and liabilities measured at fair value – recurring fair value measurements**

| 31 March 2016 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Liquid plan of mutual funds | 1,360.50 | - | - | 1,360.50 |
| **Total financial assets** | **1,360.50** | **-** | **-** | **1,360.50** |

**Financial assets and liabilities measured at fair value – recurring fair value measurements**

| 1 April 2015 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Fixed maturity plan of mutual funds | - | 13,493.18 | - | 13,493.18 |
| Liquid plan of mutual funds | 53.20 | - | - | 53.20 |
| **Total financial assets** | **53.20** | **13,493.18** | **-** | **13,546.38** |

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

## Note-35

**Financial instruments**

**(i) Financial instruments by category**

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | FVTPL | Amortised cost | FVTPL | Amortised cost |
| **Financial assets** | | | | | | |
| Investments - mutual funds | 38,123.21 | - | 1,360.50 | - | 13,546.38 | - |
| Trade receivables | - | 39,861.29 | - | 37,643.89 | - | 42,027.87 |
| Loans (excluding security deposits) | - | 3,829.53 | - | 3,857.65 | - | 3,739.88 |
| Other financial assets | - | 38,820.82 | - | 46,144.53 | - | 29,942.65 |
| Cash and cash equivalents | - | 15,884.87 | - | 927.51 | - | 1,320.41 |
| Other bank balances | - | 219,896.49 | - | 265,205.66 | - | 246,515.42 |
| Security deposits | - | 633.44 | - | 574.36 | - | 494.20 |
| **Total financial assets** | **38,123.21** | **318,926.44** | **1,360.50** | **354,353.60** | **13,546.38** | **324,040.43** |

(₹ in Lakhs)

| Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | FVTPL | Amortised cost | FVTPL | Amortised cost |
| **Financial liabilities** | | | | | | |
| Trade payables | - | 22,294.00 | - | 20,268.72 | - | 24,634.47 |
| Security deposits and retentions | - | 18,013.63 | - | 18,789.52 | - | 21,130.68 |
| Other financial liabilities | - | 9,874.86 | - | 7,777.59 | - | 5,290.32 |
| Capital creditors | - | 2,063.36 | - | 1,883.83 | - | 1,279.77 |
| **Total financial liabilities** | **-** | **52,245.85** | **-** | **48,719.66** | **-** | **52,335.24** |

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

**(ii) Risk management**

The Group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

*i) Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

| Asset group | Basis of categorisation | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables and other financial assets | Life time expected credit loss or 12 month expected credit loss |
| High credit risk | Trade receivables | Life time expected credit loss or fully provided for |

In respect of trade receivables, the Group recognises a provision for lifetime expected credit loss.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Lakhs)

| Credit rating | Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 318,926.44 | 354,353.60 | 324,040.43 |
| B: Moderate credit risk | Trade receivables and other financial assets | 2,270.27 | 2,261.51 | 2,378.81 |
| C: High credit risk | Trade receivables | 6,069.18 | 4,712.48 | 4,640.70 |

*ii) Concentration of trade receivables*

The Group's exposure to credit risk for trade receivables is as follows -

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Chemical Fertilizer | 3,828.85 | 5,313.17 | 7,737.17 |
| Hydro Carbon | 40,182.59 | 35,145.86 | 37,696.30 |
| Infrastructure | 3,199.80 | 2,562.21 | 2,492.55 |
| Mettallurgy | 760.55 | 1,529.30 | 549.34 |
| Others | 32.04 | 58.25 | 281.09 |
| **Total** | **48,003.83** | **44,608.79** | **48,756.45** |

**b) Credit risk exposure**

**(i) Provision for expected credit losses**

The Group provides for 12 month expected credit losses for following financial assets –

**31 March 2017** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 15,884.87 | - | 15,884.87 |
| Other bank balances | 219,896.49 | - | 219,896.49 |
| Loans (excluding security deposits) | 3,829.53 | - | 3,829.53 |
| Security deposits | 634.13 | 0.69 | 633.44 |
| Other financial assets | 39,003.05 | 182.23 | 38,820.82 |

**31 March 2016** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 927.51 | - | 927.51 |
| Other bank balances | 265,205.66 | - | 265,205.66 |
| Loans (excluding security deposits) | 3,857.66 | - | 3,857.66 |
| Security deposits | 575.05 | 0.69 | 574.36 |
| Other financial assets | 46,147.20 | 2.67 | 46,144.53 |

**1 April 2015** **(₹ in Lakhs)**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 1,320.41 | - | 1,320.41 |
| Other bank balances | 246,515.42 | - | 246,515.42 |
| Loans (excluding security deposits) | 3,739.88 | - | 3,739.88 |
| Security deposits | 494.89 | 0.69 | 494.20 |
| Other financial assets | 29,942.65 | - | 29,942.65 |

**(ii) Expected credit loss for trade receivables under simplified approach**

**As at 31 March 2017** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 19,607.76 | 3,257.53 | 3,241.49 | 3,447.32 | 273.67 | 463.99 |
| Expected credit loss (provision) | 445.91 | 222.15 | 148.24 | 119.95 | 8.48 | 108.19 |
| Carrying amount (net of impairment) | 19,161.85 | 3,035.38 | 3,093.25 | 3,327.38 | 265.19 | 355.80 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 2,287.36 | 965.25 | 4,248.03 | 6,069.18 |
| Expected credit loss (provision) | 456.44 | 184.17 | 379.84 | 6,069.18 |
| Carrying amount (net of impairment) | 1,830.92 | 781.08 | 3,868.20 | - |

**As at 31 March 2016** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 21,475.36 | 5,120.26 | 4,137.96 | 1,948.69 | 274.01 | 2,109.77 |
| Expected credit loss (provision) | 69.55 | 270.38 | 348.84 | 14.96 | 27.87 | 164.40 |
| Carrying amount (net of impairment) | 21,405.81 | 4,849.88 | 3,789.12 | 1,933.73 | 246.14 | 1,945.37 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 1,203.91 | 1,364.69 | 2,343.47 | 4,712.48 |
| Expected credit loss (provision) | 101.56 | 51.73 | 1,203.11 | 4,712.48 |
| Carrying amount (net of impairment) | 1,102.35 | 1,312.96 | 1,140.36 | 0.00 |

**As at 1 April 2015** **(₹ in Lakhs)**

| Particulars | 0 - 90 Days | 90 - 180 Days | 180 - 270 Days | 270 - 360 Days | 360 -450 Days | 450 - 540 Days |
|---|---|---|---|---|---|---|
| Gross carrying value | 21,161.24 | 7,079.42 | 3,240.71 | 2,205.90 | 2,395.14 | 1,255.74 |
| Expected credit loss (provision) | 81.35 | 260.00 | 172.31 | 31.71 | 270.98 | 186.26 |
| Carrying amount (net of impairment) | 21,079.89 | 6,819.42 | 3,068.39 | 2,174.19 | 2,124.16 | 1,069.47 |

| Particulars | 540 - 630 Days | 630 - 720 Days | 720 - 1095 Days | >1095 Days |
|---|---|---|---|---|
| Gross carrying value | 717.23 | 1,464.78 | 4,504.15 | 4,640.70 |
| Expected credit loss (provision) | 51.87 | 112.17 | 921.23 | 4,640.70 |
| Carrying amount (net of impairment) | 665.36 | 1,352.61 | 3,582.92 | - |

**Reconciliation of loss provision – lifetime expected credit losses** **(₹ in Lakhs)**

| Reconciliation of loss allowance | Security deposits | Other financial assets | Trade receivables |
|---|---|---|---|
| **Loss allowance as on 1 April 2015** | 0.69 | - | 6,728.58 |
| Impairment loss recognised/reversed during the year | - | 2.67 | 300.89 |
| Amounts written off | - | - | (64.57) |
| **Loss allowance on 31 March 2016** | **0.69** | **2.67** | **6,964.90** |
| Impairment loss recognised/reversed during the year | - | 179.56 | 1,189.80 |
| Amounts written off | - | - | (12.16) |
| **Loss allowance on 31 March 2017** | **0.69** | **182.23** | **8,142.54** |

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities.

**(₹ in Lakhs)**

| 31 March 2017 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 22,294.00 | - | - | 22,294.00 |
| Security deposits and retentions | 17,885.92 | 99.54 | 53.22 | 18,038.68 |
| Capital creditors | 2,063.36 | - | - | 2,063.36 |
| Other financial liabilities | 9,874.86 | - | - | 9,874.86 |
| **Total** | **52,118.14** | **99.54** | **53.22** | **52,270.90** |

**(₹ in Lakhs)**

| 31 March 2016 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 20,268.72 | - | - | 20,268.72 |
| Security deposits and retentions | 18,652.17 | 107.85 | 58.05 | 18,818.07 |
| Capital creditors | 1,883.83 | - | - | 1,883.83 |
| Other financial liabilities | 7,777.59 | - | - | 7,777.59 |
| **Total** | **48,582.31** | **107.85** | **58.05** | **48,748.21** |

**(₹ in Lakhs)**

| 1 April 2015 | Less than 1 year | 1 - 2 years | 2 - 3 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Trade payable | 24,634.47 | - | - | 24,634.47 |
| Security deposits and retentions | 21,065.24 | 76.55 | 1.73 | 21,143.52 |
| Capital creditors | 1,279.77 | - | - | 1,279.77 |
| Other financial liabilities | 5,290.32 | - | - | 5,290.32 |
| **Total** | **52,269.80** | **76.55** | **1.73** | **52,348.08** |

**(C) Market risk**

**(i) Foreign exchange risk**

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Group does not hedge its foreign exchange receivables/payables.

**Foreign currency risk exposure:**

**(₹ in Lakhs)**

| Particulars | Currency | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| Trade payables, security deposits and retentions | AED | 84.62 | 417.13 |
| | USD | 9,430.48 | 9,669.88 |
| | EURO | 173.18 | 1,924.10 |
| | GBP | 341.63 | 398.98 |
| | Others | 37.00 | 92.89 |

(₹ in Lakhs)

| Particulars | Currency | 31 March 2017 | 31 March 2016 |
|---|---|---|---|
| Trade receivables and security deposits | AED | 439.89 | 1,612.14 |
| | USD | 8,481.46 | 8,624.60 |
| | EURO | 1,734.44 | 1,471.99 |
| | GBP | 1.21 | 1.43 |
| | Others | 150.45 | 32.77 |
| Cash and bank balance | AED | 261.85 | 326.39 |
| | USD | - | - |
| | EURO | - | - |
| | GBP | 1.73 | 3.46 |
| | Others | 117.98 | 106.79 |

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

| Particulars | Currency | Exchange rate increase by 1% | | Exchange rate decrease by 1% | |
|---|---|---|---|---|---|
| | | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Trade payables, security deposits and retentions | AED | 0.83 | 4.28 | (0.83) | (4.28) |
| | USD | 94.88 | 97.03 | (94.88) | (97.03) |
| | EURO | 1.72 | 19.29 | (1.72) | (19.29) |
| | GBP | 3.40 | 3.98 | (3.40) | (3.98) |
| | Others | 0.36 | 1.31 | (0.36) | (1.31) |
| | | | | | |
| Trade receivables and deposits | | | | | |
| | AED | 4.39 | 16.49 | (4.39) | (16.49) |
| | USD | 84.81 | 86.34 | (84.81) | (86.34) |
| | EURO | 17.34 | 14.72 | (17.34) | (14.72) |
| | GBP | 0.01 | 0.02 | (0.01) | (0.02) |
| | Others | 1.50 | 0.44 | (1.50) | (0.44) |
| | | | | | |
| Cash and bank balance | AED | 2.61 | 3.34 | (2.61) | (3.34) |
| | USD | - | - | - | - |
| | EURO | - | - | - | - |
| | GBP | 0.01 | 0.03 | (0.01) | (0.03) |
| | Others | 1.18 | 1.55 | (1.18) | (1.55) |

**(ii) Price risk**

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Group diversifies its portfolio of assets.

*Sensitivity analysis*

Profit or loss and equity is sensitive to higher/lower prices of instruments on the profit for the periods -

(₹ in Lakhs)

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Price sensitivity** | | |
| Price increase by (3 %)- FVTPL | 1,142.73 | 40.43 |
| Price decrease by (3 %)- FVTPL | (1,142.73) | (40.43) |

## Note-36

**Capital management**

The Company's objectives when managing capital are:

- To ensure Group's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group are summarised as follows:

**(₹ in Lakhs)**

| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Equity share capital | 33,693.67 | 16,846.84 | 16,846.84 |
| Other equity | 250,791.84 | 265,345.96 | 253,999.50 |

The Group has no outstanding debt as at the end of the respective years. Accordingly, the Group has nil capital gearing ratio as at 31 March 2017, 31 March 2016 and 1 April 2015.

## Note-37

**Dividends**

**(₹ in Lakhs)**

| Nature | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for 31 March 2016 ( ₹ 2.00 per share) (previous year 1 April 2015: ₹ 2.00 per share) | 6,738.73 | 6,738.73 |
| Dividend distribution tax on final dividend | 1,371.84 | 1,371.77 |
| Interim dividend for 31 March 2017 (₹ 2.50 per share) – Post Bonus issue 1:1 (previous year 31 March 2016: ₹ 2 per share) | 16,846.83 | 6,738.73 |
| Dividend distribution tax on Interim dividend | 3,430.96 | 1,371.85 |
| **Total** | **28,388.36** | **16,221.08** |

**(₹ in Lakhs)**

| Proposed dividend on equity shares | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Proposed Final dividend for 31 March 2017 (₹ 0.50 per share) – Post Bonus issue 1:1 (previous year 31 March 2016: ₹ 2.00 per share) | 3369.37 | 6,738.73 |
| Dividend distribution tax on Proposed dividend | 685.92 | 1,371.84 |
| **Total** | **4055.29** | **8,110.57** |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax) | | |

## Note-38

**Related party**

| Particulars | Principal place of business | Ownership interests | Accounted on |
|---|---|---|---|
| Eil Asia Pacific Sdn. Bhd. Malaysia("EILAP")* | Malaysia | 100% | Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements' |
| Certification Engineers International Limited("CEIL") | India | 100% | |
| TEIL Projects Limited("TEIL") | India | 50% | |
| Jabal Eiliot Co. Ltd. ("JABAL") | Saudi Arabia | 33.33% | |
| Ramagundam Fertilizers and Chemicals Limited("RFCL") ** | India | 50% | |

*Members voluntary winding up and proceeds amounted to ₹ 32.72 lakhs received during the previous year ended 31 March 2016.

** Includes share application money for 28,000,000 shares of ₹ 10 each fully paid amounting to ₹ 2800.00 Lakhs against which equity shares

has been allotted on 17 April 2017( Previous Year 31 March 2016 : 9,000,000 shares of ₹ 10 each fully paid amounting to ₹ 900.00 lakhs against which equity shares has been allotted on 29 April 2016).

| Sl. No. | Name of the Related Party | Nature of Relationship |
|---|---|---|
| **1.** | Certification Engineers International Limited("CEIL") | Wholly owned subsidiary |
| **2.** | Eil Asia Pacific SDN BHD("EILAP") | Wholly owned subsidiary (voluntary winded up on 7 August 2015) |
| **3.** | Petroleum India International ("PII")* | Joint operation |
| **4.** | TEIL Projects Limited ("TEIL") | Joint venture Company |
| **5.** | Jabal Eiliot Company Limited ("JABAL") | Joint venture Company |
| **6.** | Ramagundam Fertilizers And Chemicals Limited ("RFCL") | Joint venture Company |
| **7.** | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8* | Joint operation - Participating Interest 20% |
| **8.** | Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11* | Joint operation - Participating Interest 20% |
| **9.** | **Directors/key management personnel(KMP)(31 March 2017)** | |
| | Mr. Sanjay Gupta | Chairman & Managing Director and Additional Charge- Director (Projects) |
| | Mr. Sandeep Poundrik | Director (Government Nominee) |
| | Ms. Sushma Taishete | Director (Government Nominee) |
| | Mr. Ram Singh | Director (Finance) |
| | Ms. Veena Swarup | Director (Human resource) upto 30 June 2016 |
| | Mr. Ajay N. Deshpande | Director (Technical) |
| | Mr. Ashwani Soni | Director (Projects) upto 31 December 2016 |
| | Mr. Umesh Chandra Pandey | Non-Official Independent Director |
| | Mr. Vikas Khushalaro Deshpande | Non-Official Independent Director |
| | Dr. (Prof.) Mukesh Khare | Non-Official Independent Director |
| | Mrs. Arusha Vasudev | Non-Official Independent Director |
| | Ms. ShaziaIlmi Malik | Non-Official Independent Director with effect from 27 March 2017 |
| | Mr. Vipin Chander Bhandari | Director (Human resource) with effect from 26 August 2016 |
| | Mr. Rakesh Kumar Sabharwal | Director (Commercial) with effect from 27 September 2016 |
| | Mr. Sudershan Gupta | Director (CEIL) upto 30 September 2016 |
| | Mr. S.K. Handa | Director (CEIL) |
| | Mr. L.K. Vijh | Director (CEIL) |
| | Mr. R. Mahajan | Director (CEIL) |
| | Mr. R.K. Garg | Director (CEIL) w.e.f. 1 October 2016 and Director(TEIL) |
| | Mr. S.D. Kherdekar | CEO, CEIL |
| | Mr. Vivek Malhotra | CEO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative) |
| | Mr. Rajan Kapur | Company Secretary |
| **10.** | **Directors/key management personnel(KMP)(31 March 2016)** | |
| | Mr. Sanjay Gupta | Chairman and Managing Director and Additional Charge- Director (Commercial) – with effect from 1 June 2015 |
| | Mr. A. K. Purwaha | Chairman and Managing Director – Upto 31 May 2015 |
| | Mr. Sandeep Poundrik | Director (Government Nominee) –with effect from 14 July 2015 |
| | Ms. Sushma Taishete | Director (Government Nominee) –with effect from 2 January 2016 |
| | Dr. Archana S. Mathur | Director (Government Nominee) – Upto 27 October 2015 |
| | Mr. Ram Singh | Director (Finance) |
| | Ms. Veena Swarup | Director (Human Resource) |

| Sl. No. | Name of the Related Party | Nature of Relationship |
|---|---|---|
| | Mr. Ajay N. Deshpande | Director (Technical) |
| | Mr. Ashwani Soni | Director (Projects) |
| | Mr. Umesh Chandra Pandey | Non-Official Independent director –with effect from 20 November 2015 |
| | Mr. Vikas Khushalaro Deshpande | Non-Official Independent Director –with effect from 20 November 2015 |
| | Dr. (Prof.) Mukesh Khare | Non-Official Independent Director –with effect from 20 November 2015 |
| | Mrs. Arusha Vasudev | Non-Official Independent Director –with effect from 15 December 2015 |
| | Mr. Bijoy Chatterjee | Non-Official Independent Director – Upto 3 July 2015 |
| | Dr. J.P.Gupta | Non-Official Independent Director – Upto 3 July 2015 |
| | Dr. R.K.Shevgaonkar | Non-Official Independent Director – Upto 3 July 2015 |
| | Mr. Sudershan Gupta | Director (CEIL) |
| | Mr. S.K. Handa | Director (CEIL) w.e.f. 29 June 2015 |
| | Mr. L.K. Vijh | Director (CEIL) w.e.f. 21 August 2015 |
| | Mr. R. Mahajan | Director (CEIL) w.e.f. 21 August 2015 |
| | Mr. S.D. Kherdekar | CEO, CEIL |
| | Dr. Samad Bin Solbai | Director (EILAP) upto 11 February 2015 |
| | Mr. Tan Hor Seng | Director (EILAP) upto 11 February 2015 |
| | Mr. S.K. Jain | Director (TEIL) upto 31 August 2015 |
| | Mr. R.K. Garg | Director (TEIL) w.e.f. 11 December 2015 |
| | Mr. Vivek Malhotra | CEO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative) |
| | Mr. Rajan Kapur | Company Secretary |
| **11.** | **Directors/key management personnel(KMP)(1 April 2015)** | |
| | Mr. A. K. Purwaha | Chairman and Managing Director |
| | Dr. Archana S. Mathur | Director (Government Nominee) |
| | Mr. Ram Singh | Director (Finance) |
| | Mr. D. Moudgil | Director (Projects)- upto 31 August 2014 |
| | Mr. Sanjay Gupta | Director (Commercial) |
| | Ms. Veena Swarup | Director (Human Resource) |
| | Mr. Ajay N. Deshpande | Director (Technical) |
| | Mr. Ashwani Soni | Director (Projects) – with effect from 1 September 2014 |
| | Mr. Adit Jain | Non-Official Independent Director –upto 27 August 2014 |
| | Mr. Bijoy Chatterjee | Non-Official Independent Director |
| | Dr. J.P.Gupta | Non-Official Independent Director |
| | Dr. R.K.Shevgaonkar | Non-Official Independent Director |
| | Mr. D.R. Meena | Non-Official Independent Director –upto 27 August 2014 |
| | Dr. V. Vizia Saradhi | Non-Official Independent Director –upto 27 August 2014 |
| | Mr. Sudershan Gupta | Director (CEIL) |
| | Mr. S.K. Handa | Director (CEIL) w.e.f. 29 June 2015 |
| | Mr. L.K. Vijh | Director (CEIL) w.e.f. 21 August 2015 |
| | Mr. R. Mahajan | Director (CEIL) w.e.f. 21 August 2015 |
| | Mr. S.D. Kherdekar | CEO, CEIL |
| | Dr. Samad Bin Solbai | Director (EILAP) |
| | Mr. Tan Hor Seng | Director (EILAP) |
| | Mr. S.K. Jain | Director (TEIL) w.e.f. 31 October 2014 |
| | Mr. S.K. Tikku | Director (TEIL) upto 30 October 2014 |
| | Mr. Rajan Kapur | Company Secretary |

* These have been accounted for as joint operation in financial statements of the Group.

**Related party transactions**

**Transactions during the year** **(₹ in Lakhs)**

| Particulars | Year | Joint Venture Companies | | | Joint Operation | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | RFCL | TEIL | JABAL | PII | Block 2010-11 | Block 2010-8 | |
| Deputation of employees and reimbursement of expenses (at cost) | 31 March 2017 | 359.33 | 29.39 | - | - | - | - | 388.72 |
| | 31 March 2016 | 162.01 | 30.35 | - | - | - | - | 192.36 |
| Rendering of services and other transactions | 31 March 2017 | 5,127.02 | - | - | - | - | - | 5,127.02 |
| | 31 March 2016 | 1,724.60 | 2.59 | - | - | - | - | 1,727.19 |
| Bad debts written off | 31 March 2017 | - | 36.00 | - | - | - | - | 36.00 |
| | 31 March 2016 | - | 110.00 | - | - | - | - | 110.00 |
| Services and facilities received | 31 March 2017 | - | - | - | - | - | - | - |
| | 31 March 2016 | - | 146.15 | - | - | - | - | 146.15 |
| Equity divestment/repatriation of part capital | 31 March 2017 | - | - | - | - | - | - | - |
| | 31 March 2016 | - | - | 54.50 | - | - | - | 54.50 |
| Equity contribution | 31 March 2017 | 12,900.0 | 50.00 | - | - | - | - | 12,950.00 |
| | 31 March 2016 | 2,200.00 | - | - | - | - | - | 2,200.00 |
| (Reversal of Impairment)/impairment in value of investment | 31 March 2017 | - | (7.01) | 2.62 | - | - | - | (4.39) |
| | 31 March 2016 | - | (1.82) | 4.44 | - | - | - | 2.62 |
| Survey/ capital expenditure and other expenses | 31 March 2017 | - | - | - | - | 2137.01 | 1532.62 | 3,669.63 |
| | 31 March 2016 | - | - | - | - | 354.82 | 554.76 | 909.58 |
| Share of Income and Expenses | 31 March 2017 | - | - | - | 32.52 | - | - | 32.52 |
| | 31 March 2016 | - | - | - | 61.06 | - | - | 61.06 |

**Balances during the year** **(₹ in Lakhs)**

| Particulars | Year | Joint Venture Companies | | | Joint Operation | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | RFCL | TEIL | JABAL | PII | Block 2010-11 | Block 2010-8 | |
| Outstanding receivables/advances paid/ prepaid and other assets | 31 March 2017 | 40.70 | 35.84 | - | 148.57 | 332.55 | 227.43 | 785.09 |
| | 31 March 2016 | 387.79 | 55.47 | - | 286.09 | 76.32 | 0.80 | 806.47 |
| | 1 April 2015 | - | 121.76 | - | 1,405.50 | 0.80 | 0.80 | 1,528.86 |
| Outstanding payable/retentions | 31 March 2017 | - | 8.46 | - | 0.17 | 116.75 | - | 125.38 |
| | 31 March 2016 | - | 5.51 | - | 0.24 | 65.82 | 230.55 | 302.12 |
| | 1 April 2015 | - | 8.34 | - | 0.71 | - | 7.84 | 16.89 |
| Intangible assets under development & PPE | 31 March 2017 | - | - | - | 0.03 | 1,893.44 | 1,875.88 | 3,769.35 |
| | 31 March 2016 | - | - | - | 0.06 | 275.52 | 467.23 | 742.81 |
| | 1 April 2015 | - | - | - | 0.07 | 3.46 | 1.79 | 5.32 |

**Transactions and balances pertaining to KMP's** **(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Transaction during the year** | | | |
| Remuneration/sitting fees | 237.81 | 228.95 | -- |
| Rent paid for residential accommodation | 7.34 | 6.97 | -- |
| Interest income on loans given | 0.26 | 0.30 | -- |
| **Balance as at year end** | | | |
| Outstanding loans, interest and other receivables | 5.88 | 6.39 | 7.70 |

Chief Executive Officer of CEIL is on deputation from EIL and the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of man-hour cost as per agreement which are accounted for as professional charges, under the head "Manpower Services".

**Funded** **(₹ in Lakhs)**

| Defined benefit obligation for key management personnel | | | | | | |
|---|---|---|---|---|---|---|
| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Total defined benefit obligation | 87.09 | 37.97 | 83.63 | 70.77 | 51.88 | 31.78 |

**Unfunded** **(₹ in Lakhs)**

| Defined benefit obligation for key management personnel | | | | |
|---|---|---|---|---|
| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Total defined benefit obligation | 2.79 | 1.74 | 2.26 | 2.30 |

## Note-39

**A. Finance leases – lessee**

The Group has taken certain lands on long-term leases ranging 60 to 99 years and certain lands on perpetual leases from government authorities. Such lands have been classified as leasehold land and are being depreciated over the tenure of the lease except for perpetual lease land.

**B. Operating leases – lessee**

(a) The Group 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 ₹ 1,092.96 Lakhs (previous year ₹ 1,013.27 Lakhs) has been charged towards these cancellable operating leases.

(b) The Group has taken certain assets like car, commercial/residential premises etc. on non-cancellable operating leases. The leases carry renewal option to renew lease on with escalation in rent in range of 5-15%.During the year an amount of ₹ 898.91 Lakhs has been paid (previous year ₹ 950.40 Lakhs) towards these non-cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Within one year | 556.63 | 681.56 |
| Later than one year but not later than five years | 488.73 | 78.95 |
| Later than five years | - | - |

(c) The Group 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 ₹ 554.75 Lakhs (previous year: ₹ 254.46 Lakhs) has been accounted for as rental income in respect of these cancellable operating leases.

## Note-40

- **Contingent liabilities and commitments related to Engineers India Limited**

**A. Contingent Liabilities:**

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

Commercial claims including employee's claims pending in the Courts or lying with Arbitrators amounting to ₹ 11,778.07 lakhs (previous year 31 March 2016: ₹ 5,509.03 lakhs and previous year 1 April 2015: ₹4,518.75 lakhs).

b) Income tax/wealth tax assessments have been completed up to the assessment year 2014-15.

The Parent Company has filed an application for rectification u/s 154 for interest charged under section 234A amounting to ₹ 8.89 Lakhs for assessment year 2014-15 (Previous Year 31 March 2016: short credit given for Advance tax, Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 1496.59 Lakhs for assessment year 2012-13 and Previous year 1 April 2015: short credit given for Advance tax, Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 348.86 Lakhs for assessment year 2010-11 and 2011-12).

Income Tax Department is in appeal against tax demand of ₹ 373.83 Lakhs with Income Tax Appellate Tribunal, against the Commissioner of Income Tax (Appeals) Orders in Parent Company's favour for various assessment years detailed below:

| Assessment Year | Amount (₹ in lakhs) 31 March 2017 | Amount (₹ in lakhs) 31 March 2016 | Amount (₹ in lakhs) 1 April 2015 |
|---|---|---|---|
| 2002-03 | 204.22 | 204.22 | 204.22 |
| 2004-05 | 76.07 | 76.07 | 76.07 |
| 2010-11 | - | 32.26 | 32.26 |
| 2011-12 | 50.82 | 50.82 | - |
| 2012-13 | 42.72 | - | - |
| **Total** | **373.83** | **363.37** | **312.55** |

Parent Company has filed an appeal with Commissioner of Income Tax (Appeal) for an amount of ₹ 164.21 Lakhs against the order of Assessing Officer u/s 143(3) for various assessment years detailed below:

| Assessment Year | Amount (₹ in lakhs) 31 March 2017 | Amount (₹ in lakhs) 31 March 2016 | Amount (₹ in lakhs) 1 April 2015 |
|---|---|---|---|
| 2012-13 | - | 43.48 | 43.48 |
| 2013-14 | 89.56 | 89.56 | - |
| 2014-15 | 74.65 | - | - |
| **Total** | **164.21** | **133.04** | **43.48** |

The Parent Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.32 Lakhs (Previous year 31 March 2016 and 1 April 2015: ₹ 0.32 Lakhs) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

The Parent Company has filed an appeal against the order of Additional Commissioner (Appeal), Mathura before sales Tax Tribunal, Agra, which has been subsequently transferred to Sales Tax tribunal, Noida, for an amount of ₹ 18.71 Lakhs (Previous year 31 March 2016 and 1 April 2015 : ₹ 18.71 Lakhs) on account of entry tax for the year 1999-2000 against which Company has deposited an amount of ₹ 5.01 Lakhs (Previous year 31 March 2016 and 1 April 2015 : ₹ 5.01 Lakhs).

The Parent Company has filed a writ petition before Hon'ble Andhra Pradesh High Court against the VAT Assessment Order of commercial Tax Officer dated 27 August 2016 levying tax of ₹ 6,999.17 Lakhs for the period July 2011 to March 2014.

The Parent Company has filed a writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 29 July 2016 levying tax of ₹ 2,955.19 lakhs for the financial year 2009-10.

The Parent Company has filed writ petition on 17 April 2017 before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 23952.56 lakhs for the financial year 2010-11.

The Parent Company has filed a writ petition before Hon'ble Karnataka High Court for issuance of pending 'C' forms for ₹ 741.53 lakhs by the commercial tax department, Mangalore.

c) Corporate Guarantee given on behalf of Joint Venture Nil (previous year 31March 2016: ₹ 200.00 lakhs and previous year 1 April 2015: ₹ 200.00 lakhs).

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

**B. Commitments:**

a) Property, plant and equipment – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to ₹ 1,692.70 Lakhs (previous year 31 March 2016: ₹ 777.45 Lakhs and 1 April 2015: ₹ 2,182.47 Lakhs)

b) Investment property – estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount to Nil (previous year 31 March 2016: ₹ 0.56 Lakhs and 1 April 2015 : Nil).

c) The Parent Company's estimated share in work programmes committed under production sharing contract in respect of oil & gas exploration blocks as on 31 March 2017 is ₹ 1,150.49 Lakhs (previous year 31 March 2016: ₹ 4,499.07 Lakhs and 1 April 2015: ₹ 5,121.53 Lakhs)

- **Contingent liabilities and commitments related to Certification Engineers International Limited ('CEIL')**

**A. Contingent Liabilities:**

a) Income Tax assessments have been completed up to the assessment year 2014-2015. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2016-17 cannot be ascertained. Due taxes on self-assessment basis have been paid.

b) CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 42.63 Lakhs for the assessment year 2011-12.

c) CEIL has filed an application to keep the recovery proceedings for a penalty order of ₹ 1.22 Lakhs dated 30 March 17 in abeyance, since an appeal (u/s 254) has been heard by CIT (Appeals) on 24 April 2017.

d) CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 3.05 Lakhs for the assessment year 2012-13.

e) CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 84.52 Lakhs for the assessment year 2013-14.

f) CEIL has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 48.60 Lakhs in intimation u/s 143(1) for the assessment year 2014-15.

g) CEIL has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 58.53 Lakhs in intimation u/s 143(1) for the assessment year 2016-17.

h) CEIL has filed an appeal against a demand of service tax of ₹ 486.57 Lakhs (inclusive of penalty of ₹ 230.62 Lakhs) and interest thereon by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

**B. Commitments:**

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

## Note-41

a) Guarantees issued by the banks and outstanding as on 31 March, 2017: ₹ 79,986.55 Lakhs (previous year 31 March 2016: ₹ 67,889.72 Lakhs and 1 April 2015: ₹ 74,443.77 Lakhs), against which a provision of ₹ 27,191.43 Lakhs (previous year 31 March 2016: ₹ 23,337.63 Lakhs and 1 April 2015: ₹ 23,079.59 Lakhs) has been made in the books towards liability for performance guarantees/warranties.

b) Letter of credit outstanding as on 31 March, 2017: Nil (previous year 31 March 2016: ₹ 328.99 Lakhs and 1 April 2015: ₹ 3,599.88 Lakhs).

c) Corporate Guarantees issued by the Group on its behalf for contractual performance and outstanding as on 31 March, 2017: ₹ 17473.54 Lakhs (previous year 31 March 2016: ₹ 6,977.00 Lakhs and 1 April 2015: ₹ 22,471.50 Lakhs).

## Note-42

**Land and buildings**

i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2016: ₹ 0.07 Lakhs and 1 April 2015: ₹ 0.07 Lakhs) being amount invested as share money in Cooperative Housing Societies as detailed below:

| | |
|---|---|
| Twintowers Premises Cooperative Society Limited, Mumbai | 10 ordinary shares of ₹ 50 each fully paid. |
| Gardenview Premises Cooperative Society Limited, Mumbai | 10 ordinary shares of ₹ 50 each fully paid. |
| Heera Panna Towers Cooperative Housing Society Limited, Vadodara | 10 ordinary shares of ₹ 50 each fully paid. |
| Suflam Cooperative Housing Society Limited, Ahmedabad | 8 ordinary shares of ₹ 250 each fully paid |
| Darshan Co-operative Society Limited, Vadodara | 80 ordinary shares of ₹ 50 each fully paid |

ii) For the following Land and Buildings, title deed/propertycard/mutuations etc is yet to be executed in the favour of the Parent Company:

**(₹ in Lakhs)**

| | Particulars | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
|---|---|---|---|---|---|---|---|
| | | Cost | WDV | Cost | WDV | Cost | WDV |
| (a) | Four Flats at Naranpura, Ahemdabad | 10.31 | 3.79 | 10.31 | 4.03 | 10.31 | 4.28 |
| (b) | Land at Memnagar, Ahemdabad | 69.21 | 56.28 | 69.21 | 57.86 | 69.21 | 59.45 |
| (c) | Two Floors at Race course Road, Vadodara | 204.02 | 158.75 | 200.17 | 159.74 | 200.17 | 164.54 |
| (d) | Two Flats at Viman Nagar, Pune | 8.45 | 3.25 | 8.45 | 3.45 | 8.45 | 3.65 |
| (e) | Eighty Four Flats at Gokuldham Goregaon, Mumbai * | 238.19 | 43.81 | 238.19 | 49.53 | 238.19 | 55.24 |
| (f) | Six Flats in Andheri East, Mumbai | 9.93 | 0.64 | 9.93 | 0.87 | 9.93 | 1.11 |
| (g) | One Floor at CBD Belapur, Navi Mumbai | 101.68 | 42.23 | 101.68 | 44.67 | 101.68 | 47.11 |

* Out of above properties, one of the properties, at S. No. ii (e) consisting of plot measuring 6,826.90 square meters with three Buildings, comprising of 84 flats at Gokuldham, Goregaon (East), Mumbai. Around 4,400 square meter of area only is in the Parent Company's possession. The Parent Company has initiated action by filing an application for eviction under the Public Premises (Eviction of Unauthorised Occupants) Act 1971 and related proceedings under MLRC are in progress. The said property is partially presented as property, plant and equipment and partially as investment property.

## Note-43

**Useful life of assets**

i) The useful life and depreciation rates for fixed assets in terms of the Accounting Policy defined are as below :

| Sl. No. | Particulars | Rates (%age) | Useful Life (Years) | Sl. No. | Particulars | Rates (%age) | Useful Life (Years) |
|---|---|---|---|---|---|---|---|
| **1.** | **Land Freehold** | Nil | Perpetual | **4.** | **Plant and Machinery** | | |
| **2.** | **Land Leasehold** | Over a lease period except for perpetual lease Nil percentage | Over a lease period except for perpetual lease Nil percentage | | Plant and Machinery | 8.0 | 12 |
| | **Building** | | | | Laboratory Equipment | 9.6 | 10 |
| | Office Building | 2.4 | 40 | | Storage Tank | 6.0 | 16 |
| | R&D Centre, Gurgaon | 4.0 | 24 | **5.** | **Furniture and Fixtures, Office and Construction Equipment** | | |
| | Window/Split AC | 15.84 | 6 | | Furniture and Fixtures | 9.6 | 10 |
| | AC Central Plant | 6.5 | 15 | | Chairs | 16.0 | 6 |
| | Lifts | 6.5 | 15 | | Office Equipment | 19.2 | 5 |
| | Electric Power Sub Station | 9.6 | 10 | | Construction Equipment | 12.0 | 8 |
| | Invertors | 19.2 | 5 | | | | |
| | Solar photovoltaic modules | 9.6 | 10 | | | | |
| | Solar power conditioning system | 9.6 | 10 | **6.** | **Computer Software/ Hardware** | | |
| | Tube welland Pumps | 19 | 5 | | PC/Laptop/Printer | 32.43 | 3 |
| | Fire Alarm System | 6.52 | 15 | | Server, LAN and Networking Components | 19.45 | 5 |
| | Fire Fighting System | 9.5 | 10 | | Projector, Video Conference Equipments | 19.20 | 5 |
| | Chilling Plant | 9.6 | 10 | | | | |
| | Rain Harvesting System | 19.20 | 5 | | | | |
| | Building Management System | 6.5 | 15 | | Software * | 33.33 | 3 |
| | Hydraulic Access Control System | 6.5 | 15 | **7.** | **Motor Vehicles** | 13.75 | 7 |
| | Roads | 9.6 | 10 | **8.** | **Library Books** | 100 | 1 |
| | External Lighting | 9.6 | 10 | | | | |

* 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 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date* | 1,810.11 | 1,703.56 | 1,906.09 |
| **Total** | **1,810.11** | **1,703.56** | **1,906.09** |

## Note-44

The Group is primarily operating under two segments namely Consultancy and Engineering Projects and turnkey Projects. The broad heads under which income of the Group is accounted for as per provisions of Ind AS-11 (Construction Contracts) are as below:

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Consultancy and Engineering Projects | 119,615.03 | 103,700.67 |
| Turnkey Projects | 28,357.56 | 50,355.82 |
| **Total** | **147,972.59** | **154,056.49** |

## Note-45

**Disclosure relating to construction contracts**

In terms of provision of Indian Accounting Standard (Ind AS 11) "Construction Contracts", the information in respect of Lump sum services/ Turnkey Projects for contract in progress as on 31 March 2017:

a. The aggregate amount of cost incurred and recognized profit up to 31 March 2017: ₹ 756339.98 Lakhs (previous year ₹ 1,151,018.90 Lakhs).

b. The amount of advances received ₹ 4,410.71 Lakhs (previous years: 31 March 2016:₹ 3,546.01 Lakhs and 1 April 2015:₹ 4,788.97 Lakhs).

c. The amount of retention ₹1,627.92 Lakhs (previous years: 31 March 2016:₹ 605.00 Lakhs and 1 April 2015:₹ 576.92 Lakhs).

d. Gross amount due to customers for contract work amounting to ₹ 42,260.68 Lakhs (previous years: 31 March 2016: ₹42,377.64 Lakhs and 1 April 2015: ₹ 21,603.43 Lakhs)

e. Gross amount due from customers for contract work amounting to ₹ 32,052.22 Lakhs (previous years: 31 March 2016: ₹ 35,175.23 Lakhs and 1 April 2015: ₹ 27,599.63 Lakhs).

f. The estimates with respect 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 Indian Accounting Standard (Ind AS) -11 "Construction Contracts". However, it is impracticable to quantify the impact of change in estimates.

## Note-46

**Brief description of the Group's joint ventures**

**a) TEIL Projects Limited ('TEIL')**

A joint venture with Tata Projects Limited was formed in the financial year 2008-09 for pursuing projects on engineering procurement and construction basis (EPC Projects) in selected sectors such as oil and gas, fertilizers, steel, railways, power and infrastructure.

TEIL has been formed in this regard having its Registered Office at New Delhi has an Authorized capital of ₹ 1,500 Lakhs and Issued, Subscribed and Paid-up capital of ₹ 1,100 lakhs (Previous year 31 March 2016 and 1 April 2015: ₹ 1,000 lakhs) .

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00lakhs (previous years: 31 March 2016 ₹ 500.00 Lakhs and 1 April 2015 ₹ 500.00 Lakhs) are held by the Group, being 50% of paid-up capital of TEIL.

Till 31March 2016, the TEIL had negative 'other equity' to the tune of ₹ 1,089.66 Lakhs. The Group's share of negative 'other equity' ₹ 544.83 Lakhs has been accounted for as under-:

a. Impairment in value of investment to the extent of ₹ 500.00 Lakhs; and

b. Provision for related outstanding guarantee liability of ₹ 44.83 Lakhs.

During the current financial year 2016-17, TEIL had a net profit of ₹ 14.02 Lakhs. The Group's share of profit for ₹7.01 Lakhs has been recorded as reversal of impairment loss recognised in earlier years. The outstanding guarantee liability has been extinguished with the contribution of additional equity capital of ₹ 50.00 Lakhs by the Group.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

**b) Jabal Eiliot Company Limited ('Jabal')**

A joint venture with Jabal Dhahran Company Limited Saudi Arabia and IOT Infrastructure and Engineering Services Limited, Mumbai was formed during the financial year 2011-12 for execution of contracts in Saudi Arabia in the field of oil and gas, non-ferrous metallurgy, infrastructure projects etc.

The joint venture Company namely "Jabal Eiliot Company Limited" was registered with Dammam Commercial registry, Kingdom of Saudi Arabia. Jabal was formed for pursuing its business interests has an initial capital of SR. 15,000,000, out of which one third i.e. SR. 5,000,000 (Equivalent Indian ₹ 599.00 Lakhs) was contributed by the Group as its share.

Till 31 December, 2014, Jabal had incurred losses to the tune of SR 4,897,181, of which the Group's share of SR 1,632,394 (equivalent Indian ₹195.56 Lakhs at historical conversion rate) which was accounted as impairment in value of investment in Group's financial statements till 31 March 2015.

Based on unaudited financial statement for the period 1 January 2015 to 22 January 2016 the Joint Venture Company had a net loss of SR 491,608 of which the Group's share is SR 37,076 after adjustment of taxes between partners (equivalent ₹ 4.44 Lakhs at historical conversion rate) which has been accounted for as impairment in the value of investment in the financial statements of the Group for the year ended 31 March 2016.

Despite all around efforts, Jabal could not secure any EPC business (except one small order of engineering) due to extremely challenging environment coupled with the preconditions of deployment of large work force in KSA to secure business.

In the absence of any business and to arrest further losses of capital the JV partners decided to dissolve Jabal and accordingly the Board of Directors of the Company in their meeting held on 30 January 2015 passed the resolution to initiate action for dissolution and liquidation of Jabal. The process of dissolution is underway.

In view of process of dissolution, till last year the part capital of SR 3,308,713.33 (equivalent ₹ 549.85 Lakhs) has already been repatriated. The outstanding investment as on 31 March 2016 in equivalent ₹2.62 Lakhs has been impaired during the current year.

**c) Ramagundam Fertilizers and Chemicals Limited ('RFCL')**

The Company has, along with National Fertilizers Limited (NFL) and Fertilizer Corporation of India Limited (FCIL) incorporated a joint venture for setting up and operation of a gas based urea and ammonia complex in February 2015 namely Ramagundam Fertilizers and Chemicals Limited ('RFCL') having registered office in Delhi.

The Company has Authorized share capital of ₹ 150,000 Lakhs consisting 15,000 Lakhs shares of face value of ₹ 10 each.

The Shareholding of the Company, on commencement of commercial production of the project shall be in the following proportion:

National Fertilizers Limited (NFL): 26%

Engineers India Limited (EIL): 26%

The Fertilizer Corporation of India Limited (FCIL): 11%

Others: 37% (untied as on 31 March 2017)

Shareholding of 11% by FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of usable assets and other items on the land at Ramagundam to the Group.

RFCL has entered into concession agreement with FCIL on 23 March 2016 towards award of rights and concession to the Group in regard to facility area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project.

FCIL shall be allocated shares on completion of compliance of the condition precedent of the Concession Agreement, which is in progress. The paid up capital by Joint Venture Partners as on 31 March 2017 is as under:

**(in Lakhs)**

| Shareholder | 31 March 2017 | | 31 March 2016 | | 1April 2015 | |
|---|---|---|---|---|---|---|
| | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital | No. of Shares held of face value of ₹ 10 each | Paid up Share Capital |
| EIL | 1,254.40 | ₹ 12,544.00 | 154.40 | ₹ 1,544.00 | 24.40 | ₹ 244.00 |
| NFL | 1,254.40 | ₹ 12,544.00 | 154.40 | ₹ 1,544.00 | 24.40 | ₹ 244.00 |
| FCIL | 0.10 | ₹ 1.0 | 0.10 | ₹ 1.00 | 0.10 | ₹ 1.00 |
| | **2,508.90** | **₹ 25,089.00** | **308.90** | **₹ 3,089.00** | **48.90** | **₹ 489.00** |

**Summarised financial information for Joint Venture is set out below:**

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Cash and cash equivalents | 1.69 | 221.91 |
| **Current assets** | **2,752.55** | **4.17** |
| **Current assets (A)** | **2,754.24** | **226.08** |
| Non-current assets (B) | 31,648.75 | 5,475.01 |
| Current financial liabilities (excluding trade payables and provisions) | 4,107.09 | 1,133.15 |
| Trade payables and provisions | - | - |
| **Current liabilities (C)** | **4,107.09** | **1,133.15** |
| **Non-current liabilities (D)** | **-** | **-** |
| **Net assets (A+B-C-D)** | **30,295.90** | **4,567.94** |
| **Net assets recognised in consolidated financial statements** | **15,147.49** | **2,283.50** |

**Summarised Statement of profit and loss** **(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016* |
|---|---|---|
| Interest income | 30.98 | 32.40 |
| **Total revenue (A)** | **30.98** | **32.40** |
| Other expense | 79.44 | 341.48 |
| **Total expenses (B)** | **79.44** | **341.48** |
| Profit before tax (C = A-B) | (48.46) | (309.08) |
| Tax expense (D) | - | 10.28 |
| **Loss for the year (E = C-D)** | **(48.46)** | **(319.36)** |
| Other comprehensive income (F) | - | - |
| **Total comprehensive income (E-F)** | **(48.46)** | **(319.36)** |

* The comparative figures are for the period 17 February 2015 to 31 March 2016 (i.e. more than 12 month period).

## Note-47

As per Cabinet Committee on Economic Affairs (CCEA) decision, the nominated PSU (Engineers India Limited) was required to pay a commitment fee of ₹ 833.00 Lakhs to Fertilizer Corporation of India (FCIL) for revival of Ramagundam fertilizer plant so that net worth of FCIL is made positive to enable it to deregister from Board for Industrial and Financial Reconstruction(BIFR). In terms of approval, post deregistration, based on sale of assets by FCIL, the amount can be returned/adjusted, if necessary.

The approval of Board of EIL was accorded in the financial year 2013-14 for release of ₹ 833.00 lakhs towards commitment fee to FCIL subject to refund/adjustment in due course. Till date no amount has been disbursed to FCIL. Pending disbursement, if any, to FCIL, the amount has been disclosed as other current financial assets and a corresponding liability has been disclosed as other current financial liabilities in the consolidated financial statements.

Subsequent to deregistration of FCIL from BIFR, the Parent Company along with National Fertilizers Limited (NFL) and Fertilizers Corporation of India (FCIL) has formed a joint venture for setting up and operation of gas based urea and ammonia complex by incorporating the Group namely Ramagundam Fertilizers and Chemicals Limited.

## Note-48

**Employee benefits**

**Disclosure related to Engineers India Limited**

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under: **(₹ in lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 4242.16 | 3,994.13 |
| Employees Defined Contributory Superannuation Scheme | 5130.84 | 4,419.96 |

In respect of Provident Fund, the Parent Company has a separate irrevocable PF Trust, managing the Provident Fund accumulation of employees. In this regard, Actuarial valuation as on 31 March, 2017 was carried out by the Actuary to find out value of Projected Benefit Obligation arising due to interest rate guarantee by the Parent Company towards Provident Fund. In terms of said valuation there is no liability towards interest rate guarantee as on 31 March 2017, 31 March 2016 and 1 April 2015.

**Defined Benefit Plan**

Company is having the following Defined Benefit Plans:

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

**Risks associated with plan provisions**

Risks associated with the plan provisions are actuarial risks. These risks are: (i) Investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit. |
| Interest risk (discount rate risk) | A decrease in the bond interest rate (discount rate) will increase the plan liability. |
| Mortality risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table A change in mortality rate will have a bearing on the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
| Medical expense inflation risk | The present value of the defined benefit plan liability is calculated with the assumption of medical expense inflation increase rate of plan participants in future. Deviation in the rate of increase of medical expense inflation in future for plan participants from the rate of increase in medical expense used to determine the present value of obligation will have a bearing on the plan's liability. |
| Cash allowance inflation risk | The present value of the defined benefit plan liability is calculated with the assumption of cash allowance inflation increase rate of plan participants in future. Deviation in the rate of increase of cash allowance in future for plan participants from the rate of increase in cash allowance used to determine the present value of obligation will have a bearing on the plan's liability. |

**Disclosures related to funded obligations**

**a) The amounts recognized in the balance sheet** **(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (funded) | | | Post-retirement medical benefits (funded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at the end of year | 21,042.81 | 11,458.64 | 11,298.75 | 20,072.27 | 16,722.98 | 15,793.61 | 17,618.70 | 12,944.16 | 11,762.50 |
| Fair value of plan assets as at the end of the year | 11,590.58 | 11,152.44 | 10,887.81 | 16,909.34 | 14,189.78 | 13,966.16 | 12,660.71 | 11,599.12 | 10,450.94 |
| Funded status | (9,452.23) | (306.20) | (410.94) | (3,162.93) | (2,533.20) | (1,827.45) | (4,957.99) | (1,345.04) | (1,311.56) |
| **Net (asset)/liability recognized in balance sheet** | **9,452.23** | **306.20** | **410.94** | **3,162.93** | **2,533.20** | **1,827.45** | **4,957.99** | **1,345.04** | **1,311.56** |

**b) Expenses recognized in statement of profit and loss** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Current service cost | 1,439.21 | 915.81 | 3,479.52 | 2,992.60 | 356.68 | 237.17 |
| Past service cost | 8,911.92 | - | - | - | - | - |
| Interest cost on defined benefit obligation | 905.23 | 903.90 | 1,321.12 | 1,263.49 | 1,022.59 | 941.00 |
| Interest income on plan assets | (881.04) | (871.02) | (1,120.99) | (1,117.29) | (916.33) | (836.08) |
| Re-measurements | - | - | (516.93) | (605.83) | - | - |
| **Expenses recognized in statement of profit and loss** | **10,375.32** | **948.69** | **3,162.72** | **2,532.97** | **462.94** | **342.09** |

**c) Expenses recognized in Other comprehensive income** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Return on plan assets | (60.87) | (56.51) | - | - | (98.64) | (114.10) |
| Actuarial (gains)/loss | (860.52) | (585.34) | - | - | 4,593.58 | 1,116.92 |
| **Expenses recognized in other comprehensive income** | **(921.39)** | **(641.85)** | **-** | **-** | **4,494.94** | **1,002.82** |

**d) Reconciliation of opening and closing balances of defined benefit obligation** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Present value of obligations as at beginning of year | 11,458.64 | 11,298.75 | 167,22.98 | 15,793.61 | 12,944.16 | 11,762.50 |
| Interest cost | 905.23 | 903.90 | 13,21.12 | 1,263.49 | 1,022.59 | 941.00 |
| Current service cost | 1,439.21 | 915.81 | 3,479.51 | 2,992.60 | 356.68 | 237.17 |
| Actuarial (gains)/losses arising from | | | | | | |
| Changes in demographic assumptions | - | - | - | - | - | - |
| Changes in financial assumptions | 420.49 | 84.78 | (498.32) | 85.42 | 1,907.65 | 151.32 |
| Experience adjustments | (1,281.00) | (670.12) | 148.73 | (640.50) | 2,685.93 | 965.61 |
| Past service cost | 8,911.92 | - | - | - | - | - |
| Benefits paid | (811.68) | (1,074.48) | (1,101.76) | (2,771.64) | (1,298.31) | (1,113.44) |
| **Present value of obligations as at end of year** | **21,042.81** | **11,458.64** | **20,072.27** | **16,722.98** | **17,618.70** | **12,944.16** |

**e) Reconciliation of opening and closing balances of fair value of plan assets** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Fair value of plan assets as on beginning of year | 11,152.44 | 10,887.81 | 14,189.78 | 13,966.16 | 11,599.12 | 10,450.94 |
| Interest income | 881.04 | 871.02 | 1,120.99 | 1,117.29 | 916.33 | 836.08 |
| Re-measurement gain/(loss) – return on plan assets excluding amounts included in net interest expense) | 60.87 | 56.51 | 167.35 | 50.75 | 98.64 | 114.10 |
| Contributions from the employer | 307.91 | 411.58 | 2,532.98 | 1,827.22 | 1,344.93 | 1,311.44 |
| Benefits paid | (811.68) | (1,074.48) | (1,101.76) | (2,771.64) | (1,298.31) | (1,113.44) |
| Fair value of plan assets at the end of year | 11,590.58 | 11,152.44 | 16,909.34 | 14,189.78 | 12,660.71 | 11,599.12 |

**f) Actuarial Assumptions**

| | Gratuity (funded) | | | Leave encashment (funded) | | | Post-retirement medical benefits (funded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Discount rate | 7.40% | 7.90% | 8.00% | 7.40% | 7.90% | 8.00% | 7.40% | 7.90% | 8.00% |
| Expected rate of future salary increase | 9.00% | 10.00% | 10.00% | 9.00% | 10.00% | 10.00% | - | - | - |
| Increase in compensation levels | - | - | - | - | - | - | 8.00% | 7.50% | 7.50% |
| Retirement age | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | - | - | - |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

**g) Maturity profile of defined benefit obligation** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (funded) | | Post-retirement medical benefits (funded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Weighted average of the defined benefit obligation | 15 years | 15 years | | | | |
| Duration of defined benefit obligation | | | | | | |
| Duration (years) | | | | | | |
| 1 | 2,725.66 | 1,245.55 | 3,363.86 | 2,579.64 | 921.47 | 740.35 |
| 2 | 2,404.51 | 1,299.90 | 2,874.56 | 2,331.78 | 913.34 | 720.68 |
| 3 | 2,103.83 | 1,164.27 | 2,412.54 | 2,002.72 | 896.49 | 708.58 |
| 4 | 1,703.81 | 1,009.80 | 1,987.43 | 1,693.11 | 876.36 | 690.24 |
| 5 | 1,115.82 | 829.62 | 1,450.53 | 1,395.46 | 848.75 | 669.30 |
| Above 5 | 10,989.18 | 5,909.50 | 7,983.35 | 6,720.27 | 13,162.29 | 9,415.01 |
| Total | 21,042.81 | 11,458.64 | 20,072.27 | 16,722.98 | 17,618.70 | 12,944.16 |
| Duration of defined benefit payments | | | | | | |
| Duration (years) | | | | | | |
| 1 | 2,824.71 | 1,287.03 | 3,486.10 | 2,674.02 | 954.95 | 769.03 |
| 2 | 2,676.29 | 1,456.72 | 3,199.47 | 2,615.46 | 1,016.58 | 807.75 |
| 3 | 2,514.90 | 1,401.18 | 2,883.93 | 2,417.93 | 1,071.66 | 856.92 |
| 4 | 2,187.44 | 1,312.81 | 2,551.57 | 2205.72 | 1,125.11 | 900.69 |
| 5 | 1,538.56 | 1,163.76 | 2,000.08 | 1,962.44 | 1,170.31 | 942.36 |
| Above 5 | 34,636.84 | 19,638.57 | 18,151.23 | 16,465.86 | 69,199.17 | 49,941.45 |
| Total | 46,378.74 | 26,260.07 | 32,272.38 | 28,341.43 | 74,537.78 | 54,218.20 |

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

| | Gratuity (funded) | | | Leave encashment (funded) | | | Post-retirement medical benefits (funded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Fund managed by insurer | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

**i) Sensitivity analysis** **(₹ in Lakhs)**

| Sensitivity analysis in respect of gratuity | | | | | | |
|---|---|---|---|---|---|---|
| Particulars | Change in Assumption | | Increase in defined benefit obligation | | Decrease in defined benefit obligation | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 1,755.58 | 924.04 | 1,497.56 | 793.41 |
| Expected rate of future salary increase | +/-1% | +/-1% | 380.56 | 123.10 | 429.86 | 138.83 |

**(₹ in Lakhs)**

| Sensitivity analysis in respect of leave encashment | | | | | | |
|---|---|---|---|---|---|---|
| Particulars | Change in Assumption | | Increase in defined benefit obligation | | Decrease in defined benefit obligation | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 1,066.73 | 908.07 | 957.67 | 814.55 |
| Expected rate of future salary increase | +/-1% | +/-1% | 1,040.12 | 881.30 | 952.62 | 806.75 |

**(₹ in Lakhs)**

| Sensitivity analysis in respect of post-retirement medical benefits | | | | | | |
|---|---|---|---|---|---|---|
| Particulars | Change in Assumption | | Increase in defined benefit obligation | | Decrease in defined benefit obligation | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 2,547.75 | 1,705.03 | 2,033.14 | 1,383.05 |
| Expected rate of future salary increase | +/-1% | +/-1% | 2,201.90 | 1,449.07 | 1,772.64 | 1,183.06 |

***Changes in Defined benefit obligation due to 1% Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (f) above, where assumptions for prior period are given.

**Disclosures related to unfunded obligations**

**a) The amounts recognized in the balance sheet** **(₹ in Lakhs)**

| | Long service award (unfunded) | | | Other benefits on retirement (unfunded) | | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at the end of year | 626.31 | 612.45 | 1,721.53 | 279.68 | 271.21 | 138.65 |
| Funded status | (626.31) | (612.45) | (1,721.53) | (279.68) | (271.21) | (138.65) |
| Net (asset)/liability recognized in balance sheet | 626.31 | 612.45 | 1,721.53 | 279.68 | 271.21 | 138.65 |

**b) Expenses recognized in statement of profit and loss** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Current service cost | 39.37 | 37.38 | 14.21 | 13.72 |
| Past Service Cost | - | (1109.87) | - | 133.29 |
| Interest cost | 48.38 | 137.72 | 21.42 | 11.09 |
| Re-measurements | 28.04 | (14.69) | - | - |
| **Expenses recognized in statement of profit and loss** | **115.79** | **(949.46)** | **35.63** | **158.10** |

**c) Expenses recognized in other comprehensive income** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Return on plan assets | - | - | - | - |
| Actuarial (gains)/losses | - | - | 0.09 | (1.44) |
| Expenses recognized in other comprehensive income | - | - | 0.09 | (1.44) |

**d) Reconciliation of opening and closing balances of defined benefit obligation** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Present value of obligations as at beginning of year | 612.45 | 1,721.53 | 271.21 | 138.65 |
| Interest cost | 48.38 | 137.72 | 21.42 | 11.09 |
| Current service cost | 39.37 | 37.38 | 14.21 | 13.72 |
| Actuarial (gains)/losses arising from | | | | |
| Changes in demographic assumptions | - | - | - | - |
| Changes in financial assumptions | 16.58 | 3.14 | 9.54 | 1.82 |
| Experience adjustments | 11.46 | (17.83) | (9.45) | (3.26) |
| Past service cost, including losses/(gains) on Curtailments | - | (1,109.87) | - | 133.29 |
| Benefits paid | (101.94) | (159.62) | (27.25) | (24.10) |
| **Present value of obligations as at end of year** | **626.30** | **612.45** | **279.68** | **271.21** |

**e) Actuarial Assumptions**

| | Long service award (unfunded) | | | Other benefits on retirement (unfunded) | | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Discount rate | 7.40% | 7.90% | 8.00% | 7.40% | 7.90% | 8.00% |
| Increase in compensation levels | - | - | - | 5.00% | 5.00% | 5.00% |
| Rate of Increase in price of Gold in the long run | - | - | 12.00% | - | - | - |
| Rate of Increase in price of Silver in the long run | - | - | 12.00% | - | - | - |

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08).

**f) Maturity profile of defined benefit obligation** **(₹ in Lakhs)**

| | Long service award (unfunded) | | Other benefits on retirement (unfunded) | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Weighted average of the defined benefit obligation | - | - | - | - |
| Duration of defined benefit obligation | | | | |
| Duration (years) | | | | |
| 1 | 105.01 | 70.28 | 38.13 | 30.02 |
| 2 | 89.08 | 94.41 | 34.89 | 33.95 |
| 3 | 57.64 | 58.52 | 30.59 | 31.79 |
| 4 | 45.23 | 39.72 | 25.29 | 27.51 |
| 5 | 40.73 | 36.99 | 14.02 | 22.54 |
| Above 5 | 288.61 | 312.53 | 136.76 | 125.40 |
| Total | 626.30 | 612.45 | 279.68 | 271.21 |
| Duration of defined benefit payments | | | | |
| Duration (years) | | | | |
| 1 | 108.83 | 73.01 | 39.51 | 30.91 |
| 2 | 99.15 | 109.96 | 38.83 | 38.09 |
| 3 | 68.90 | 72.87 | 36.56 | 38.22 |
| 4 | 58.07 | 53.66 | 32.46 | 35.72 |
| 5 | 56.16 | 53.93 | 19.33 | 31.56 |
| Above 5 | 667.38 | 683.39 | 416.69 | 404.76 |
| Total | 1,058.49 | 1,046.82 | 583.38 | 579.26 |

**g) Sensitivity analysis** **(₹ in Lakhs)**

| Sensitivity analysis in respect of long service award | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 36.26 | 31.52 | 32.24 | 31.91 |

(₹ in Lakhs)

| Sensitivity analysis in respect of other benefits of retirement | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Change in Assumption** | | **Increase in defined benefit obligation** | | **Decrease in defined benefit obligation** | |
| | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** | **31 March 2017** | **31 March 2016** |
| Increase/(Decrease) in discount rate | +/-1% | +/-1% | 21.46 | 19.75 | 18.41 | 17.08 |
| Expected rate of future salary increase | +/-1% | +/-1% | 21.76 | 20.13 | 18.97 | 17.67 |

***Changes in Defined benefit obligation due to 1 % Increase/Decrease in Mortality Rate, if all other assumptions remain constant is negligible.**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined obligation has been calculated using the projected unit credit method at the end of the report period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There is no change in the method of the valuation for the prior period. For change in assumption please refer to table (e) above, where assumptions for prior period, if applicable, are given.

**Disclosure related to Certification Engineers International Limited ('CEIL')**

**Defined contribution plan**

The amount recognized as an expense in defined contribution plan is as under: (₹ in Lakhs)

| **Particulars** | **31 March 2017** | **31 March 2016** |
|---|---|---|
| Contributory Provident Fund and Employees' Pension Scheme, 1995 | 66.84 | 63.79 |

**Defined Benefit Plan**

Defined Benefit Plans are as follows:

- Gratuity (funded)
- Leave encashment (unfunded)
- Long service awards (unfunded)

In this regard, actuarial valuation as on 31 March, 2017 was carried out by actuary in respect of all three plans, and the details are as under:

**Risks associated with plan provisions**

| | |
|---|---|
| Inherent risk | The plan is of a final salary defined benefit in nature which is sponsored by the CEIL and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the CEIL that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks |

**Disclosures related to funded obligations**

**a) The amounts recognized in the balance sheet** (₹ in Lakhs)

| | **Gratuity (funded)** | | | **Leave encashment (unfunded)** | | | **Long service awards (unfunded)** | | |
|---|---|---|---|---|---|---|---|---|---|
| | **31 March 2017** | **31 March 2016** | **1 April 2015** | **31 March 2017** | **31 March 2016** | **1 April 2015** | **31 March 2017** | **31 March 2016** | **1 April 2015** |
| Present value of obligations as at the end of year | 270.09 | 173.10 | 136.54 | 325.98 | 419.59 | 332.79 | 18.94 | 15.60 | 14.40 |
| Fair value of plan assets as at the end of the year | 171.30 | 159.82 | 147.50 | - | - | - | - | - | - |
| Funded status | (98.79) | (13.28) | 10.96 | (325.98) | (419.59) | (332.79) | (18.94) | (15.60) | (14.40) |
| **Net (asset)/liability recognized in balance sheet** | **98.79** | **13.28** | **(10.96)** | **325.98** | **419.59** | **332.79** | **18.94** | **15.60** | **14.40** |

**b) Expenses recognized in statement of profit and loss** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (unfunded) | | Long service awards (unfunded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Current service cost | 11.52 | 10.35 | 95.25 | 81.32 | 2.57 | 2.33 |
| Past service cost | 96.99 | - | - | - | - | - |
| Interest on net benefit asset/liability | 0.62 | (0.87) | 29.35 | 24.76 | 1.03 | 1.14 |
| Re-measurements gains/losses | - | - | (106.12) | 35.47 | (1.33) | 2.32 |
| **Expenses recognized in statement of profit and loss** | **109.14** | **9.47** | **18.44** | **141.57** | **2.28** | **5.79** |

**c) Expenses recognized in Other comprehensive income** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (unfunded) | | Long service awards (unfunded) | |
|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Actuarial (gains)/loss | - | - | - | - | - | - |
| Change in financial assumption | (19.61) | 10.21 | - | - | - | - |
| Change in demographic assumption | - | 5.01 | - | - | - | - |
| Experience adjustments | (2.90) | 0.04 | - | - | - | - |
| Actual return on plan assets | (1.11) | (0.51) | - | - | - | - |
| **Expenses recognized in other comprehensive income** | **(23.62)** | **14.76** | **-** | **-** | **-** | **-** |

**d) Reconciliation of opening and closing balances of defined benefit obligation** **(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Present value of obligations as at beginning of year | 173.10 | 136.54 | 116.62 | 419.59 | 332.79 | 279.75 | 15.60 | 14.40 | 12.49 |
| Interest cost | 12.66 | 10.92 | 9.33 | 29.35 | 24.76 | 26.56 | 1.14 | 1.03 | 1.15 |
| Current service cost | 11.52 | 10.35 | 9.40 | 95.21 | 81.32 | 71.79 | 2.33 | 2.57 | 2.84 |
| Past service cost | 96.99 | - | - | - | - | - | - | - | - |
| Actuarial (gain)/loss on obligations | (22.51) | 15.28 | 1.20 | (106.12) | 35.48 | (9.57) | 2.32 | (1.34) | (0.15) |
| Benefit paid | (1.66) | - | - | (112.06) | (54.77) | - | (2.45) | (1.07) | (1.93) |
| **Present value of obligations as at end of year** | **270.09** | **173.10** | **136.54** | **325.98** | **419.59** | **332.79** | **18.94** | **15.60** | **14.40** |

**e) Reconciliation of opening and closing balances of fair value of plan assets** **(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Fair value of plan assets as on beginning of year | 159.81 | 147.50 | 115.73 | - | - | - | - | - | - |
| Interest on plan assets | 12.03 | 11.80 | 12.17 | - | - | - | - | - | - |
| Re-measurements due to actual return on plan assets less interest on plan assets | 1.11 | 0.51 | - | - | - | - | - | - | - |

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Contributions | - | - | 19.60 | - | - | - | - | - | - |
| Benefits paid | (1.66) | - | - | - | - | - | - | - | - |
| **Fair value of plan assets at the end of year** | **171.30** | **159.82** | **147.50** | **-** | **-** | **-** | **-** | **-** | **-** |

**f) Actuarial Assumptions** **(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Discount rate | 7.50% | 7.50% | 8.00% | 7.50% | 7.50% | 8.00% | 7.50% | 7.50% | 8.00% |
| Expected rate of future salary increase | 9.00% | 10.00% | 10.00% | 9.00% | 10.00% | 10.00% | 9.00% | 10.00% | 10.00% |
| Retirement age | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years | 60 years |

4) Mortality rates inclusive of provision for disability -100% of IALM (2006 –08)

5) Rates of leaving service at specimen ages are as shown below-:

| Age (Years) | Rates (p.a.) |
|---|---|
| 21 – 30 | 10% |
| 31 – 40 | 5% |
| 41 – 50 | 3% |
| 51 – 59 | 2% |

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

**g) Maturity profile of defined benefit obligation** **(₹ in Lakhs)**

| | Gratuity (funded) | | Leave encashment (Earned leave) (unfunded) | | Leave encashment (Sick leave) (unfunded) | | Long service awards (unfunded) | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Weighted average of the defined benefit obligation | 12.87 years | 12.33 years | 9.10 years | 6.96 years | 7.47 years | 6.25 years | 4.46 years | 5.21 years |
| Duration of defined benefit obligation | | | | | | | | |
| Duration (years) | | | | | | | | |
| 1 | 11.12 | 8.58 | 18.92 | 37.77 | 10.97 | 18.70 | 5.50 | 0.80 |
| 2 | 11.10 | 8.69 | 18.64 | 35.39 | 10.88 | 17.70 | 2.76 | 4.48 |
| 3 | 11.17 | 8.74 | 18.43 | 33.33 | 10.82 | 16.81 | 0.57 | 2.36 |
| 4 | 29.04 | 8.89 | 27.45 | 31.53 | 10.77 | 15.98 | 2.04 | 0.51 |
| 5 | 10.95 | 17.69 | 17.23 | 35.26 | 9.99 | 15.21 | 0.63 | 1.77 |
| 6 | 10.87 | 9.05 | 16.99 | 27.26 | 9.96 | 13.33 | 3.38 | 0.55 |
| 7 | 10.62 | 9.00 | 16.79 | 25.80 | 9.95 | 12.70 | 1.68 | 2.78 |
| 8 | 10.95 | 8.83 | 16.76 | 24.46 | 9.95 | 12.14 | 0.43 | 1.42 |
| 9 | 11.32 | 9.14 | 16.78 | 23.36 | 9.97 | 11.61 | 1.40 | 0.38 |
| Above 10 | 741.40 | 444.66 | 352.81 | 275.65 | 109.31 | 99.68 | 9.40 | 9.12 |

**h) Major Categories of Plan Assets (as percentage of total plan assets)** **(₹ in Lakhs)**

| | Gratuity (funded) | | | Leave encashment (unfunded) | | | Long service awards (unfunded) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Fund managed by insurer | 100% | 100% | 100% | - | - | - | - | - | - |

**i) Sensitivity analysis**

**Gratuity (funded)** **(₹ in Lakhs)**

| Particulars | Discount rate | | Salary escalation rate | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -6.16% | -5.90% | 3.95% | 1.47% |
| Impact of decrease in 50 bps on defined benefit obligation | 6.73% | 6.45% | -4.25% | -1.61% |

**Leave encashment (Earned Leave) (unfunded)**

| Particulars | Discount rate | | Salary escalation rate | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -4.39% | -3.37% | 4.63% | 3.49% |
| Impact of decrease in 50 bps on defined benefit obligation | 4.72% | 3.59% | -4.35% | -3.31% |

**Leave encashment (Sick Leave) (Unfunded)**

| Particulars | Discount rate | | Salary escalation rate | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -3.62% | -3.04% | 3.78% | 3.13% |
| Impact of decrease in 50 bps on defined benefit obligation | 3.86% | 3.22% | -3.59% | -2.99% |

**Long service awards (unfunded)**

| Particulars | Discount rate | | Salary escalation rate | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Impact of increase in 50 bps on defined benefit obligation | -2.00% | -2.34% | -2.24% | -2.62% |
| Impact of decrease in 50 bps on defined benefit obligation | 2.10% | 2.46% | 2.34% | 2.74% |

## Note-49

The wage revision in respect of employees is due from 01 January 2017. In accordance with recommendation of 3rd Pay Revision Committee constituted by Department of Public Enterprises, the Parent Company on estimated basis has provided wage revision liabilities in respect of employees for the period 01 January 2017 to 31 March 2017. The additional liability in respect of HRA/perquisites has not been provided, since these were revised prospectively in past from the date of presidential directives issued in this regard.

In terms of Committee's recommendations, the ceiling of gratuity to be enhanced from ₹ 10 lakhs to ₹ 20 lakhs w.e.f. 01 January 2017. Accordingly, the Parent Company has provided the estimated liability as on 31 March 2017 on account of gratuity as per actuarial valuation based on ceiling of ₹ 20 lakhs. The impact of the same including for employees separated between periods 01 January 17 to 31 March 17 amounting to ₹ 9062.88 lakhs has been charged to Statement of Profit and Loss.

## Note-50

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

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

Based on audited financial statements of Block No. CB-ONN-2010/08 and unaudited available information for CB-ONN-2010/11 the revenue expenditure and capital expenditure has been accounted for in financial statements for year ended 31 March 2017 is as follows-:

**(₹ in Lakhs)**

| Particular | 31 March 2017 | 31 March 2016 |
|---|---|---|
| Revenue expenditure | 255.88 | 172.08 |
| Drywell written off | 193.59 | - |
| Capital expenditure | 3220.17 | 737.50 |

In block No. CB-ONN-2010/08 and CB-ONN-2010/11 one of the consortium members has defaulted in its obligation towards cash calls. In accordance with joint operating agreement the lead operator has raised default cash calls and as such proportionate share amounting to₹ 526.60 Lakhs (previous years: 31 March 2016 : ₹ 74.82 Lakhs and 1 April 2015 :Nil) in respect of same has been paid and accounted for as other current asset.

## Note-51

**Segment reporting**

In line with Indian Accounting Standard (Ind AS108) "Operating Segments", the Group has (segmented) identified its business activity into two business segment i.e. Consultancy and Engineering Projects and Turnkey Projects, taking into account the organizational structure and internal reporting system as well as different risk and rewards of these segments. Segment results are given below:

**(₹ in Lakhs)**

| Particulars | 31 March 2017 | 31 March 2016 |
|---|---|---|
| **Segment revenue** | | |
| Consultancy and engineering projects | 119,615.03 | 103,700.67 |
| Turnkey projects | 28,357.56 | 50,355.82 |
| **Total** | **147,972.59** | **154,056.49** |
| **Segment profit** | | |
| Consultancy and engineering projects | 37,165.07 | 27,698.59 |
| Turnkey projects | 10,355.12 | 1,218.41 |
| **Total (a)** | **47,520.19** | **28,917.00** |
| Interest | 318.40 | 24.74 |
| Other un-allocable expenditure * | 18,361.09 | 10,609.18 |
| **Total (b)** | **18,679.49** | **10,633.92** |
| **Other income (c)** | **22,243.40** | **24,733.44** |
| **Profit before tax (a-b+c)** | **51,084.10** | **43,016.52** |
| Less: Tax Expense | 18,063.79 | 14874.15 |
| **Profit after Tax** | **33,020.31** | **28,142.37** |
| Less: Share of Loss in joint venture entities | 19.83 | 310.07 |
| **Profit for the Year** | **33,000.48** | **27,832.30** |
| **Capital employed**** | **284,485.51** | **282,192.80** |

* Includes ₹ 9,062.88 lakhs on account of provision for increase in gratuity ceiling from ₹ 10 lakhs to ₹ 20 lakhs with effect from 01 January 2017.

** Property Plant and Equipment and other assets used in the Company's business or segment liabilities contracted have not been identified to any of the reportable segments, as these assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made and capital employed has been presented.

**Geographical information with respect to segment revenue of Parent Company**

**(₹ in Lakhs)**

| Country Name | Consultancy and engineering projects | | Turnkey projects | |
|---|---|---|---|---|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| India | 86,447.02 | 67,823.28 | 28,357.56 | 50,355.82 |
| Nigeria | 17,776.44 | 14,769.35 | - | - |
| United Arab Emirates (UAE) | 2,543.07 | 5,618.34 | - | - |
| Algeria | 4,104.64 | 3,454.76 | - | - |
| Oman | 2,064.76 | 3,373.23 | - | - |
| Others | 3,570.82 | 5,706.69 | - | - |
| **Total** | **116,506.75** | **100,745.65** | **28,357.56** | **50,355.82** |

**Segment revenue with major customers of Parent Company**

During the year 31 March 2017, ₹ 38,754.01 Lakhs (31 March 2016: ₹ 31,886.59 Lakhs) of the Group's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two customers.

During the year 31 March 2017, ₹ 28,109.56 Lakhs (31 March 2016: ₹ 46,235.38 Lakhs) of the Group's revenues, each individually exceeding 10% in the turnkey projects segment was generated from four (31 March 2016: two) customers.

## Note-52

In one of the turnkey project executed by the Group, there was a delay in completion of the project. In terms of provisions of applicable Accounting Standards, the Group in earlier years had reduced the contract price to the extent of liquidated damages leviable as per the provisions of the contract. During the current year, the Group has received time extension without applicability of liquidated damages from the client and accordingly the Group has recognized revenue to the extent of ₹ 3857.56 lakhs in its financial books and, as such, segment revenue and profits for the turnkey projects includes the above amount.

In one of the turnkey project, the Group had terminated a contract and encashed the performance guarantee of ₹ 2719.41 lakhs submitted by the contractor. The encashment proceeds of performance guarantee have been reduced from cost of the completion of the project, resulting into incremental revenue & profit from Turnkey segment by ₹ 2667.04 lakhs.

## Note-53

**Disclosure relating to AOP**

The Group is having investment in Petroleum India International (PII), an Association of Person (AOP). PII, since financial year 2010-11 has ceased its business activities and is in the process of dissolution.

The process of dissolution is not completed due to pending activity relating to

a) Income tax assessment/appeals/refunds/rectification/nullification of demands etc.

b) Service tax refunds.

c) Pending dispute with Bank of Baroda regarding FD of ₹ 55.00 Lakhs (approximately) on which lien has been marked towards demand that could arise from Saudi British Bank.

Since, the dissolution of PII is not completed due to above factors, Management Committee of PII in their 57th Meeting held on 18 February 2016 at BPCL, Mumbai decided to return all monies forthwith except for retaining some amount to the members of PII.

Due to above decision, the Group has received an amount of ₹ 1,350.00 Lakhs (Previous Year 31 March 2016 : ₹ 1180.00 Lakhs) as its share out of total amount of ₹ 14,136.00 Lakhs (Previous Year 31 March 2016: ₹ 12354.00 Lakhs) distributed to its members. It was also decided that in case there is subsequent demand received, the members shall return the money in proportion to their share.

It was also decided that corpus fund of PII shall be restored to ₹ 5.00 Lakhs per member being original seed capital at the time of formation of PII.

## Note-54

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, contingent liabilities and contingent assets", the requisite disclosures are as under:

The movement in provisions are as under

**(₹ in Lakhs)**

| Sl. No. | Particulars | Class of provision | | | | | |
|---|---|---|---|---|---|---|---|
| | | Contractual obligations | | | Expected losses | | |
| | | 31 March 2017 | 31 March 2016 | 1April 2015 | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| 1 | Opening balance | 28,839.25 | 27,906.45 | 25,440.86 | 1,504.89 | 7,551.16 | - |
| 2 | Additional provision during the year | 4,923.04 | 5,212.30 | 3,782.89 | 175.75 | 118.32 | 7,551.16 |
| 3 | Provision used during the year | - | - | - | 914.17 | 6,054.62 | - |
| 4 | Provision reversed during the year | 6,704.91 | 4,279.50 | 1,317.30 | 53.19 | 109.97 | - |
| **5** | **Closing balance** | **27,057.38** | **28,839.25** | **27,906.45** | **713.28** | **1,504.89** | **7,551.16** |

Nature of provision

**a) Contractual Obligations :**

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

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

**b) Expected Losses :**

For each contracts, at reporting date, total contract cost and total contract revenue are estimated. In respect of contracts, where it is probable that total estimated contract cost will exceed the estimated total contract revenue, the expected loss is recognised as an expense in the statement of Profit and Loss as per principles of Indian Accounting Standard Ind AS -11 "Construction Contracts".

**c)** The disclosure in respect of contingent liabilities is given as per note no. 40.

## Note-55

The Group in the month of April 2016 terminated a contract; consequent to receipt of findings of investigating agency that certificate submitted by the contractor for qualifying the contract was bogus. The facts in this regard including lodging of claim, subsequent to termination of contract had been disclosed in the annual account of the last financial year 2015-16, being a significant item occurring after the balance sheet date, but before approval of the accounts by the Board of Directors of the Group for the financial year 2015-16.

Subsequent to termination of contract, the Group is completing the project at the risk and cost of contractor in terms of provisions of the contract. The contractor has gone into arbitration and has submitted its arbitration notice claiming an amount of ₹ 40757.00 lakhs. Arbitral Tribunal has been constituted. Statement of claim of contractor and counter claim/reply of the Group are yet to be lodged before the Arbitral Tribunal. The Management does not consider any possible obligation on this account requiring future probable outflow of resources of the Group.

## Note-56

Details of loans given, investment made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

a) Loans given- Nil

b) Investments done are given in the joint venture note. No. 7.

c) Corporate Guarantees given by the Group to banks for working capital loans in respect Joint Venture:

**(₹ in Lakhs)**

| Sl. No. | Name of the Company | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|---|---|---|---|---|
| 1 | TEIL Projects Limited (Joint venture ) | - | 200.00 | 200.00 |

## Note-57

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.

## Note-58

Remuneration to Chairman and Managing Director and full time Directors are as per their appointment letters from the Ministry of Petroleum and Natural Gas, Government of India, New Delhi. They are also allowed to use the staff car for private journeys up to a ceiling of 1000 kms per month.

## Note-59

The statement of profit and loss account includes research and development expenditure of ₹ 1,267.04 Lakhs (previous year: ₹ 1,692.06 Lakhs).

## Note-60

There is no impairment of cash generating assets during the year in terms of Indian Accounting Standard (Ind AS-36) "Impairment of Assets".

## Note-61

The working capital and non-fund based facilities from banks are secured by hypothecation of stocks, book debts and other current assets of the Group, both present and future.

## Note-62

For lump-sum services and turnkey contracts, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction schedules for delay as on reporting date are assessed by the management and relied upon by the auditors.

## Note-63

The balances of trade receivables, loans and advances, customer's advances, retention money, security deposits receivable/payable and trade payables are subject to confirmation and reconciliation.

## Note-64

"Offer for sale" of 1,684,683 equity shares of the Group of face value of ₹ 5 each representing 0.50% of paid up equity share capital of the Group were made to employees of the Group by the President of India, acting through Ministry of Petroleum & Natural Gas, Government of India (Promoter) and 1,675,326 shares were allotted to the eligible employees of the Group.

The President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India, has sold 90,15,823 equity shares of the Group to Central Public Sector Enterprise Exchange Traded Fund (CPSE ETF) through a Further Fund Offer (FFO) in terms of Scheme framed in this regard.

Further, the President of India, acting through the Ministry of Petroleum and Natural Gas, Government of India, has sold 34,59,433 equity shares of the Group to Central Public Sector Enterprise Exchange Traded Fund (CPSE ETF) through a Further Fund Offer (FFO) in terms of Scheme framed in this regard. Due to above, Government of India (Promoter) holding was reduced from 59.37% to 57.02%.

## Note-65

During the earlier years, the Group proposed to sale its old obsolete computers ('Assets'). Some of these Assets have been sold during the financial year 2016-17. The outstanding balance has been classified as Assets held for sale.

## Note-66

The Group has ₹ 23,983.32 Lakhs (previous year 31 March 2016: ₹ 15,276.07 Lakhs and 1 April 2015: ₹18,461.99 Lakhs) trade receivables (on gross basis without provision) outstanding for more than six months of Parent Company

## Note-67

The Board of Directors of the Company in their meeting held on 20 March 2017 has approved the proposal to Buyback of not exceeding 4,19,61,780 equity shares of the Company (representing 6.23% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹157 per equity share payable in cash for an aggregate consideration not exceeding ₹ 65,879.99 lakhs which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per audited accounts of the Company for the financial year ended 31 March 2016 (the last audited financial statements available as on the date of Board meeting recommending the proposal of

the Buyback) from all the equity shareholders of the Group, as on the record date, on a proportionate basis through a Tender Offer route in accordance with Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Buy Back Securities) Regulations, 1998, as amended (the "Buyback Regulations"), subject to the approval of the shareholders of the Company by way of a special resolution through Postal Ballot and all other applicable statutory approvals.

## Note-68

Additional disclosure required under Schedule III of the Companies Act 2013 of the entities consolidated as subsidiaries and joint ventures –

| Name of the Enterprise | Net Assets i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount (₹ in lakhs) | As % of Consolidated profit or loss | Amount (₹ in lakhs) | As % of Consolidated profit or loss | Amount (₹ in lakhs) | As % of Consolidated profit or loss | Amount (₹ in lakhs) |
| **Parent Company** | | | | | | | | |
| Engineers India Limited | 97.62 | 277,722.72 | 96.50 | 31,844.73 | (100.67) | (2,323.06) | 96.18 | 29,521.68 |
| | | | | | | | | |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Certification Engineers International Limited | 2.45 | 6,959.29 | 3.56 | 1,175.55 | 0.67 | 15.46 | 3.88 | 1,191.01 |
| | | | | | | | | |
| **Joint Ventures(as per proportionate consolidation/ Investment as per the equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Ramagundam Fertilizers and Chemicals Limited | (0.07) | (196.51) | (0.06) | (19.84) | - | - | (0.06) | (19.84) |

## Note-69

**SALIENT FEATURES OF FINANCIAL STATMENTS OF SUBSIDIARY/ASSOCIATES/ JOINT VENTURE AS PER COMPANIES ACT, 2013**

| **Part "A": Subsidiaries** | | |
|---|---|---|
| 1 | Sl.No. | 1 |
| 2 | Name of Subsidiary | Certification Engineers International Limited |
| 3 | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period | 31st March, 2017 |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR - ₹ |
| 5 | Share capital | 1 Lakh equity shares of ₹ 100 each |
| 6 | Reserves & Surplus | ₹ 7006.04 Lakhs |
| 7 | Total assets | ₹ 8145.48 Lakhs |
| 8 | Total Liabilities | ₹ 1039.44 Lakhs |
| 9 | Investments | ₹ 257.04 Lakhs |
| 10 | Turnover | ₹ 3818.26 Lakhs |
| 11 | Profit before taxation | ₹ 1570.35 Lakhs |
| 12 | Provision for taxation | ₹ 549.41 Lakhs |
| 13 | Profit after taxation | ₹ 1020.94 Lakhs |
| 14 | Proposed Dividend | ₹ 350.00 Lakhs |
| 15 | % of shareholding | 100% |

**Name of Subsidiaries which are yet to commence operations:- Nil**

**Name of Subsidiaries which have been liquidated or sold during the year: - Nil**

| **Part "B": Associates and Joint Ventures** | | | | |
|---|---|---|---|---|
| **Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures** | | | | |
| | **Name of Associates/Joint Ventures** | **Jabal Eiliot Company Ltd.** | **TEIL Projects Limited** | **Ramagundam Fertilizers and Chemicals Limited** |
| 1 | Latest audited Balance Sheet Date | Un audited for period 1-1-2015 to 22-1-2016 | Audited 31st March, 2017 | Audited 31st March, 2017 |
| 2 | Shares of Associate/Joint Ventures held by the Company on the year end | | | |
| | No. | 500,000 shares of SR 10 each fully paid up | 55,00,000 Equity shares of ₹ 10 each fully paid up | 12,54,40,004 Equity shares of ₹ 10 each fully paid up |
| | Amount of Investment in Associates/Joint Venture | ₹ 599.00 Lakhs | ₹ 550.00 Lakhs | ₹ 15344.00 Lakhs* |
| | Extend of Holding % | 33.333% | 50.00% | 49.9898% |
| 3 | Description of how there is significant influence | Due to Control | Due to Control | Due to Control |
| 4 | Reason why the associate/joint venture is not consolidated | N.A | N.A | N.A |
| 5 | Net worth attributable to shareholding as per latest audited Balance Sheet | SR 0.22 Lakhs | ₹ (1218.06) Lakhs | ₹ 15144.86 Lakhs |
| 6 | Profit/(Loss) for the year | | | |
| i. | Considered in Consolidation | - | ₹ 700.87 Lakhs | ₹ (24.23) Lakhs |
| ii. | Not Considered in Consolidation | - | ₹ 700.87 Lakhs | ₹ (24.23) Lakhs |

* Includes share application money for 28,000,000 shares of ₹ 10 each fully paid amounting to ₹2800.00 Lakhs against which equity shares has been allotted on 17 April 2017

**Name of Joint Ventures which are yet to commence operations:- Nil**

**Name of Subsidiaries which have been liquidated or sold during the year:- Nil**

## Note-70

**Explanation of transition to Ind AS**

**A Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

**(₹ in Lakhs)**

| Particulars | 31 March 2016 | | | | 1 April 2015 | | |
|---|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | Other adjustments** | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| **Non-current assets** | | | | | | | |
| Property, plant and equipment | 24,012.05 | 5.67 | - | 24,017.71 | 26,972.83 | - | 26,972.83 |
| Capital work-in-progress | 1,703.56 | - | - | 1,703.56 | 1,906.09 | - | 1,906.09 |
| Investment property | 3,877.25 | - | - | 3,877.25 | 30.12 | - | 30.12 |
| Other intangibles assets | 217.35 | (1.83) | - | 215.52 | 212.56 | - | 212.56 |
| Intangible assets under development | 735.69 | - | - | 735.69 | 5.11 | - | 5.11 |
| Investments accounted using equity method | 2,386.83 | (99.48) | - | 2,287.35 | 360.10 | 76.97 | 437.07 |
| Financial assets | | | | | | | |
| Loans | 4,017.21 | (801.85) | - | 3,215.36 | 3,986.79 | (937.65) | 3,049.14 |
| Other financial assets | 7,623.51 | - | - | 7,623.51 | 196.79 | - | 196.79 |
| Deferred tax assets (net) | 21,842.69 | 203.90 | (533.05) | 21,513.54 | 23,312.95 | 268.75 | 23,581.70 |
| Non-current tax assets (net) | 658.55 | - | - | 658.55 | 822.96 | - | 822.96 |
| Other non-current assets | 137.77 | 672.97 | - | 810.74 | 330.39 | 823.98 | 1,154.37 |
| **Total non-current assets** | **67,212.45** | **(20.62)** | **(533.05)** | **66,658.78** | **58,136.69** | **232.06** | **58,368.74** |
| | | | | | | | |
| **Current assets** | | | | | | | |
| Inventories | 105.51 | - | - | 105.51 | 83.96 | - | 83.96 |
| Financial assets | | | | | | | |
| Investments | 1,360.50 | - | - | 1,360.50 | 12,453.20 | 1,093.18 | 13,546.38 |
| Trade receivables | 37,726.21 | (82.32) | - | 37,643.89 | 43,894.29 | (1,866.42) | 42,027.87 |
| Cash and cash equivalents | 927.51 | - | - | 927.51 | 1,320.41 | - | 1,320.41 |
| Other bank balances | 265,205.66 | - | - | 265,205.66 | 246,515.42 | - | 246,515.42 |
| Loans | 1,200.66 | 16.00 | - | 1,216.65 | 1,184.94 | - | 1,184.94 |
| Other financial assets | 36,980.78 | - | 1,540.24 | 38,521.02 | 29,745.86 | - | 29,745.86 |
| Other current assets | 4,687.39 | 114.13 | - | 4,801.52 | 5,428.94 | 110.18 | 5,539.12 |
| **Total current assets** | **348,194.22** | **47.81** | **1,540.24** | **349,782.26** | **340,627.02** | **(663.07)** | **339,963.96** |
| **Total assets** | **415,406.67** | **27.19** | **1,007.19** | **416,441.04** | **398,763.71** | **(431.01)** | **398,332.70** |
| | | | | | | | |
| **Equity** | | | | | | | |
| Equity | 16,846.84 | - | - | 16,846.84 | 16,846.84 | - | 16,846.84 |
| Equity share capital | 256,222.17 | 8,116.59 | 1,007.19 | 265,345.96 | 246,319.83 | 7,679.67 | 253,999.50 |
| **Total equity** | **273,069.02** | **8,116.59** | **1,007.19** | **282,192.80** | **263,166.67** | **7,679.67** | **270,846.34** |
| | | | | | | | |
| **Liabilities** | | | | | | | |
| **Non-current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Other financial liabilities | 168.57 | (25.32) | - | 143.25 | 78.34 | (13.02) | 65.32 |
| Provisions | 1,174.58 | - | - | 1,174.58 | 2,040.98 | - | 2,040.98 |
| Other non-current liabilities | 1,419.41 | 33.13 | - | 1,452.55 | 143.51 | 5.61 | 149.12 |
| **Total non-current Liabilities** | **2,762.56** | **7.81** | **-** | **2,770.38** | **2,262.83** | **(7.41)** | **2,255.42** |
| **Current liabilities** | | | | | | | |
| Financial liabilities | | | | | | | |
| Trade payables | 20,268.72 | - | - | 20,268.72 | 24,634.47 | - | 24,634.47 |
| Other financial liabilities | 28,307.69 | - | - | 28,307.69 | 27,635.45 | - | 27,635.45 |

(₹ in Lakhs)

| Particulars | 31 March 2016 | | | | 1 April 2015 | | |
|---|---|---|---|---|---|---|---|
| | Previous GAAP | Effect of transition to Ind AS | Other adjustments** | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| Other current liabilities | 47,610.33 | 13.34 | - | 47,623.67 | 30,738.03 | 7.26 | 30,745.29 |
| Provisions | 43,005.81 | (8,110.57) | - | 34,895.24 | 47,500.43 | (8,110.53) | 39,389.90 |
| Current tax liabilities (net) | 382.54 | - | - | 382.54 | 2,825.83 | - | 2,825.83 |
| **Total current liabilities** | **139,575.09** | **(8,097.23)** | **-** | **131,477.86** | **133,334.21** | **(8,103.27)** | **125,230.94** |
| **Total equity and liabilities** | **415,406.67** | **27.18** | **1,007.19** | **416,441.04** | **398,763.70** | **(431.00)** | **398,332.70** |

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.
** This adjustment is on account of income booked under Service Export of Indian Scheme. This has been a correction made under Ind AS from previous GAAP. Basic and diluted earnings per share will be ₹ 3.98 per share if the related correction would not have been made.

**B Reconciliation of total comprehensive income for the year ended 31 March 2016**

(₹ in Lakhs)

| Particulars | Previous GAAP | Effect of transition to Ind AS | Other adjustments* | Ind AS |
|---|---|---|---|---|
| Revenue from operations | 152,516.25 | - | 1,540.24 | 154,056.49 |
| Other income | 25,670.50 | (937.06) | - | 24,733.44 |
| **Total revenue** | **178,186.75** | **(937.06)** | **1,540.24** | **178,789.93** |
| | | | | |
| **Expenses** | | | | |
| Technical assistance/sub-contracts | 21,461.63 | - | - | 21,461.63 |
| Construction materials and equipments | 36,899.26 | - | - | 36,899.26 |
| Employee benefits expenses | 59,754.90 | 147.55 | - | 59,902.45 |
| Finance costs | 10.50 | 14.24 | - | 24.74 |
| Depreciation and amortisation expense | 2,508.15 | 4.39 | - | 2,512.54 |
| Other expenses | 17,006.87 | (2,034.08) | - | 14,972.79 |
| **Total expenses** | **137,641.31** | **(1,867.90)** | **-** | **135,773.41** |
| | | | | |
| **Profit before tax** | **40,545.44** | **930.84** | **1,540.24** | **43,016.52** |
| **Tax expense:** | | | | |
| Current tax | 13,145.91 | (226.31) | - | 12,919.60 |
| Earlier years tax adjustments (net) | (464.61) | - | - | (464.61) |
| Deferred tax | 1,561.47 | 324.64 | 533.05 | 2,419.16 |
| **Profit after tax** | **26,302.67** | **832.51** | **1,007.19** | **28,142.37** |
| **Less:** share of (loss) in joint venture entities | (150.41) | (159.65) | - | (310.07) |
| **Profit for the year** | **26,152.26** | **672.86** | **1,007.19** | **27,832.30** |
| | | | | |
| **Other comprehensive income** | | | | |
| Items that will not be reclassified to profit and loss | | | | |
| Re-measurement gains (losses) on defined benefit plans | - | (374.30) | - | (374.30) |
| Income tax relating to items that will not be reclassified to profit and loss | - | 129.54 | - | 129.54 |
| Items that will be reclassified to profit and loss | | | | |
| Exchange differences on translation of foreign operations | (0.01) | 14.65 | - | 14.64 |
| Income tax relating to items that will be reclassified to profit and loss | - | (5.07) | - | (5.07) |
| **Total other comprehensive income for the year** | **26,152.25** | **437.68** | **1,007.19** | **27,597.11** |

* This adjustment is on account of income booked under Service Export of Indian Scheme. This has been a correction made under Ind AS from previous GAAP. Basic and diluted earnings per share will be ₹ 3.98 per share if the related correction would not have been made.

**C First time adoption of Ind AS**

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's balance sheet, statement of profit and loss and cash flows is set out in the following tables and notes.

**D Ind AS optional exemptions**

**1 Deemed cost for property, plant and equipment, investment property and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and investment property covered by Ind AS 40 *Investment Properties*. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value as deemed cost.

**E Ind AS mandatory exemptions**

**1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in financial instruments carried at fair value through profit and loss ('FVTPL').

b) Impairment of trade receivables based on expected credit loss model.

**2 Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The Group has availed the exemption for loan to employees. All the other financial assets and financial liabilities have been restated retrospectively.

**F Other reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**1 Reconciliation of total equity as at 31 March 2016 and 1 April 2015**

**(₹ in Lakhs)**

| Particulars | Notes to first time adoption | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| **Total equity (shareholder's funds) as per previous GAAP** | | **273,069.06** | **263,166.67** |
| **Adjustments:** | | | |
| Fair valuation of mutual funds | Note – 1 | - | 1,093.18 |
| Amortised cost security deposit asset | Note – 2 | (3.61) | (3.49) |
| Amortised cost security deposit liability | Note – 3 | 0.96 | 0.15 |
| Amortised cost employee advances | Note – 4 | 3.09 | - |
| Expected credit loss for trade receivables using provision matrix approach | Note – 5 | 162.71 | (1,866.41) |
| Amortisation of leasehold land | Note – 6 | (4.39) | - |
| Profit share of Association of Person | Note – 7 | 61.06 | 76.97 |
| Dividend adjustment | Note – 8 | 8,110.60 | 8,110.52 |
| Cumulative exchange difference on translation of foreign operation | Note – 9 | 2.54 | - |
| Tax impact on above adjustments | Note – 10 | (55.88) | 268.75 |

(₹ in Lakhs)

| Particulars | Notes to first time adoption | 31 March 2016 | 1 April 2015 |
|---|---|---|---|
| Impact of joint ventures accounted using equity method | Note – 11 | (160.53) | - |
| **Total adjustments** | | **8,116.55** | **7,679.67** |
| **Sub total** | | **281,185.61** | **270,846.34** |
| Receivable on account of service export of India Scheme | ** | 1,540.24 | - |
| Tax impact on above adjustment | ** | (533.05) | - |
| **Total equity as per Ind AS** | | **282,192.80** | **270,846.34** |

**2 Reconciliation of total comprehensive income for the year ended 31 March 2016**

(₹ in Lakhs)

| Particulars | Notes to first time adoption | 31 March 2016 |
|---|---|---|
| **Profit after tax as per previous GAAP** | | **26,152.25** |
| **Adjustments:** | | |
| Fair valuation of mutual funds | Note – 1 | (1,093.18) |
| Amortised cost security deposit asset | Note – 2 | (0.12) |
| Amortised cost security deposit liability | Note – 3 | 0.81 |
| Amortised cost employee advances | Note – 4 | 3.09 |
| Expected credit loss for trade receivables using provision matrix approach | Note – 5 | 2,029.12 |
| Amortisation of leasehold land | Note – 6 | (4.39) |
| Profit share of Association of Person | Note – 7 | (15.91) |
| Cumulative exchange difference on translation of foreign operation | Note – 9 | 2.54 |
| Tax impact on above adjustments | Note – 10 | (324.64) |
| Impact of joint ventures accounted using equity method | Note – 11 | (159.65) |
| **Total adjustments** | | **437.67** |
| **Sub total** | | **26,589.92** |
| Receivable on account of service export of India Scheme | ** | 1,540.24 |
| Tax impact on above adjustment | ** | (533.05) |
| **Total comprehensive income for the year ended 31 March 2016** | | **27,597.11** |

** this adjustment is on account of income booked under Service Export of Indian Scheme. This has been a correction made under Ind AS from previous GAAP. Basic and diluted earnings per share will be ₹ 3.98 per share if the related correction would not have been made.

**3 Reconciliation of statement of cash flows for the year ended 31 March 2016**

(₹ in Lakhs)

| Particulars | Reference | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|---|
| Net cash flow from operating activities | *** | 9,651.44 | 844.57 | 8,806.87 |
| Net cash flow from investing activities | *** | 6,095.23 | (926.08) | 7,021.31 |
| Net cash used in financing activities | *** | (16,221.15) | (0.07) | (16,221.08) |
| Net increase/decrease in cash and cash equivalents | | (474.48) | (81.58) | (392.90) |
| Cash and cash equivalents at the 1 April 2015 | | 1,512.39 | 191.98 | 1,320.41 |
| **Cash and cash equivalents at the 31 March 2016** | | **1,037.91** | **110.40** | **927.51** |

*** Impact on cash flow as joint venture entities now accounted using equity method instead of proportionate consolidation method

**Note – 1**

**Fair valuation of mutual funds**

Under previous GAAP, investments in mutual funds are shown at cost or market value whichever is lower. Under Ind AS, such investments are evaluated under Ind AS 109 which requires the Group to account for such instruments at FVTPL wherein all the fair value gains/losses are recognised in statement of profit and loss.

**Note – 2**

**Amortised cost security deposit asset**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

**Note – 3**

**Amortised cost security deposit liability**

Under the previous GAAP, interest free lease/other security deposits (that are receivable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be initially recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred income.

**Note – 4**

**Amortised cost employee advances**

Under the previous GAAP, employee advances are recorded at their transaction value and interest income is recognised on time proportion basis using the agreed interest rate. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Group has fair valued these employee advances under Ind AS. Difference between the fair value and transaction value of the employee advances is recognised as prepaid employee advances and interest income will be recognised using effective interest rate.

**Note – 5**

**Provision for trade receivables using provision matrix approach**

Under previous GAAP, provision for trade receivables is recognised on specific identification method based on management assessment of recoverability of trade receivables. As per Ind AS 109, the Group is required to apply expected credit loss model (provision matrix approach) for recognising the allowance for doubtful receivables.

**Note – 6**

**Amortisation of leasehold land**

Under previous GAAP, long-term leasehold land is recognised at transaction value and annual lease rentals are recognised as expense on time period basis. Under Ind AS, long-term leasehold land are assessed as being finance or operating lease and are accounted for accordingly. The Group has recognised certain land under finance lease and accordingly amortisation of leasehold land is recorded over the remaining life considering deemed cost exemption on transition date.

**Note – 7**

**Profit share of Association of Person (AOP)**

Under previous GAAP, profit share from AOP was accounted under equity method. Under Ind AS, AOP being joint control operation is accounted under proportionate completion method.

**Note – 8**

**Dividend adjustment**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability and appropriation. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend has been reversed with corresponding adjustment to retained earnings.

**Note – 9**

**Cumulative exchange difference on translation of foreign operation**

Under the previous GAAP, all non-monetary items are translated using the historical exchange rate. Under Ind AS, considering functional currency of the branch is different from functional currency of the Group and hence, all items of balance sheet are converted at closing rate leading to translation adjustment.

**Note – 10**

**Tax impact on above adjustments**

Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

**Note – 11**

**Impact of joint ventures accounted using equity method**

The Parent Company's share of the joint venture entity consequent to the Ind AS transition adjustments in the statement of profit and loss in joint venture entity.

**Note – 12**

**Investment property**

Under the previous GAAP, there is no requirement of classification as investment property and these were included as part of fixed assets. Under Ind AS, investment property are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

**Note – 13**

**Other comprehensive income**

Items of income and expense that are not recognised in profit and loss are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations etc. The concept of other comprehensive income did not exist under previous GAAP.

**For Arun K Agarwal and Associates**
Chartered Accountants

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| Rajesh Surolia | Rajan Kapur | R.K Garg | Ajay N. Deshpande | Sanjay Gupta |
| **Partner** | **Company Secretary** | **Executive Director [F&A]** | **Director [Technical]** | **Chairman & Managing Director** |
| Membership No. 088008 | PAN : AAIPK0926B | PAN : ACIPJ5332P | DIN : 03435179 | DIN : 05281731 |
| FRN No. 003917N | | | | |

**Place :** New Delhi
**Date :** 22 May 2017

# Comments of the Comptroller and Auditor General of India Under Section 143(6)(b) Read with Setion 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of Engineers India Limited for the year ended 31st March, 2017

The preparation of consolidated financial statements of Engineers India Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 May, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Engineers India Limited for the year ended 31 March, 2017. We conducted a supplementary audit of the financial statements of Engineers India Limited, but did not conduct supplementary audit of the financial statements of Certification Engineers International Limited (Subsidiary) and Ramagundam Fertilizers and Chemicals Limited (Joint Venture) for the year ended on that date. Further, section 139(5) and 143(6)(b) of the act are not applicable to Jabal Eiliot Company Limited (Joint Venture) being incorporated in foreign country under the respective laws and TEIL Projects Limited (Joint Venture) being private Company, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, C & AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory Auditors' Report

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

N. Munshi

**(Nandana Munshi)**
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place: Delhi
Date: 17.07.2017

इंजीनियर्स इंडिया लिमिटेड
(भारत सरकार का उपक्रम)

ENGINEERS INDIA LIMITED
(A Govt. of India Undertaking)

**Regd. Office: Engineers India House, 1, Bhikaji 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):<br><br>Registered Address: | | E-mail ID:<br><br>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 52nd Annual General Meeting of the Company, to be held on Tuesday, 19th September, 2017 at 3.00 p.m. at Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolutions | **For | **Against |
|---|---|---|---|
| | **ORDINARY BUSINESS** | | |
| 1. | To receive, consider and adopt the Audited Standalone as well as Consolidated Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of Directors and Auditors thereon. | | |
| 2. | To consider declaration of final dividend on equity shares. | | |
| 3. | To appoint a director in place of Shri Ajay Narayan Deshpande (DIN: 03435179), who retires by rotation and being eligible, offers himself for reappointment. | | |
| 4. | To fix remuneration of Auditors for the financial year 2017-18. | | |
| | **SPECIAL BUSINESS** | | |
| 5. | To appoint Shri Vipin Chander Bhandari (DIN: 07550501) as Director (HR) of the Company. | | |
| 6. | To appoint Shri Rakesh Kumar Sabharwal (DIN: 07484946) as Director (Commercial) of the Company. | | |
| 7. | To appoint Ms. Shazia Ilmi Malik (DIN: 07777804) as Non-official Part-time Independent Director of the Company. | | |
| 8. | To appoint Shri Jagdish Chander Nakra (DIN: 07676468) as Director (Projects) of the Company. | | |

Signed this..... day of..... 2017.

Signature of the Shareholder

Affix Revenue Stamp

_____ _____ _____

Signature of first proxy holder Signature of Second proxy holder Signature of third proxy holder

*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, Statement pursuant to Section 102 of the Companies Act, 2013 and Notes, please refer to the Notice of 52nd Annual General Meeting.

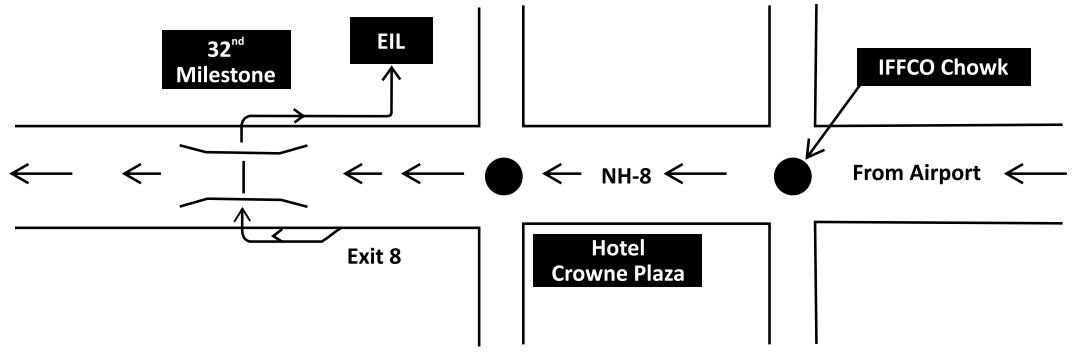
(4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not at 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 '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/she 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.

## Route Map - Venue of 52nd AGM




**Address of Venue :**
Engineers India Limited, EIL Office Complex
Sector-16 (NH-8), Gurugram, Haryana

**Nearest Landmark :**
32nd Milestone

*Map not to scale

# Notes

# Notes

# Corporate Information

## COMPANY SECRETARY

Rajan Kapur

## STATUTORY AUDITORS

M/s Arun K. Agarwal & Associates
Chartered Accountants, 105, First Floor, South Ex. Plaza-1, 389,
Masjid Moth, South Extn. Part-II, New Delhi-110049
Tel. : 011-26251200, 26257400, Fax: 011-26251200

## STOCK EXCHANGES WHERE SHARES OF THE COMPANY ARE LISTED

**BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

**National Stock Exchange of India Ltd.**
Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

## REGISTRAR AND SHARE TRANSFER AGENT

**M/s Karvy Computershare Private Ltd.**

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
Karvy Selenium Tower-B, Plot No. 31&32 Gachibowli, Financial
District Nanakramguda, Serilingampally, Hyderabad- 500 032
Tel No. 040-67162222, Fax No. 040-23001153
Email: einward.ris@karvy.com,
Website: www.karvy.com/www.karvycomputershare.com

## REGISTERED & HEAD OFFICE

Engineers India House, 1, Bhikaji Cama Place,
New Delhi-110 066
CIN: L74899DL1965GOI004352
Tel. : 011-26762121, Fax : 011- 26178210, 26194715
E-mail : eil.mktg@eil.co.in
Website : www.engineersindia.com

## SUBSIDIARY COMPANY

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

## MAIN BANKERS

**State Bank of India**
Corporate Accounts Group
11th Floor, Jawahar Vyapar, Bhawan, 1, Janpath,
New Delhi-110 001

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

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

**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

# EIL OFFICES

## REGISTERED & HEAD OFFICE

Engineers India House,
1, Bhikaji Cama Place, New Delhi - 110066
CIN: L74899DL1965GOI004352
Tel: 011-26762121; Fax: 011-26178210, 26194715
Email: eil.mktg@eil.co.in, Website: www.engineersindia.com

## BRANCH OFFICE

Great Eastern Chambers, 5th Floor, Plot No. 28, Sector - 11
Belapur C.B.D., Navi Mumbai – 400 614
Tel: 022 - 27560072, 27560032, Fax: 022 - 27572011, 27563066
Email: eil.bo@eil.co.in

## REGIONAL OFFICES

A. G. Towers (5th Floor), 125/1, Park Street, Kolkata - 700 017
Tel: 033-22298995, 22276304; Fax: 033-22277692
Email: eil.rok@eil.co.in

4th and 5th Floor, Meghdhanush Complex, Race Course Road
Near Transpek Circle, Vadodara - 390 015
Tel: 0265-2340326, 2340368 - 69, Fax: 0265 - 2340328
Email: eil.rov@eil.co.in

Plot No. F9, SIPCOT IT Park, 1st Main Road, Siruseri, Chennai - 603 103
Tel: 044 - 27469401/ 402; Fax: 044 - 27469000
Email: eil.roc@eil.co.in

## OVERSEAS OFFICES

17th floor, Business Avenue Tower, Salam Street, P. O. Box: 126592, Abu Dhabi - UAE
Tel.: +971-2-6740101, Fax: +971-2-6740707
Email: cooeilad@eiluae.ae

487, Great West Road, Hounslow, Middlesex, London, UK - (TW5 0BS)
Phone: 0044 - 208 - 570 - 5530 (O), Hand phone: 0044 - 7404608246
Email: eillondon@btconnect.com

Myland s. a s. di IIIRE S.r.l., Apartment-112, Piazza Luigi di Savoia 28, Milan - 20124, Italy
Mobile 1: 00-39-338-467-8867, Mobile 2: 00-39-389-532-3116
Email: eilmilan2012@gmail.com

Room No. 1632, 16th Floor, Asian Biz Centre, Orient Century Plaza,
345 Xian Xia Road, Near Gubei Road, Shanghai - 200 336, China.
Phone: 0086 - 2122157403, 2122157405
Email: eilshanghai@eil.co.in

इंजीनियर्स इंडिया लिमिटेड
(भारत सरकार का उपक्रम)

EIL ENGINEERS INDIA LIMITED
(A Govt. of India Undertaking)

*Delivering Excellence through People*

इंजीनियर्स इंडिया लिमिटेड
(भारत सरकार का उपक्रम)
ENGINEERS INDIA LIMITED
(A Govt. of India Undertaking)
Regd. Office: Engineers India House, 1, Bhikaji Cama Place, New Delhi-110 066
Tel: 011-26762121, Fax: 011-26178210, E-mail: eil.mktg@eil.co.in
Website: http://www.engineersindia.com
CIN: L74899DL1965GOI004352

**ATTENDANCE SLIP**

Sr.No. :

Registered Folio No. / DP & Client ID No. :

Name of the Sole / First named Member :

Registered Address :

Name(s) of the joint Member(s), if any :

No. of Shares held :

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the **52nd Annual General Meeting** of the Company on Tuesday, the 19th day of September, 2017 at 3.00 p.m.at Engineers India Limited, NH-8, Sector-16, Gurugram-122001 (Haryana).

Signature of First holder/Proxy/Authorised Representative

Signature of Joint holder(s)

Place:
Date:

**Notes**:

1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the venue of the Meeting.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.
3. **NO GIFTS SHALL BE DISTRIBUTED IN THE ANNUAL GENERAL MEETING OR AFTERWARDS.**

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**E-VOTING**

**Users who wish to opt for e-voting may use the following login credentials:**

| EVEN (E-VOTING EVENT NO.) | USER ID | PASSWORD / PIN |
|---|---|---|
| | | |

Note:

Please follow steps for remote e-voting procedure as given in the Notice of 52nd AGM or by logging on to https://evoting.karvy.com and the same is also available on the Company's website http://www.engineersindia.com.