ENGINEERS INDIA LIMITED

EXPANDING HORIZONS

53rd ANNUAL REPORT 2017-18

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 26 registered patents.
- Expanding overseas presence in MENA and South East Asia.
- Zero debt firm with track record of healthy earnings and consistent dividend payout.

Table of Contents

Who We Are 2

Chairman's Statement 4

Board of Directors 7

Chairman's Statement

J.C. Nakra
Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to present to you the performance of your Company during 53rd year of its service to the Nation. It is also my honour and privilege to address you for the first time since taking over as the Chairman & Managing Director of your Company.

In spite of a challenging macroeconomic environment and stiff competition, FY 2017-18 has been a good year for EIL in terms of robust order book and business secured.

Your Company has secured new business worth ₹ 2,141 Crores during the fiscal year 2017-18. This includes business worth ₹ 1,357 Crores from domestic consultancy, ₹ 480 Crores from domestic turnkey and overseas business worth ₹ 304 Crores. Major contribution in order inflows for Consultancy segment was from Guru Gobind Singh Polymer Addition project of HMEL and in Turnkey segment from brown-field expansion projects of ONGC.

On financial front, your Company has registered an Annual Turnover of ₹1967 Crores and Profit Before Tax (PBT) and Profit After Tax (PAT) of ₹ 568 Crores and ₹ 378 Crores, respectively. As compared to previous financial year 2016-17, the Topline of your Company for FY2017-18 has increased by 17.6% and PBT and PAT have witnessed an Y-o-Y increment of 13.5% and 16.2% respectively.

Your Company continues to make good progress in all its key business segments.

In the downstream hydrocarbon sector, the major consulting orders secured in the Refining sector include Consultancy services for Guru Gobind Singh Polymer Addition project of HMEL, PMC Services for Kero Hydro Desulphurization Project at BORL Bina Refinery, Pre-Project Activities for Rajasthan Refinery Project of HPCL, DFR & licensor selection assignments for 2G Ethanol projects of BPCL, IOCL and MRPL, among various others.

In the midstream segment, your Company secured PMC Services for C_2-C_3 product injection scheme in HVJ pipeline at GAIL Vijaipur, Technical Study & suitable Mitigation Method of Pipeline Exposure in Banas River and its Catchment Area in Banaskantha district of Gujarat and laying of Pipeline from H_2SO_4 Tank in Haldia Refinery to Hazira Oil Jetty (HOJ-3) under BS-VI project of Haldia Refinery.

In the upstream segment, your Company was successful in securing turnkey projects for the Augmentation of Slug Catcher Project at ONGC, Uran and SRU revamp Project at ONGC, Hazira. The projects are on OBE mode of execution.

In the Infrastructure sector, major assignments secured by your Company include Third Party Assessment services for establishment of Bhamashah State Data Centre (BSDC), Jaipur for Department of Information Technology & Communication (DoIT&C), Government of Rajasthan and Engineering & PMC services for Development of Tourist Infrastructure Facilities at Khajuraho Group of Temples, Madhya Pradesh, among others.

In the metallurgy segment, your Company secured the Consultancy services for Retrofitting of HRD (High Rate Decanter) and DCW (Deep Cone Washer) in Stream-1, Stream-2 & Stream-3 of NALCO's Alumina Refinery at Damanjodi, Odisha, Consultancy Services for Comprehensive Geostatistical Resource Evaluation and Resource Classification of Polymetallic Nodules in the Central Indian Ocean Basin awarded by National Institute of Oceanography, among others.

In the overseas segment, your Company secured major consultancy orders from Africa and Middle East. The key projects include Detailed

Feasibility Report (DFR) for Petroleum Products Terminal and Jetty at Port Albion, Mauritius from State Trading Corporation (STC), Additional PMC / EPCM Services for new units, namely, DHDT, SWS and ARU in Dangote Refinery, Nigeria, Structural Integrity/Adequacy Check of existing pipe racks at Habshan Plant – Phase 4 of ADNOC Gas Processing, UAE, among many others. With the engineering set-up in Abu Dhabi, your Company is well positioned to actively participate in these upcoming opportunities in Middle East and African region.

The stability in the oil prices at a higher range has resulted in clients in MENA region pursuing their planned investments in the upstream and downstream segment of hydrocarbon value chain.

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

This year witnessed number of critical projects completed by your Company and good progress was achieved on other ongoing projects. In the refinery segment, Expansion Project of HMEL at GGSRL Bhatinda for Revamp of VGO/ HDT, Sulphur Block including Oxygen Unit, Associated Offsite & Utilities, Tail Gas Treatment Unit (TGTU) at BPCL Mumbai Refinery for additional recovery (more than 99.9%) of Sulphur from acid gases and Pre-project activities of Vizag Refinery Modernization Project, HPCL, were successfully completed.

Steady progress has been achieved on several key projects including Distillate Yield Improvement Project at IOCL, Haldia Refinery, PMC services (Phase-II) for Revamp and Capacity Enhancement Project of BORL Refinery, EPCM services for 0.7 MMTPA DHDT and Supporting Facilities project at Numaligarh Refinery of NRL, EPCM Services for LPG Import facility at Haldia for BPCL among many others. Further work on the BS-VI fuel up-gradation project for nine refineries including IOCL refineries at Vadodara, Panipat, Mathura, Haldia, Bongaigaon, Digboi along with HMEL, BPCL Kochi and MRPL have achieved substantial progress. During the year, considerable progress was achieved for Mumbai Refinery Expansion Project (MREP), PMC services (Phase-II) for Revamp and Capacity Enhancement Project of BORL Refinery which aims to increase the refining capacity from the current 6.0 MMTPA to 7.8 MMTPA and many others.

Construction works are in advance stages for HGU Revamp, SRU/O2 Enrichment, SWS Revamp and CDU-III Revamp of BPCL Mumbai Refinery.

Significant progress has been achieved in Vizag Refinery Modernization Project (VRMP) by awarding all major LSTK packages namely CDU, FCHCU, Naphtha ISOM, HGU, SRU, Revamp of NHT/CCR, DHDT and Prime-G to LSTK contractors.

During the year, PFR of West Coast Refinery of RRPCL (Ratnagiri Refinery and Petrochemicals Corporation Limited) along with Market Study and selection of consultant for the configuration study was awarded to your Company.

In the petrochemicals segment, your Company has been involved in the establishment of a large number of mega petrochemical complexes in India and offered a wide range of engineering consultancy services for various projects including Gas based / Naptha based cracker complexes and Aromatic Plants. During 2017-18, your Company executed prestigious projects including PPU Expansion Project and Licensor selection and DFR for HMEL Petrochemical Plant at Bhatinda, Punjab as well as additional jobs to increase operation flexibility of C_2-C_3 recovery plant at GAIL, Vijaipur, Madhya Pradesh among many others.

Your Company 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 across diverse geographies and demanding terrains. During the fiscal, your Company was involved in EPCM Services for Upgradation of pumping stations for Naharkatia-Barauni Crude Oil Pipeline of OIL, DFR of 327 Km Multi product Bina – Panki Pipeline of BPCL and PFR of 1864 km long Middle East to India deepwater pipeline of South Asia Gas Enterprise Private Limited. In addition to these, number of projects in midstream segment of hydrocarbon value chain are being executed by your Company.

In the fertilizer sector, substantial progress has been achieved in the Ramagundam Fertilizer Project with engineering activities and ordering of equipment completed. The equipment were received progressively at site. All work contracts have been awarded and site activities are in full swing with civil works nearing completion and mechanical works in progress.

In Infrastructure sector, your Company is gaining a strong foothold by providing a wide spectrum of services such as Project Management on Conventional/Depository Basis, Third Party Inspection (TPI), Quality Assurance, Independent Engineer and Lender's Engineer services, Project Appraisal and Project Execution Services in some of the important projects of key clientele in the sector. During 2017-18, your Company completed consultancy services for preparation of Master Plan and Detailed Project Report (DPR) for development of Rajkot Airport in Gujarat to international standards, Engineering Consultancy services for development of Deoghar Airport, Jharkhand, Review of Master Plan for Development of Greenfield International Airport at Mopa, Goa and PMC services for execution of balance works of Konark Sun Temple for Indian Oil Foundation in Odisha.

In the Water and Waste Management space, the Company completed preparation of DPRs for Water Supply Projects of AMRUT scheme in 9 cities of Odisha.

Your Company 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.

EIL has leveraged its strong track record in the Indian hydrocarbon sector to successfully expand its international operations. Over the years, your 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 other international territories. During the year, good progress was made in Detailed Feasibility Study (DFS) for the Construction of an Oil Refinery Plant with a Crude Oil Supply Pipeline Project in Mongolia from Ministry of Industry, Government of Mongolia. EIL also secured the project of Revamp/Expansion of Dangote Refinery, Nigeria from 460,000 BPSD to 650,000 BPSD and with this revamp, this will become the largest single train refinery of the world. The other assignments in which substantial progress was made include Design, Consultancy and PMC Services for Miscellaneous Tank Farm, Piping, Instrumentation and Control System, Inspection, Repair, Maintenance & Upgrade works at various depots of ADNOC Distribution - UAE, PMC services for execution of 1900 TPD Ammonia Plant in Central Sulawesi, Indonesia, Project Management Assistance (PMA) services for improvement of Fire fighting Facilities at Abu Dhabi Refinery for TAKREER - UAE, PMC services for Rehabilitation and Adaptation of Algiers Refinery of SONATRACH having new units of MS Block, RFCCU, SRU, and revamp of exiting units among many other such assignments.

Our R&D Division has contributed significantly to the consolidation of existing capabilities, development of new technologies and hardware besides enhancement of the portfolio for special technology related services.

During this fiscal, your Company has filed six new patents. Five more patents were granted this year, including for a novel method for Recovery of Ethane/Propane and Liquefied petroleum gas from LNG, improved process for removal of Disulphide Oil from Caustic, Recovery of Sulphur by using oxygen enriched air, a process and system for re-utilizing waste nitrogen gas coming from nitrogen plant and recovery of Sulphur slurry by using hybrid membrane-filter system.

I am happy to report that your Company through its R&D has been awarded a total of 26 technology patents and 24 other patent applications are under evaluation.

Your Company's Information Technology Services (ITS) Division continued to make advances this year, 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 that were taken during the year include launch of an in-house developed web based application for supply chain management. This application automate the work flow for end to end procurement activities.

EIL's sustainability mandate envisages a responsible, transparent organization that keeps the interest of all its stakeholders in mind. 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.

Your Company 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.

Your Company has always accorded the highest priority to Health, Safety & Environment (HSE) across its operations. I am pleased to inform that your Company maintained its OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environmental Management system) certification. During the year, the Company's HSE Management System was upgraded against the requirements of the latest version of ISO 14001, i.e. ISO 14001:2015.

These certifications are a testimony to the robustness of our processes and enhance chances of securing business, especially in the overseas markets.

At EIL, we take pride in fostering a vibrant and employee-centric work culture which transforms potential into performance. 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 and efficient delivery as well as providing them a nurturing environment. 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 CSR Policy of the Company is aligned with the national focus on inclusive growth, DPE Guidelines on CSR and the Companies Act 2013. EIL has undertaken a range of CSR activities this year, with special emphasis on education, skill development, healthcare, sanitation and empowerment of women and the underprivileged.

Your Company supported the educational programme for providing computer literacy to children belonging to backward segment of society at Delhi/NCR and conducted holistic educational programme for development of underprivileged children at Kolkata, West Bengal. For welfare of Persons with Disabilities, your Company is conducting Skill Development Training for 1200 Persons with Disabilities (PwDs) in various trades across its area of operation.

The Company has also supported the establishment of Skill Development Institutes at Bhubaneswar, Kochi, Visakhapatnam, Rae Bareli and Guwahati and contributed towards setting up of Hydrocarbon Sector Skill Council, New Delhi.

Your Company is working tirelessly to realise the full potential of the "Make In India" 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 is contributing to the government's policy formulations to encourage indigenization and stepping up vendor interactions to upgrade indigenous manufacturing technologies. Other initiatives include Indigenization of equipment manufacturing to increase domestic content, vendor enlistment/ enhancement through continuous interaction, assessment and evaluation.

Your Company is also piloting the midstream sectors for 'Make In India' initiative under the Ministry of Petroleum and Natural Gas (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.

During the year, your Company was the proud recipient of various prestigious awards. These include Best Indigenous Innovator Award at 21st Refinery Technology Meet organized by Centre for High Technology (CHT), MoP&NG, FIPI 'Project Management –Company of the Year' Award for the year 2016 jointly with BPCL, 5th "Governance Now" PSU Award for "Consistent Growth" in Navratna Category, 10th CIDC Vishwakarma Award for Best Construction Projects to DHT Project at BPCL Mumbai Refinery, 10th CIDC Vishwakarma Award for Construction Health, Safety and Environment to Daman Development Project at Hazira and Institute of Public Enterprises' Women of Excellence Awards -2017 to four EIL women executives. While our efforts are selfless and authentic in spirit, these recognitions from external Boards of eminent judges confirms that our progress is in the right direction.

Your Company is committed to good Corporate Governance as per the requirements of SEBI Regulations and DPE Guidelines in this regard. Your Company is fully compliant with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

I thank you for your continued support and faith in the Company and look forward to your feedback and advice. EIL management joins me in wishing you and your family lot of prosperity and good health.

J.C. Nakra

Board of Directors

Jagdish Chander Nakra

Chairman & Managing Director
and Addl. charge-Director (Projects) & Director (Finance)
(w.e.f. 12.02.2018)

Vipin Chander Bhandari
Director (HR)

Rakesh Kumar Sabharwal
Director (Commercial)

Lalit Kumar Vijh
Director (Technical)
(w.e.f. 02.05.2018)

Non-Executve Directors

Sandeep Poundrik Director (Govt. Nominee)	**Sushma Taishete** Director (Govt. Nominee) (up to 23.11.2017)	**Ashish Chatterjee** Director (Govt. Nominee) (w.e.f 26.07.2018)
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	**Chaman Kumar** Non-official Independent Director (w.e.f 08.09.2017)
	Rajesh Kumar Gogna Non-official Independent Director (w.e.f 20.09.2017)	

Company Secretary	- Rajan Kapur (up to 26.07.2018) - Narendra Kumar (w.e.f. 09.08.2018)

Brief Profiles of the Directors

Shri J.C. Nakra is the Chairman & Managing Director of our Company. In a career spanning over 37 years, Shri Nakra has worked in a wide array of domains including Projects, Construction & Marketing. He joined EIL in 1983 in Construction Division (Offshore). Subsequently, he served in various capacities in Marketing and Project Divisions. He has steered the Marketing initiatives of EIL for business development in India and abroad and has also led Project teams for implementation of major projects. Prior to assuming charge of C&MD, Shri Nakra was Director (Projects) in EIL. A Mechanical Engineering Graduate from Punjab Engineering College, Chandigarh (1981 Batch), he also possesses a Post-Graduate Diploma in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai.

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 36 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 exercises and in developing the Mentoring process and Management Pipeline Programme at EIL. He has continually endeavoured to transform HR as a strategic partner in business and has taken several initiatives towards Talent Management, Training & Development, Performance Management, Employee Engagement & Retention, CSR & Brand Building. 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 35 years of experience in various positions in all areas of commercial function since 1983. He has hands on experience in international and domestic commercial domain. His expertise covers various aspects of International trade, EXIM procedures, taxation, legal aspects etc. He has proven competence in systems development. His job responsibilities include establishing fair and transparent systems, planning manpower allocation, finalizing e-enabling strategies including e-procurement, evaluation techniques, negotiation methodologies and interface management, development of suitable commercial procedures, finalization of detailed contractual terms for domestic and global commerce. He was also posted in Dubai for independently leading entire commercial function for Gasoline Facilities Project of Iso Octane Company, Dubai during 1998 – 1999. He has successfully demonstrated leadership skills over the years. He has successfully managed various functions including day-to-day operations under complex management situations. He was also actively involved with IT Applications in various business processes in the company and has been spearheading IT applications in Commercial Function for the last several years. He is a Member of All India Management Association, Indian Institute of Materials Management and Indian Institute of Foreign Trade.

Shri Lalit Kumar Vijh is the Director (Technical) of our Company. In a career spanning over 36 years, Shri Vijh has a wide spectrum of experience in areas of process design, technology development and its commercialization, plant operation & process safety and other specialist design and engineering services across the entire hydrocarbon value chain. Having joined EIL in 1982 in Process Design Division, he has been associated with many green and brown field projects. Shri Vijh is a B. Tech. in Chemical Engineering from Punjab University, Chandigarh (1981 batch).

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 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.

Shri Ashish Chatterjee is a Government Nominee Director of our Company. He is an IAS Officer born on Tamil Nadu cadre (1999), who joined Government of India in 2014 and is currently posted as Joint Secretary in the Ministry of Petroleum and Natural Gas and holding charge of Secretary OIDB. Previously in his cadre, he has held various positions at the District and State Level. His assignments have been mostly in Revenue Department and Municipal Administration and Water Supply Department. He has been 'posted as Collector of Villupuram, Kanchipuram and Tiruvallur Districts. He has also handled charge of Joint Commissioner, in Chennai Corporation looking after infrastructure works. Further he has been posted in the State Relief Commission's office in charge of Disaster Management.

Dr. (Prof.) Mukesh Khare is a Non-official 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 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 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 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 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. Issues 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.

Shri Rajesh Kumar Gogna is a Non-official Independent Director of our Company. He has been practicing as advocate since 1988. He is presently working as Central Government Standing Counsel at Delhi High Court. He has worked as Amicus Curiae in the Supreme Court of India and as Member of Executive Council of University of Delhi. He has also worked as Member of Court of University of Delhi. He is working as Secretary General of Human Rights Defense International.

Shri Chaman Kumar is a Non-official Independent Director of our Company. Joined Indian Forest Service on 1st April, 1975. Served in Andhra Pradesh as Assistant Conservator of Forests from April, 1977 to July, 1978. Thereafter, joined Indian administrative Service in July, 1978. At present Independent External Monitor for Central Coalfields Ltd., a subsidiary of Coal India Limited, since November, 2013, he worked as Liquidator, Madhavpura Mercantile Cooperative Bank Ltd., Ahmedabad, from July, 2012-May, 2015 held various assignment such as Additional Secretary to Government of India & Financial Adviser in various Ministries/Departments viz. Labour and Employment, Food Processing Industries, Planning Commission etc. from November, 2008 to 31st December, 2011, Joint Secretary to Government of India in the Ministry of Defense from October, 2007 to October, 2008 and Joint Secretary to Government of India in the Ministry of Women & Child Development from May 2004 to September, 2007. As Secretary (Economic Affairs) and as Principal Secretary (Expenditure), Finance Department, Government of Gujarat, he was also Government Nominee on the Board of Directors of various state PSUs viz. GMDC, GACL, GIDC, GMB etc. Also worked as Managing Director of GIIC & GSFC and as such was on the Board of assisted companies viz. GHCL, Uncle Chipps Co. Ltd. and Welspun Gujarat Ltd. Also held may other important assignments, both under Central and the State Government, such as Collector & District Magistrate, Bhavnagar District and District Development Officer, Mehsana and Director (Pharmaceuticals) in M/O Chemicals & Petrochemicals, New Delhi. Attended a number of in-service training programmes in leading institutions in the country, such as Indian Institute of Foreign Trade, NIPFP, LBSNAA, Mussoorie, IIM, Ahmedabad, IIM, Kolkata and University of Bradford, U.K.

Ten Years' Performance at a Glance

(₹ in lakh)

	PARTICULARS/YEARS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16**	2016-17	2017-18
A	OPERATING STATISTICS										
	Turnover*	1,53,246.28	1,99,379.70	2,82,328.44	3,69,882.43	2,50,596.70	1,82,359.17	1,71,300.42	1,51,101.47	1,44,864.31	1,78,758.25
	Other Income	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	17,947.07
	Expenditure	1,22,675.67	1,51,492.06	2,18,341.43	2,99,964.65	1,87,259.58	1,35,487.80	1,51,037.44	1,33,899.99	1,17,212.28	1,39,895.17
	Prior Period Adjustments (net)	0.13	79.96	577.45	191.57	427.75	277.07	818.15	-	-	-
	Profit before Tax	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	56,810.15
	Tax	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	22202.33
	Fringe Benefit Tax	286.67	-	-	-	-	-	-	-	-	-
	Deffered Tax (Assets)/Liability	(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)	(3,179.42)
	Profit after Tax	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	37,787.24
	Other Comrehensive Income	-	-	-	-	-	-	-	(225.53)	(2,323.06)	459.61
	Total Comprehensive income for the year	-	-	-	-	-	-	-	27,393.86	30,180.63	38,246.85
	Amount Transfer from General Reserve	-	56,156.10	-	-	-	-	-	-	-	-
	Dividend including Dividend Tax	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	22674.46
B	FINANCIAL POSITION										
	CAPITAL EMPLOYED	137533.65	111470.58	144211.97	184404.51	223754.64	246176.04	256790.09	275700.66	277595.99	226787.27
	NON CURRENT ASSETS	33386.55	31413.90	35989.93	45193.81	57767.66	55007.63	58394.32	66011.19	78919.19	87425.20
	CURRENT ASSETS	265175.87	251937.62	310934.04	329212.37	326699.21	320034.01	333200.35	343027.81	352940.92	355606.38
	EQUITY & LIABILITIES										
	i) Share Capital	5615.62	5615.62	16846.84	16846.84	16846.84	16846.84	16846.84	16846.84	33693.67	31595.58
	ii) Other Equity	131918.03	105854.96	127365.13	167557.67	206907.80	229329.20	239943.25	258853.82	243902.32	195191.69
	NON CURRENT LIABILITIES	-	-	2101.85	2515.21	2,479.95	2,192.55	1,968.61	2,365.20	2,105.00	2,239.28
	CURRENT LIABILITIES	161028.77	171880.94	200610.15	187486.46	158232.28	126673.05	132835.97	130973.14	152159.12	214005.03
C	RATIOS										
	PBT / Turnover	33.96%	33.13%	27.79%	24.73%	35.55%	38.28%	27.29%	27.78%	34.53%	31.78%
	PAT/ Turnover	22.48%	21.85%	18.51%	17.20%	25.08%	26.31%	17.98%	18.28%	22.44%	21.14%
	PBT / Capital Employed	37.84%	59.25%	54.40%	49.61%	39.82%	28.35%	18.21%	15.23%	18.02%	25.05%
	PAT / Net Worth	25.05%	39.08%	36.23%	34.51%	28.09%	19.49%	11.99%	10.02%	11.71%	16.66%
	Turnover / Net Worth (number of times)	1.11	1.79	1.96	2.01	1.12	0.74	0.67	0.55	0.52	0.79
	Sundry Debts / Turnover (Month's Turnover)	2.35	1.91	1.31	1.00	1.59	2.26	2.98	2.88	3.17	3.66

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)
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 53rd Annual General Meeting of the Members of Engineers India Limited will be held on Wednesday, the 19th day of September, 2018 at 3.00 p.m. at Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi - 110049 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, 2018 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 Vipin Chander Bhandari (DIN: 07550501), who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Shri Rakesh Kumar Sabharwal (DIN: 07484946), who retires by rotation and being eligible, offers himself for reappointment.

5. To fix remuneration of Auditors for the financial year 2018-19 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 2018-19."

SPECIAL BUSINESS

6. To appoint Shri Chaman Kumar (DIN: 02064012) as Non-official 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 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 Chaman Kumar (DIN: 02064012), who was appointed as an Additional Director (Non-official Independent) of the Company by the Board of Directors with effect from 8th September, 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 Chaman Kumar himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-official Independent Director of the Company, not liable to retire by rotation, and to hold office till 7.09.2020 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."

7. To appoint Shri Rajesh Kumar Gogna (DIN: 07944627) as Non-official 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 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 Rajesh Kumar Gogna (DIN: 07944627), who was appointed as an Additional Director (Non-official Independent) of the Company by the Board of Directors with effect from 20th September, 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 Rajesh Kumar Gogna himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Non-official Independent Director of the Company, not liable to retire by rotation, and to hold office till 7.09.2020 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 Chairman & Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with the 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 and Chairman & Managing Director by the Board of Directors with effect from 12th February, 2018 (A.N.) 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 Chairman & Managing Director of the Company, not liable to retire by rotation, and to hold office for a period of five years with effect from 12th February, 2018 (A.N.) 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."

9. To appoint Shri Lalit Kumar Vijh (DIN: 07261231) as Director (Technical) 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 Lalit Kumar Vijh (DIN: 07261231), who was appointed as an Additional Director in the capacity of Director (Technical) of the Company by the Board of Directors with effect from 2nd May, 2018 (A.N.) 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 Lalit Kumar Vijh himself in writing proposing his candidature for the office of Director, be and is hereby appointed as Director in the capacity of Director (Technical) of the Company, liable to retire by rotation, and to hold office for a period of five years with effect from 2nd May, 2018 (A.N.) 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 10, 2018

(Narendra Kumar)
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 Thursday, 13th September, 2018 to Wednesday, 19th September, 2018 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.

6. Dividend, if any, approved at the 53rd 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 Wednesday, 12th September, 2018 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 Wednesday, 12th September, 2018.

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 - 500 032 (Tel No. 040-67162222, Fax No. 040-23001153, Email:einward.ris@karvy.com, Website : www.karvy.com or www.karvy computer share.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. **Member may know that SEBI by Circular dated 20.04.2018 has made it mandatory for the persons holding shares in physical form to furnish their copy of PAN Card and original cancelled cheque leaf/attested Bank Pass Book showing name of account holder, to the Company /Registrar and Transfer Agent of the Company. Members are requested to comply with the requirement at the earliest.**

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 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, 2017 (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.

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 2017-2018 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 2017-2018 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 53rd 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 53rd 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 53rd AGM may also attend the 53rd AGM but shall not be entitled to cast their vote again.

24. The remote e-voting period commences on Saturday, 15th September, 2018 at 9.30 a.m. (IST) and ends on Tuesday, 18th September, 2018 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. Wednesday, 12th September, 2018, 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 53rd 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 cut off 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 53rd 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. Wednesday, 12th September, 2018.

27. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of 53rd AGM and holding shares as of the cut-off date i.e. Wednesday, 12th September, 2018, 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 53rd 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 53rd 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 53rd 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 53rd 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 53rd 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 forwarded to BSE Limited and National Stock Exchange of India Limited within the Statutory time period.

33. The Notice of the 53rd 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, Sr. 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 53rd Annual General Meeting i.e. Wednesday, 19th September, 2018.

36. The Route Map of the venue of 53rd 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 10, 2018

(Narendra Kumar)
Company Secretary

Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 6

Shri Chaman Kumar was appointed as Additional Director (Non-official Independent) w.e.f. 8.09.2017 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-31034/2/2017-CA/FTS:49128 dated 8.09.2017. The tenure of Shri Chaman Kumar as per said Government of India letter is till 7.09.2020 or until further orders of the Government, whichever is earlier. In terms of Section 161 of the Companies Act, 2013, Shri Chaman Kumar shall hold office up to the date of this Annual General Meeting. The Company has received valid notice from Shri Chaman Kumar 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 Non-official Independent Director of the Company. Brief resume containing, inter-alia, the statutory disclosures of Shri Chaman Kumar has been given in the Annexure to the Notice of 53rd Annual General Meeting. Shri Chaman Kumar's appointment is upto 7.09.2020 or until further orders of the Government, whichever is earlier. He is not liable to retire by rotation.

Being the Non-official Independent Director, Shri Chaman Kumar 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. 6 of AGM Notice, except Shri Chaman Kumar 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

Shri Rajesh Kumar Gogna was appointed as Additional Director (Non-official Independent) w.e.f. 20.09.2017 (date of allotment of his 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-31034/2/2017-CA/FTS:49128 dated 8.09.2017. The tenure of Shri Rajesh Kumar Gogna as per said Government of India letter is till 7.09.2020 or until further orders of the Government, whichever is earlier. In terms of Section 161 of the Companies Act, 2013, Shri Rajesh Kumar Gogna shall hold office up to the date of this Annual General Meeting. The Company has received valid notice from Shri Rajesh Kumar Gogna 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 Non-official Independent Director of the Company. Brief resume containing, inter-alia, the statutory disclosures of Shri Rajesh Kumar Gogna has been given in the Annexure to the Notice of 53rd Annual General Meeting. Shri Rajesh Kumar Gogna's appointment is upto 7.09.2020 or until further orders of the Government, whichever is earlier. He is not liable to retire by rotation.

Being the Non-official Independent Director, Shri Rajesh Kumar Gogna 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 Shri Rajesh Kumar Gogna 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, Director (Projects) was appointed as Additional Director and Chairman & Managing Director w.e.f. 12.02.2018 (A.N.) 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-31/1/2017-CA(14564) dated 12th February, 2018. In terms of Section 161 of the Companies Act, 2013, Shri Jagdish Chander Nakra shall hold office up to the date of this Annual General Meeting. The Company has received valid notice from Shri Jagdish Chander Nakra under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Chairman & Managing Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Chairman & Managing Director 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 53rd Annual General Meeting. Shri Jagdish Chander Nakra's appointment is for a period of five years with effect from 12.02.2018 (A.N.) or till the date of his superannuation or until further orders of the Government, whichever is the earliest. He is not liable to retire by rotation. The appointment to the post of Chairman & Managing Director in EIL is in the pay-scale of ₹ 80,000 - 1,25,000 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.

Item No.9

Shri Lalit Kumar Vijh was appointed as Additional Director in the capacity of Director (Technical) w.e.f. 2.05.2018 (A.N.) 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. CA-31018/1/2017-PNG(98) dated 2.05.2018. In terms of Section 161 of the Companies Act, 2013, Shri Lalit Kumar Vijh shall hold office up to the date of this Annual General Meeting. The Company has received valid notice from Shri Lalit Kumar Vijh 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 (Technical) of the Company. Brief resume containing, inter-alia, the statutory disclosures of Shri Lalit Kumar Vijh has been given in the Annexure to the Notice of 53rd Annual General Meeting. Shri Lalit Kumar Vijh's appointment is for a period of five years with effect from 2nd May, 2018 (A.N.) 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 the 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.

Except Shri Rakesh Kumar Sabharwal, Director (Commercial) who is Brother-in-law of Shri Lalit Kumar Vijh and Shri Lalit Kumar Vijh, 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. 9 of AGM Notice. 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 10, 2018

(Narendra Kumar)
Company Secretary

Brief Resume of Directors, retiring by rotation and eligible for re-appointment vide Items No. 3 & 4 of Notice of 53rd AGM:

Item No. 3

Name	:	**Shri Vipin Chander Bhandari**
Father's Name	:	Shri Vidya Sagar Bhandari
Designation	:	Director (HR)
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi-110066
Date of Birth	:	22nd February, 1960
Qualifications	:	B.Sc Engineering in Electrical from Delhi College of Engineering, 1981. 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 36 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	:	9
Shareholding in EIL	:	140 equity shares
Relationship between Directors / Key Managerial Personnel inter-se	:	None

Item No.4

Name	:	**Shri Rakesh Kumar Sabharwal**
Father's Name	:	Shri Krishan Lal Sabharwal
Designation	:	Director (Commercial)
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi-110066
Date of Birth	:	20th May, 1962
Qualifications	:	B.E. Mech. from Punjab Engineering College MBA from IGNOU LLB from DU Certificate in Export Marketing from IIFT
Experience	:	He has more than 35 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	:	10
Shareholding in EIL	:	7400 equity shares
Relationship between Directors/ Key Managerial Personnel inter-se	:	Brother in-law of Shri Lalit Kumar Vijh Director (Technical)

Brief Resume of Additional Directors vacating office at 53rd AGM and propose to be appointed vide Items No. 6 to 9 of Notice of 53rd AGM:

Item No.6

Name	:	**Shri Chaman Kumar**
Father's Name	:	Shri Purshottam Narain Nigam
Designation	:	Non-official Independent Director
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi-110066
Date of Birth	:	3rd December, 1951
Qualifications	:	i) A retired member of Indian Administrative Service (1978 Batch), Gujarat Cadre ii) M.Sc. (Physics) from Kanpur University iii) B.Sc. from Kanpur University iv) Diploma in Forestry & Allied Services from National Forest Academy, Dehradun
Experience	:	Joined Indian Forest Service on 1st April, 1975. Served in Andhra Pradesh as Assistant Conservator of Forests from April, 1977 to July, 1978. Thereafter, joined Indian administrative Service in July, 1978. At present Independent External Monitor for Central Coalfields Ltd., a subsidiary of Coal India Limited, since November, 2013, he worked as Liquidator, Madhavpura Mercantile Cooperative Bank Ltd., Ahmedabad, from July, 2012-May, 2015 held various assignment such as Additional Secretary to Government of India & Financial Adviser in various Ministries/Departments viz. Labour and Employment, Food Processing Industries, Planning Commission etc. from November, 2008 to 31st December, 2011, Joint Secretary to Government of India in the Ministry of Defense from October, 2007 to October, 2008 and Joint Secretary to Government of India in the Ministry of Women & Child Development from May 2004 to September, 2007. As Secretary (Economic Affairs) and as Principal Secretary (Expenditure), Finance Department, Government of Gujarat, he was also Government Nominee on the Board of Directors of various state PSUs viz. GMDC, GACL, GIDC, GMB etc. Also worked as Managing Director of GIIC & GSFC and as such was on the Board of assisted companies viz. GHCL, Uncle Chipps Co. Ltd. and Welspun Gujarat Ltd. Also held many other important assignments, both under Central and the State Government, such as Collector & District Magistrate, Bhavnagar District and District Development Officer, Mehsana and Director (Pharmaceuticals) in M/O Chemicals & Petrochemicals, New Delhi. Attended a number of in-service training programmes in leading institutions in the country, such as Indian Institute of Foreign Trade, NIPFP, LBSNAA, Mussoorie, IIM, Ahmedabad, IIM, Kolkata and University of Bradford, U.K.
Other Directorships	:	National Commodity and Derivatives Exchange Limited
Other Committee Memberships/ Chairmanship	:	Nil
Number of Board Meeting(s) attended	:	5
Shareholding in EIL	:	Nil
Relationship between Directors/ Key Managerial Personnel inter-se	:	None

Item No.7

Name	:	**Shri Rajesh Kumar Gogna**
Father's Name	:	Shri Ram Veer Gogna
Designation	:	Non-official Independent Director
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi-110066
Date of Birth	:	1st February, 1965
Qualifications	:	B.A. (Hons), LLB
Experience	:	i) Practicing as advocate since 1988. ii) Presently working as Central Government Standing Counsel at Delhi High Court. iii) Worked as Amicus Curiae in the Supreme Court of India. iv) Worked as Member of Executive Council of University of Delhi. v) Worked as Member of Court of University of Delhi. vi) Working as Secretary General of Human Rights Defense International.
Other Directorships	:	Nil
Other Committee Memberships/ Chairmanship	:	Nil
Number of Board Meeting(s) attended:		5
Shareholding in EIL	:	Nil
Relationship between Directors/ Key Managerial Personnel inter-se	:	None

Item No.8

Name	:	**Shri Jagdish Chander Nakra**
Father's Name	:	Shri Tara Singh Nakra
Designation	:	Chairman & Managing Director
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi-110066
Date of Birth	:	19th January, 1961
Qualifications	:	B.E. (Mechanical)- Punjab Engineering College, Chandigarh. Post Graduate Diploma in Management Studies, Jamnalal Bajaj Institute of Management Studies, Mumbai University
Experience	:	He has varied experience of about 37 years in the fields of Projects, Construction & Marketing with recent position of C&MD in EIL. After joining in 1983 as a Mechanical Engineers (Construction) in the Ocean Engineering Division of EIL, 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 and the Project Management teams for implementation of major projects. Prior to joining EIL, he worked as Mechanical Engineer in Jagat Jit Cotton Textile Mills (JCT), Fiber Division, Hoshiarpur from 1981 to 1983.
Other Directorships	:	Ramagundam Fertilizers and Chemicals Limited Certification Engineers International Limited
Other Committee Memberships/ Chairmanship	:	Nil
Number of Board Meeting(s) attended	:	9
Shareholding in EIL	:	8534 equity shares
Relationship between Directors/ Key Managerial Personnel inter-se	:	None

Item No.9

Name	:	**Shri Lalit Kumar Vijh**
Father's Name	:	Shri Shiv Kumar Vijh
Designation	:	Director (Technical)
Official Address	:	Engineers India Limited 1, Bhikaji Cama Place, New Delhi-110066
Date of Birth	:	30th July, 1960
Qualifications	:	B. Tech in Chemical Engineering from Department of Chemical Engineering & Technology, Punjab University, Chandigarh (1981)
Experience	:	He has over 36 years of experience in EIL in various divisions of Technical directorate in the fields of Process Design, Technology development & commercialization, Plant Operation, Process Safety and other specialist design & engineering services across entire hydrocarbon value chain in areas of Refineries, Petrochemicals, Oil & Gas Processing (both on-shore & off-shore), Fertilizers, cross county pipelines, crude oil & products storage terminal, LPG storage terminals, LNG storage & re-gasification terminal and strategic petroleum reserves (caverns). After joining EIL in 1982 in Process Design division, he has served in various capacities in technology directorate and has handled many green field and brown field expansion projects in all areas of EIL's operations. As Executive Director In-charge (Technical), he had been responsible for leading and guiding various Technical divisions in EIL involved in above areas and activities. Prior to joining EIL he had a short stint in JCT, Fiber Division, Hosiarpur.
Other Directorships	:	Ramagundam Fertilizers and Chemicals Limited (RFCL)
Other Committee Memberships/ Chairmanship	:	Member - Audit Committee- RFCL
Number of Board Meeting(s) attended	:	-
Shareholding in EIL	:	680 equity share
Relationship between Directors/ Key Managerial Personnel inter-se	:	Brother in-law of Shri Rakesh Kumar Sabharwal, Director (Commercial)

Directors' Report

To

The Shareholders
Engineers India Limited

Dear Members,

Directors of your Company have great pleasure in presenting the 53[rd] Annual Report for the Financial Year ended March 31, 2018 along with Audited Statement of Accounts, the Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

2017-18 in Retrospect

Your Company sustained its good performance during FY2017-18. Key highlights of the financial performance of the Company for the year, as stated in the audited financial statement, along with corresponding performance for immediate previous year are as under:

Financial Performance

(Figures in ₹ Lakhs)

Sl. No.	Description	Actual 2017-18	Actual 2016-17
A.	**INCOME**		
i)	Consultancy & Engineering Contracts	137929	116507
ii)	Turnkey Contracts	40829	28357
iii)	Other Income	17947	22366
	TOTAL INCOME	**196705**	**167230**
B.	**EXPENDITURE**		
i)	Cost of rendering services	137512	114961
ii)	Depreciation & Amortization	2383	2251
	Total	**139895**	**117212**
C.	**PROFIT BEFORE TAX (A-B)**	**56810**	**50018**
D.	Provision for Current tax	21669	21480
E.	Provision for Deferred Tax	(3179)	(3958)
F.	Earlier Year Tax Adjustments, Short/(Excess)	533	(8)
G.	**PROFIT FOR THE YEAR (C-D-E-F)**	**37787**	**32504**
H	**OTHER COMPREHENSIVE INCOME**	**460**	**(2323)**
I.	**TOTAL COMPREHENSIVE INCOME**	**38247**	**30181**

Segment wise Performance (Figures in ₹ Lakhs)

Consultancy & Engineering Projects	Year ended 31.03.2018	Year ended 31.03.2017
Segment Revenue		
Consultancy & Engineering Projects	137929	116507
Turnkey Projects	40829	28357
Total	**178758**	**144864**

Consultancy & Engineering Projects	Year ended 31.03.2018	Year ended 31.03.2017
Segment Profit From Operations		
Consultancy & Engineering Projects	43027	35920
Turnkey Projects	7537	10355
Total (A)	**50564**	**46275**
Interest	57	317
Other un-allocable expenditure*	11644	18306
Total (B)	**11701**	**18623**
Other Income (C)	**17947**	**22366**
Profit Before Tax (A-B+C)	**56810**	**50018**
Income Tax Expense	**19023**	**17514**
Profit for the year	**37787**	**32504**
Capital Employed **	**226787**	**277596**

NOTES:

* Financial Year 2017-18 includes expenditure on oil and gas exploration blocks including dry well written off amounting to ₹ 2,643.14 Lakhs (previous year : ₹449.47 Lakhs)

Financial Year 2016-17 included ₹ 9062.88 Lakhs on account of provisions for increase in gratuity ceiling from ₹ 10 Lakhs to ₹20 Lakhs with effect from January 1, 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 ₹ 1.50/- per share (of face value of ₹5/- per share) for the Financial Year 2017-18, in addition to ₹ 2.50/- per share interim dividend already paid during the year. With this, the total dividend for the Financial Year 2017-18 works out to ₹ 4.00/- per share amounting to ₹ 25276.62 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 12[th] September, 2018.

Changes in Share Capital and disinvestment by the Government of India

During the year, the Company has completed Buyback of 4,19,61,780 equity shares of the Company. Consequently, the paid up share Capital of the Company stands reduced from ₹ 33693.67 lakhs to ₹ 31595.58 lakhs (63,19,11,420 equity shares ₹ 5 each).

The President of India acting through the Ministry of Petroleum &

Natural Gas has dis-invested 4,19,46,454 equity shares under the Buyback of shares by the Company. Further, the Government of India has also dis-invested 1,35,88,409 equity shares to Bharat 22 ETF through a New Fund Offer in terms of scheme framed in this regard. Consequently, the Government of India (Promoter) share holding as on 31.03.2018 stands reduced to 52.02% (32,86,89,731 equity shares).

Investor Relations

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

Your Company's Management is responsive for ensuring that the performance of your 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 information of the Company 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 harmonious relationship with Investors.

Management Discussion & Analysis

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 part of the Annual Report.

Consultancy Assignments (Domestic)

Offshore Oil and Gas

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

The following consultancy assignments were successfully completed during the year:

- 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.

Additionally, the following projects are currently under execution:

- PMC services for LPG Import Facility at Haldia, West Bengal, for Bharat Petroleum Corporation Limited (BPCL).
- PMC services for Dahej Expansion Phase-IIIB1 Project at Dahej LNG Terminal, Gujarat for Re-gas facilities for Petronet LNG Limited.
- Construction of Fifth Oil Berth at Jawahar Dweep Island of Mumbai Port Trust, Maharashtra.
- Life Extension of Well Platform Project of Oil and Natural Gas Corporation (ONGC), Western Offshore.
- Underwater structural repair of HC Platform in Heera Field of ONGC.

During the year, EIL secured the following orders against stiff competition and works are under implementation:

- Vetting of Cost Estimation Methodology for ONGC Offshore Projects.
- Consultancy Services for LNG Terminal at Dhamra, Odisha, of GAIL (India) Limited.

Pipelines

EIL has developed an enviable track record in design, engineering and execution of cross-country pipelines for transportation of crude oil, refined petroleum products, natural gas and LPG across diverse geographies and demanding terrains. EIL ensures smooth and seamless execution of pipeline projects and has established itself with oil & gas conglomerates as a preferred consultant for execution of pipeline projects.

The following assignments were successfully completed during the year:

- Detailed Feasibility Report (DFR) of 327 km Multi product Bina-Panki Pipeline of 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 shall be laid is 3,512 m below sea level which will be a World Record.
- EPCM Services for Upgradation of Pumping Stations for Naharkatia-Barauni Crude Oil Pipeline of Oil India Limited (OIL).

The following pipeline projects are in progress:

- PMC services for 18" x 45 km Re-routing of Mumbai-Manmad Pipeline for BPCL.
- PMC services for 24"/18"/8"/4" x 243 km Replacement of KG Basin Pipeline for GAIL.
- PMC services for 12"/ 8" x 450 km Kochi-Salem LPG Pipeline for KSPPL.
- PMC services for capacity augmentation of Jamnagar-Loni LPG Pipeline for GAIL.
- Modification/ Revamp of Vijaipur and Vaghodia HBJ/ DVPL system for GAIL for rich gas/ lean gas interconnection.
- PMC services for 30"/ 24"/ 18"/ 12" x 827 km Dobhi-Durgapur-Haldia Natural gas pipeline of GAIL.
- PMC services for 36" x 357 km Vijaipur-Auraiya Natural Gas Pipeline of GAIL.

- EPCM services for Palanpur-Vadodara Pipeline and Mundra-Delhi Pipeline capacity expansion Project of HPCL.
- Engineering and Consultancy services for 18" x 362 km Khunchanpalli-Ramagundam Pipeline project of GITL in Andhra Pradesh.
- Engineering and Procurement Services for Mundra-Bhatinda Pipeline Capacity Expansion of HPCL-Mittal Pipeline Limited.

The following major projects were secured by the Company in the Pipeline sector during the year and are in various stages of execution:

- Upgradation project for enhancement of pumping capacity of Barauni-Bongaigaon-Guwahati Sector of Naharkatia-Barauni Crude Oil Pipeline for OIL.
- PMC services for new selected C_2-C_3 product injection scheme in HVJ pipeline at GAIL, Vijaipur.
- Engineering, Procurement, Inspection & Expediting, Construction Supervision, Pre-commissioning & Commissioning assistance services for laying of 16" x 4.2 km pipeline from H_2SO_4 Tank of IOCL Haldia Refinery to existing IOCL jetty.

Petroleum Refining

EIL has carved a niche as one of the leading engineering consultancy service providers to the refinery sector in India, having its footprints in 20 operating refineries including 10 grass root refineries in the country, Diesel Hydro-desulphurisation projects, Fuel Specification Upgradation Projects and revamp/ modernization projects for most of the oil & gas majors.

The following Refinery Projects were successfully completed during the year:

- Implementation of Low Cost Expansion Project of HPCL Mittal Energy Limited (HMEL) at Guru Gobind Singh Refinery (GGSR), Bhatinda.
- Construction of new utility buildings for the refinery to relocate existing facilities as part of revised pre-project activities of Vizag Refinery Modernization Project (VRMP), HPCL.
- Tail Gas Treatment Unit (TGTU) at BPCL Mumbai Refinery for additional recovery (more than 99.9%) of Sulphur from acid gases emanating from SRU.

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

- Distillate Yield Improvement Project at IOCL, Haldia Refinery. For the project, Engineering & Ordering have been completed and equipment deliveries are in an advance stage of completion. CDSP and 132 kV Switch yard are mechanically completed, Civil & Structural work have been completed and Mechanical, Electrical & Instrumentation works are in advance stage of completion.
- PMC services (Phase-II) for Revamp and Capacity Enhancement Project of BORL Refinery which aims to increase the refining capacity from 6.0 MMTPA to 7.8 MMTPA. For the project, ordering activities have been completed and receipt at site is nearing completion. New Penex Unit and Nitrogen plant have been commissioned. Civil & Structural works are nearing completion while site activities are progressing in full swing.
- EPCM services for 0.7 MMTPA DHDT and Supporting Facilities project at Numaligarh Refinery of NRL. For the project, engineering and procurement have been completed. DHDT unit was successfully commissioned and on-spec product has been produced. Construction activities pertaining to the SRU are in full swing.
- Construction works are in advance stage for HGU Revamp, SRU/ O_2 Enrichment, SWS Revamp and CDU-III Revamp of BPCL Mumbai Refinery.
- EPCM Services for LPG Import facility at Haldia for BPCL for which engineering and procurement are in progress while construction activities are in full swing.
- MR-II Tankages project at Mumbai, HPCL for which engineering and procurement are in advance stage and construction is also in progress.
- Significant progress has been achieved in Vizag Refinery Modernization Project with award of all major process packages viz., CDU, FCHCU, RFU, Naphtha ISOM, HGU, SRU, Revamp of NHT/ CCR, DHDT and Prime-G to LSTK contractors. Utility packages of CPP, N_2 & compressed air, Sea & Bearing Cooling Water Tower have also been awarded. Detail Engineering and ordering of equipment is in progress. Site activities with respect to civil jobs have also been commenced by various LSTK contractors.
- 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 have progressed to a major extent:

a. Panipat Refinery	:	2.2 MMTPA DHDT, HGU (LEPC mode), SRU, TAME, ARU, SWS PRIME Revamp, Utilities and Tanks
b. Vadodara Refinery	:	2.0 MMTPA DHDT, HGU, FCCGHDS, ARU, Revamp of CCR & ISOM, Utilities and Tanks
c. Haldia Refinery	:	1.2 MMTPA DHDT, H_2SO_4, ARU, SWS, Revamp of Prime G, Utilities and Tanks
d. Mathura Refinery	:	Revamp of DHDS, Prime G and Tanks
e. Bongaigaon Refinery	:	0.5 MMTPA NHT, SRU, ARU, Revamp of DHDT and HGU
f. Digboi Refinery	:	Revamp of DHDT

- EPCM Services for BS-VI Fuel Quality Project of HMEL consisting of a New DHDT (1.9 MMTPA), HGU & Offsite. For the project, engineering, procurement and construction activities are in progress.
- EPCM services for BS-VI Project and Associated Facilities at MRPL Refinery, Mangalore to upgrade their products to BS-VI standards. Basic Design Engineering Package (BDEP) finalized for the BS-VI project facilities. Detailed engineering and ordering activities are nearing completion for long-lead items and civil construction works are in full swing.
- Mumbai Refinery Expansion Project (MREP) at HPCL, Mumbai Refinery is being executed on EPCM/ PMC basis. MREP's objective is to produce upgraded BS-VI fuels along with Plant capacity expansion of 2.5 MMTPA.
- PMC and EPCM services for Gasoline Hydrotreating Unit Project at BPCL, Mumbai Refinery to produce BS-VI quality Gasoline.

- EPCM services for BS-VI Project at BPCL Kochi Refinery, Kochi.
- EPCM services for Heat Traced Pipeline projects with associated facilities at Mumbai & Kochi refineries of BPCL.
- PFR of West Coast Refinery of RRPCL (Ratnagiri Refinery & Petrochemicals Corporation Limited): 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 fuel and petrochemical requirements of the country, besides addressing the additional objective of selective export of the produce. Market Study and selection of consultant for the configuration study were awarded to EIL.

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

- PMC services for installation of new Kero Hydro Desulphurization unit at Bina Refinery of Bharat Oman Refineries Limited (BORL). The new Unit will be installed and hooked up with existing refinery aiming to meet BS-V/VI specifications for MS and HSD, maximization of Diesel production, minimize Kero production and Sulphur reduction in ATF. Engineering activities have commenced for long-lead items and critical equipment.
- License, BDEP and other related services for new 0.235 MMTPA NHT Unit and revamp of existing DHDT Unit at Bongaigaon Refinery, IOCL.
- BDEP and other services for installation of INDJET Unit (ATF Hydro Treating Process) at Barauni Refinery, IOCL.
- Pre-project activities for Rajasthan Refinery Project, HPCL.
- Preparation of DFR and Licensor Selection for process units of Cauvery Basin Refinery project, Chennai Petroleum Corporation Limited (CPCL) at Nagapattinam, Tamil Nadu.
- EPCM services for NHT Modification at ONGC Mangalore Petrochemicals Limited (OMPL), Mangalore for processing of Naphtha with higher Olefins. Detailed engineering and procurement is underway.

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:

- PPU Expansion Project of HMEL at GGSRL Complex at Bhatinda, Punjab.
- Licensor Selection and preparation of DFR for HMEL Petrochemical Complex at Bhatinda, Punjab.
- Additional jobs to increase operation flexibility of C_2-C_3 recovery plant at GAIL, Vijaipur, Madhya Pradesh.

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 ordering activities are nearing completion and delivery of equipment and materials is in progress. Construction activities are progressing in full swing.
- EPCM services for 500 TPD Methanol Project and Associated Facilities for Assam Petrochemicals Limited, Namrup. Detailed engineering and procurement activities are in advance stage while Piling and Civil construction works are gaining momentum.

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

- GGSR Polymer Addition Project of HMEL at Bhatinda, Punjab comprising EPCM services for DFCU, LLDPE, HDPE (Swing) Butene-1, HDPE & PP Units (Powder Section) and Utilities & Offsite and PMC services for HDPE & PP Units (excluding Powder section).

  Environment clearance (EC) for the Project has been obtained. Licensor selection for all the Petrochemical Units was carried out by EIL on fast track basis and recommendation for award has been sent to HMEL. Detailed Engineering and Ordering / Tendering have been carried out and all civil and structural contractors have mobilized at site.
- Expediting Services for procurement and construction supervision of two process units namely Bitumen Blowing Unit (BBU) and Polypropylene Unit (PPU) for HMEL Petrochemical Complex at Bhatinda, Punjab.
- Licensor Selection and Pre-project activity for Andhra Pradesh Petrochemical complex at Kakinada for GAIL/ HPCL. Licensor selection and Pre-Project activities are in progress. Terms of Reference (TOR) for the project have been approved by MoEF&CC.
- Consultancy Services for DFR, EIA/RRA and Licensor Selection for Propane Dehydrogenation (PDH)/ Polypropylene (PP) Unit at GAIL, Usar in Maharashtra. The Project has a dedicated Propane Storage, Unloading Facility and Pipeline connectivity upto plant.
- Detailed Engineering for Flare Recovery Unit, Lower Explosive Limit (LEL) detector Adequacy check, Improvement of Utility System at GAIL, Vijaipur, Madhya Pradesh.

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 provided 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-Padur Pipeline and 110 kV HT line have been mechanically completed.

Metallurgy

The following key Metallurgy assignments were completed during the year:

- Consultancy services for Feasibility Study and preparation of scheme for complete revamping of Rectifier Station-1 at Hirakud, Odisha for Hindalco.
- Consultancy services for Swing Unit Feasibility Study and Rectifier

System study of 220 kV Switchyard System at Smelter-1, Jharsuguda, Odisha for Vedanta Limited.

- Consultancy services for implementation of Fume Treatment Plant in the existing Baking Furnace at Smelter Plant, Angul, Odisha for National Aluminium Company Limited (NALCO).
- Scoping study for Structural Integrity of Aluminium Plant at Renukoot, Uttar Pradesh for Hindalco.

The Company achieved significant progress in the following assignments:

- Consultancy services for implementation of revised plant operation philosophy (Electrical) for NALCO's Alumina Refinery at Damanjodi, Odisha.
- 4th Stream upgradation project for Mines [6.3 Million Tons per Year (TPY) to 6.8 Million (TPY)] and Alumina Refinery (5.25 Lakh TPY to 7.00 Lakh TPY) at NALCO, Damanjodi, Odisha.
- Consultancy services for procurement and installation of Reclaimer and Associated Facilities in NALCO's Alumina Refinery at Damanjodi, Odisha.
- Consultancy services for 2nd raw water intake pump house and pipeline at NALCO, Damanjodi, Odisha.
- Detailed Feasibility Report for mechanised production and evacuation for Kurmitar Iron Ore Mines of Odisha Mining Corporation Limited.
- DFR for Kodingamali Bauxite Mines of Odisha Mining Corporation Limited.

The following assignments were secured by the Company in Metallurgy sector during the year and are in progress:

- Consultancy services for Retrofitting of HRD (High Rate Decanter) and DCW (Deep Cone Washer) in Stream-1, Stream-2 & Stream-3 of NALCO's Alumina Refinery at Damanjodi, Odisha.
- Consultancy Services for Comprehensive Geostatistical Resource Evaluation and Resource Classification of Polymetallic Nodules in the Central Indian Ocean Basin awarded by National Institute of Oceanography.

Infrastructure

EIL has developed a strong track record in Infrastructure sector by providing a wide spectrum of services such as Project Management, Project Management on Depository Basis, Third Party Inspection (TPI), Quality Assurance, Independent Engineer and Lender's Engineer services, Project Appraisal and Project Execution Services to key players in the sector.

During the year, following major assignments were completed:

- Consultancy services for preparation of Master Plan and Detailed Project Report (DPR) for development of Rajkot Airport, Gujarat to international standards.
- Civil Engineering services for Greenfield Airport at Rajkot, Gujarat.
- Engineering Consultancy services for development of Deoghar Airport, Jharkhand.
- Review of Master Plan for development of Greenfield International Airport at Mopa, Goa.
- PMC services for execution of balance works of Konark Sun Temple for Indian Oil Foundation in Odisha.

EIL achieved substantial progress in following projects:

- PMC Services for
  - Establishing Cold Storage Facility at Guntur, Andhra Pradesh.
  - Data Centre at Hyderabad for SBI.
  - Housing Project of Gujarat Housing Board.
  - Rejuvenation of nine cities of Odisha under AMRUT Scheme.
  - Development of IIT Patna Campus, Bihar.
  - Establishment of Main Campus of Central University of Punjab at Bhatinda.
  - Bhamashah State Data Centre (BSDC), Jaipur for Department of Information Technology & Communication (DoIT&C), Government of Rajasthan.
  - Headquarter Building of UIDAI in Delhi.
  - Construction of new Domestic Terminal Building and associated works at Leh Airport, Jammu & Kashmir.
- Extension of TPI services for Infrastructure Projects of Pune Municipal Corporation, Maharashtra.

The Company's footprints in Infrastructure sector received an impetus with securing of following infrastructure assignments during the year:

- Third Party Assessment Services for establishment of Bhamashah State Data Centre, Jaipur for DoIT&C, Government of Rajasthan.
- Engineering & PMC for Development of Tourist Infrastructure facilities in and around Khajuraho group of Temples, Madhya Pradesh.

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 investment in Fertilizer sector, EIL has taken 26% equity stakes in a JV Company M/s Ramagundam Fertilizers & Chemicals Ltd. (RFCL) along with NFL and FCIL. RFCL has been formed to pilot the Revival of Ramagundam Fertilizer Project. EIL is executing this project on EPCM Mode.

Engineering activities for the project are nearing completion while ordering of all equipment has been completed and equipment are being received progressively at site. All work contracts have been awarded. Site activities are in full swing with civil works nearing completion and mechanical works in progress.

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 standard basic engineering modules for municipal sewage treatment plants as well as standalone recycle plants.

The following Water and Waste Management assignment was completed during the year:

- Preparation of DPRs for Water Supply Projects of AMRUT scheme in 9 cities of Odisha.

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

- Execution of Entry Level Activities including development of Ghats and Crematoriums within 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) 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 packages 2 to 6 are in progress.
- EPCM Services for Effluent Treatment Plant (ETP) at Tengakhat, Assam for OIL.
- PMC services for ETP revamp at BPCL, Mumbai Refinery.

The following assignments were secured by the Company in Water and Waste Management sector during the year and are in progress:

- Consultancy Services for Techno-commercial and Environmental Feasibility Study for construction of De-salination Plant at Mori, Kesanapalli and Malleswaram fields of ONGC Rajahmundry Asset in Andhra Pradesh.

Alternate Fuel

In the alternate fuel area, EIL secured following assignments during the year:

- DFR for setting-up 2G Ethanol Bio-Refineries at Bina, Madhya Pradesh, Bargarh, Odisha and Maharashtra including technology evaluation of 2G Ethanol Bio-refinery in Maharashtra for BPCL.
- DFR for setting up 2G Ethanol Project at Mangalore for MRPL.
- DFR for drop-in bio fuel project at U.P. was also completed during the year.

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 assignments were completed:

- Detailed Feasibility Study (DFS) for construction of an Oil Refinery Plant with a Crude Oil Supply Pipeline Project in Mongolia from Ministry of Industry, Government of Mongolia (MMHI).
- DFS for LNG Regasification Terminal at Kutubida Island, Bangladesh.
- FEED to divert excess MP fuel gas to MP gas header – Habshan complex of ADNOC Gas Processing (formerly GASCO), UAE.
- Consultancy study for waste water management at Ruwais Refinery (East) and Abu Dhabi Refinery Division of ADNOC Refining, UAE.
- Technical Consultancy services for CNG station equipment packages, Phase-III of ADNOC Distribution, UAE.
- Engineering services for relocation of Suction Valves in Hot Oil Pumps and resultant piping modifications at Condensate Units 211 and 411 in Ruwais Refinery (East) of ADNOC Refining, UAE.
- Pre-FEED and FEED for enhancement of sales gas export from ASAB for ADNOC Gas Processing, UAE.
- FEED for provision of cross over among condensate stabilizers U27 and U200 of ADNOC Gas Processing, UAE.
- Installation of Chemical Injection Skids and Solar Power systems in US and ZK Wellhead Towers (WHTs) of ADMA-OPCO, UAE.

EIL achieved substantial progress in the following projects:

- PMC services for execution of 1900 TPD Ammonia Plant of PT. Panca Amara Utama in Central Sulawesi, Indonesia. The plant has been mechanically completed and is in advanced stage of commissioning.
- EPCM services for the prestigious Dangote Refinery and Petrochemical Project, Nigeria 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, Hydrogen Plant, 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 pumping facility, onshore and offshore pipeline as well as three SPMs.
- Revamp/ Expansion of Dangote Refinery, Nigeria from 460,000 BPSD to 650,000 BPSD. With this revamp in CDU, SWS, ARU, SRU, RFCC Gasoline, Offsite & Utilities, this will become the largest single train refinery in the world.
- PMC Services for AL DABBIYAH ASR Gas Development Project of ADNOC Onshore, UAE.
- PMC services for 3 MMTPA grassroot refinery of Eastern Refinery Limited in Bangladesh having 17 units like CDU, VDU, SAT GAS, LPG Treating Unit, NHT, ISOM, CCR, KTU, DHDT, HCU, VBU, SWS, ARU, SRU and H_2.
- 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 Rehabilitation of Ethylene Unit at Skikda Petrochemical Complex of SONATRACH, Algeria. The Phase-I project activities have been successfully completed and report submitted.

- Design, Consultancy and PMC Services for Miscellaneous Tank Farm, Piping, Instrumentation and Control System, Inspection, Repair, Maintenance & Upgrade works at various depots of ADNOC Distribution, UAE.
- FEED for Upgradation of Ethane Flow meter Skid in Train I, II & III (Ruwais) of ADNOC Gas Processing, UAE.
- FEED/ Detailed Engineering for provision to route high C_3 content sales Gas from H2 to THAMMAMA-F Injection wells of ADNOC Gas Processing, UAE.
- Technical Support services for Structural Integrity/ Adequacy check of existing Pipe racks at Habshan Plant - Phase 4 of ADNOC Gas Processing, UAE.
- Feasibility Study for Crude Receiving facilities at Ruwais of ADNOC Refining, UAE.
- Project Management Assistance (PMA) services for improvement of Fire fighting Facilities at Abu Dhabi Refinery for TAKREER, UAE.
- Conduct Study on Upgradation of DEO Flow Meter Skids in Train-1, 2 and 3 in GASCO Ruwais, UAE.
- DFR of 306 km White Petroleum Oil (Multiproduct) Pipeline from Chittagong to Dhaka for Padma Oil Company Limited, Bangladesh.

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

- DFR for Petroleum Products Terminal and Jetty at Port Albion, Mauritius for State Trading Corporation (STC).
- Additional PMC/ EPCM Services for new units, namely, DHDT, SWS and ARU in Dangote Refinery, Nigeria.
- Structural Integrity/ Adequacy Check of existing pipe racks at Habshan Plant – Phase 4 of ADNOC Gas Processing, UAE.
- Feasibility study of crude receiving facilities at Ruwais of ADNOC Refining, UAE.
- Various Engineering Services Assignments were awarded under Technical Support Services Agreement (TSSA) by ADNOC Gas Processing, UAE.
- Design and Detailed Engineering services for EPC for enhancement of Steam Condensate System at ASAB-2 and Implementation of PCR PE1695 Segregation of Hydrocarbon Flare Headers at Unit 13 Habshan-1 for DESCON Engineering Limited, UAE.
- Detailed Engineering Services for recommended Synergy Tie-ins and MP Steam Lines at Ruwais Fertilizer Complex (FERTIL) for ALSA Engineering & Construction, UAE.
- Development of Engineering Standards for Gas Distribution Network; various training programs on Heat Exchangers and Heaters and Technical Assistance by providing several engineering design services for BAPCO, Bahrain.

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 commissioned 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 jobs witnessed considerable progress during the year:

- Modification work at Hazira Plant under Daman Development Project of ONGC on OBE basis.
- Installation of Lean Gas Compressor at Hazira Plant of ONGC.
- Site grading, Offsite & Utility facilities with integration to existing refinery under Vizag Refinery Modernization Project.
- BS-VI Project at Manali Refinery of CPCL.

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

- Revamp of Slug Catcher at Uran Plant of ONGC in Maharashtra.
- Revamp of SRU at Hazira Plant of ONGC in Gujarat.

Performance of Divisions

Process Design & Development

The Process Design & Development Division is primarily engaged in providing design services for grass root as well as revamp projects in the field of Refineries, Petrochemicals, Oil & Gas & cross country Pipelines. The Division is also responsible for design of heat & mass transfer equipment namely columns, heat exchangers, fired heaters etc. & selection of material of construction for various applications, failure analysis as well as residual life assessment services. The activities undertaken by the Division include Configuration Studies using LP modelling techniques, Feasibility Studies including cost estimation & financial analysis, Technology Evaluation Studies for licensed technologies, Basic design of open art units, EIL licensed units as well as utilities & offsite facilities, Residual process design of licensed units, Detail engineering follow up, Pre-commissioning/ Commissioning, Plant start up assistance & Trouble shooting.

The Division is also actively involved in supporting Marketing Division towards securing new business for the Company from existing as well as new clients, both in India and overseas.

Prominent assignments undertaken by the Division during the year include the following:

- Preparation of DFR for setting up a grassroot refinery in Mongolia based on local crude. This is the first assignment won by EIL from Mongolia.
- Preparation of DFR for setting up grassroot Marketing Terminal facility for petroleum products at Mauritius. The assignment was awarded to EIL based on the Pre Feasibility studies (PFR) prepared by the Company.
- Preparation of PFR & providing back up consultancy services for setting up of long distance inter-continental gas pipelines between Russia & India, TAPI pipeline between Turkmenistan & India & deep water gas pipeline from Middle East to India.
- Preparation of DFR as well as FEED (Front End Engineering Design) for Chittagong-Dhaka multiproduct pipeline.
- DFR for PDH/ PP facility at GAIL, Usar. The proposed PDH (Propane Dehydrogenation) facility of GAIL shall be the first PDH facility in India.
- DFR for a new Bina-Panki multi-product pipeline for BPCL.
- DFR for land based LNG terminal for Bangladesh.

- DFR for Butene-I & HPG Unit at Brahmaputra Cracker & Polymer Ltd., Lepetkata, Assam.
- PFR for Pet Coke Gasification for MRPL, Mangalore.
- PFR for Ethylene Cracker and Associated Facilities at Rasayani for BPCL Mumbai Refinery.
- DFR updation based on modified feed/ product profile for grassroot Petrochemical Complex at Kakinada for GAIL.
- PFR for capacity expansion of IOCL's Panipat refinery to 25 MMTPA.
- Feasibility Study for expansion of Bina Refinery, BORL to 15 MMTPA with Integrated Petrochemical Complex.
- Revised DFR for MREP (Phase-I) and hydrogen based Residue Upgradation Project (MREP Phase-II) for HPCL Mumbai Refinery.
- DFR for CPCL's 9 MMTPA Cauvery Basis Refinery Project.
- Configuration Study for expansion of Mangalore Refinery, MRPL to 25 MMTPA.
- Pre-Feasibility Study for a mega Refinery-cum-Petrochemical Complex on West Coast of India.
- Configuration Study for PMC services for revamp of Captive Power Plant (CPP) at Vizag Refinery Moderisation project of HPCL.
- Configuration Study for capacity expansion of IOCL's Gujarat Refinery from 13.7 MMTPA to 18 MMTPA.
- Feasibility Report for a Naphtha-based grassroot Petrochemical Complex in Bangladesh for Super Petro Chemical Limited. This complex may become the first petrochemical complex in Bangladesh.
- Configuration Study, technology evaluation & basic design activities for grassroot Petrochemical Complex of HMEL at Bhatinda. The proposed complex includes a Steam Cracker of 1.5 MMTPA which is the largest capacity cracker being set up for the first time in the country. The project is being executed by EIL under EPCM mode.
- Design of Sulphuric Acid pipeline from IOCL Haldia Refinery to loading jetty. Long distance pipeline for Sulphuric Acid transportation has been designed for the first time by EIL.
- New DHDT unit is being set up at IOCL Haldia Refinery to produce Diesel fuel conforming to BS-VI quality specifications. The basic design of the unit has been done by Process Division & the Hydrotreating technology is jointly developed by EIL & IOCL. The unit is under implementation on EPC route with EIL as the PMC.
- New NHT (Naphtha Hydrotreating Unit) is being developed at IOCL, Bongaigaon for feed preparation for downstream Isomerization unit to produce Gasoline fuel conforming to BS-VI quality specifications. This is the first NHT unit for which the Hydrotreating Technology has been jointly developed by EIL & IOCL and EIL has developed the conceptual and basic design package. The unit, being executed under EPCM mode, is at detailed design stage.
- Completion of Commissioning activities for all grassroot and revamp units, utilities and offsites for Integrated Refinery Expansion Project at BPCL's Kochi Refinery for enhancing the refinery crude processing capacity from 9.5 to 15.5 MMTPA.
- Basic design & detail engineering of grassroot LPG Import Terminal facilities of BPCL at Haldia. The facility involves import & storage of cryogenic LPG in double wall cryogenic tanks.
- Technology selection, residual process design & detail engineering follow up for grass root Sulphuric Acid plant based on sour gases for IOCL-Haldia. This facility is being set up for the first time in India.
- Technology evaluation for selection of licensor for grassroot PDH and PP units of GAIL at Usar.
- Licensor evaluation activity (NIT preparation) for Petrochemical Complex at Kakinada for GAIL.
- Execution of BS-VI projects at six refineries of IOCL which involves implementation of process units, both grass-root & revamp, as well as matching utilities & offsite facilities for production of BS-VI quality MS & HSD products. Activities undertaken by Process Division for BS-VI project implementation include preparation of DFR for each refinery, technology selection, owner's engineer for licensor package review, detail engineering follow up, preparation of FEED for units to be implemented on EPC mode & EPC bid evaluation.
- PMC activities for FEED preparation at refinery of Eastern Refinery Limited, Bangladesh.
- BS-VI implementation for HMEL which includes grassroot DHDT unit, revamp of existing Hydrogen Generation Unit (HGU) to enhance its capacity & revamp of associated utility & offsite facilities.
- Capacity upgradation of select Process Units, Utility and Offsites facilities for Dangote Oil Refinery Company from 460,000 BPSD to 650,000 BPSD.
- Basic design & implementation of grassroot Naphtha Fractionation Unit (NFU) project at ONGC Hazira Plant as part of Daman Development Project. The project, implemented under OBE mode, has been successfully commissioned.
- Consultancy services including failure analysis & rectification measures for existing LPG Cryogenic Tanks of BPCL at Uran.
- Flare System modification of Hidd Metering Station at Bahrain.
- Replacement of existing SRU trains with new facility as part of SRU Revamping Project of ONGC at Hazira under OBE Mode.
- Detailed engineering activities for CPP of HPCL at Mumbai & Visakh Refinery.
- Licensor selection for Residue Upgradation facilities of HPCL's Vizag Refinery Modernization Project.
- License, Engineering, Procurement and Construction Management (LEPCM) Services for 500 TPD Methanol Plant of APL.
- License & BDEP preparation for New SRU with TGTU at MRPL, Mangalore.
- Pre-project activities including licensor selection, preparation of BDEP for CDU/ VDU, etc., for Rajasthan Refinery Project of HPCL Rajasthan Refinery Limited.
- Licensing & BDEP preparation for Revamp of Coker-B & LPG Recovery Unit of IOCL, Barauni Refinery.
- Commissioning of DCU of CPCL, Chennai.
- Commissioning and Performance Guarantee Test Run of Feed Preparation Unit for IOCL, Haldia Refinery.
- Pre-commissioning & Commissioning of NRL DHT Project.

- Commissioning of grassroot Diesel Hydrotreater Unit and other associated facilities, i.e., CDU-3 (RMP), SWS, ARU, HGU, Utilities and Offsites for BPCL's Mumbai Refinery.

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

Equipment Division is providing engineering services for procurement of critical equipment. Some of the critical jobs undertaken by the division are as under:

- Engineering for procurement of 1.2 MW rotary screw compressor for flash gas, 2 nos. 2.5 MWe and 1 no. 1.2 MWe Diesel engine based generating sets and 6 nos. 0.25 MW vertical in-tank centrifugal pumps for double wall tanks for LPG Import Terminal of BPCL.
- Engineering for procurement of VFD fed electric motor driven mainline horizontal multistage centrifugal pumps (1.5 ~ 2.6 MW) and vertical centrifugal booster pumps for Palanpur-Vadodara Pipeline & Mundra-Delhi Spur pipeline of HPCL.
- Engineering for procurement of VFD fed electric motor driven multistage centrifugal compressor (2.25 MW) for new lean gas compressor project of ONGC.
- Engineering for procurement of 6 nos. 1.5 MWe, 1 no. 1.0 MWe and 1 no. 0.75 MWe Crude Oil Engine based Generating sets for OIL for Upgradation Project for enhancement of pumping capacity of Barauni-Bongaigaon-Guwahati Sector of Naharkatia-Barauni Crude Oil Pipeline Project.
- Engineering for procurement of BOG reciprocating compressor (~1.0 MW) for LNG Terminal at Jaigarh for H-Energy.
- 77 MW ISO Rating Gas Turbine Generator (GTG) with Naphtha Fuel in Captive Power Plant of HPCL VRMP Project, Vizag.
- Engineering for procurement of around 15 Reactors, 45 Columns, 250 Exchangers, 300 Vessels, 21 Tanks, 40 Compressors, 300 Pumps & 15 Other Packages for IOCL BS-VI Projects at six refineries.
- Engineering for procurement of around 13 Reactors, 33 Columns, 100 Exchangers, 150 Vessels, 18 Tanks, 2 Spheres, 4 Mounded Bullets, 15 Compressors, 300 Pumps & 30 Other Packages for Cracker, LLDPE Swing, Butene-1 & Utilities and Offsite of HMEL Petrochemical Complex, Bhatinda.
- Engineering for procurement of Sync Gas Compressor (~6.6 MW Centrifugal Gas Compressor driven by Steam Turbine) for Methanol Plant at APL, Assam.
- Design and Engineering of double wall storage tank (both metallic) of 15000 MT capacity for LPG Import Terminal of BPCL.
- Design and Engineering of Ethylene and Propylene Double wall storage tank (Inner-9% Ni and Outer- Pre-stressed Concrete) for HMEL Petrochemical Complex, Bhatinda.
- Engineering for procurement of 5 nos. of High Rate Decanters (HRD) of diameter 15m and 4 nos. of Deep Cone Washers (DCW) of diameter 24 m along with rake mechanisms, based on proprietary technology of Licensor RTA, for NALCO.
- Engineering for procurement of FCHCU Reactor of 250 mm thk Cr-Mo-V metallurgy of 1650 MT for HPCL VRMP Project, Vizag.
- Engineering activities for RUF Reactor having 258 mm thk Cr-Mo-V metallurgy of 2000 MT for HPCL VRMP Project, Vizag.
- Design of largest furnace (hot oil heater) in India for BPCL Kochi with a heat duty of ~90 MMKCal/ hour having the largest single radiant combustion chamber plan size of ~22 m x 18 m.
- Augmenting the capacity of a huge CCR heater for Bina Refinery, BORL by integrating a new helper heater at its rear end.
- Conceptualization & Design of the revamp work in multiple furnaces for Bina Refinery, BORL and HPCL Mumbai Refinery to achieve capacity enhancement.
- Engineered package for Reformer Transfer Line for HTER installation wherein all residual design left by Licensor was carried out by EIL for HGU Revamp of HMEL.
- Engineering and procurement for CPP of Ramagundam Fertilizer Project of RFCL.
- Design, engineering & procurement of MCC package in SRU for projects of BORL & NRL.
- Pre-Commissioning and Commissioning of IREP Utility Boilers, Heat Recovery Steam Generators & FG Cooler. For the first time in a refinery, steam from CPP was available for commissioning of CDU.
- Engineering for procurement of 20" Marine Loading Arm for Mumbai Port Trust for Crude Unloading. The 20" Arm is one of the largest sizes to be installed in India.
- Cryogenic H_2 Recovery system for RFCL, for the first time by EIL.
- Detailed Feasibility Reports for new technology areas such as 2G ethanol & Dropping Fuels from waste bio-mass (Bagasse), first time by EIL.
- Engineering for procurement of robot operated drum filling system for niche petrochemical final product filling (High filling rate, accurate positioning etc. specified in this system) for BPCL, Kochi.
- Engineering for procurement of Tripper wagon loader of capacity 1000 TPH in Aishwarya Project, Haldia Refinery.
- Engineering for procurement of unique type Coalescer, separating oil from bulk face (water).
- Design, engineering & procurement of 4 nos. of unique Column Condenser systems having two stages of Integral Top mounted Condensers with entire MOC of the system as Austenitic Stainless steel in Acrylic Acid Unit of PDPP Project, BPCL, Kochi. These are being installed for the first time in India.
- Design of Shell and Tube Exchanger for CPCL BS-VI with Alloy 6Mo (UNS S31254) which is a super austenitic stainless steel

with a high level of molybdenum and nitrogen, providing high resistance to pitting and crevice corrosion as well as high strength compared with conventional austenitic stainless steels such as 316L.

- Conceptualized and executed first heater package on complete Repeat Engineering basis, thus contributing to significant schedule advantage to client HMEL.
- Conducted first International training program on Fired Heaters for BAPCO.
- Site erection activity for NRL DHDT heater was completed in seven days due to conceptualization of job on modular basis.

Electrical Division

Major works performed by Electrical Division during the year include:

- Implementation of 400 kV Gas Insulated Indoor Switchboard Panels for one of the projects being executed in EPCM mode. Till recently, EIL had been going in for maximum 132 kV & 66 kV as primary distribution voltage for mega projects like IOCL Haldia & OPaL (PMC mode) and DORC under execution in conventional mode respectively. For HMEL Petrochemical Project, 400 kV indoor GIS is being procured in view of space constraint in area earmarked near their existing 220 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 66 kV to 220 kV. This has been implemented in view of mega projects like DORC and VRMP wherein 66 kV voltage cables have been used. In BPCL-Kochi BS-VI Project, 220 kV EHV cables are being procured and used.
- Use of energy efficient electrical equipment/ systems has been initiated in all projects. As a responsible corporate having concern for global warming and reduction of carbon foot print, use of energy efficient motors of min. 1E2 type and 100% LED fixtures for lighting of process/ offsite and utilities have been initiated. This has been made as 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 2500 kVA, 33 kV (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. The standard specification for distribution transformers have been revisited and revised accordingly.
- Revamping the Corrosion Protection system for LPG mounded storage tanks at HPCL Mangalore Refinery.
- Cathodic Protection Revamp for entire KG Basin pipeline network and redesigning and installation of CP system.
- CP System of under execution 500 km subsea pipeline of DORC project.
- 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.
- CP design, survey and installation of new pipeline along with existing pipelines for Dhobi-Durgapur & Durgapur-Haldia Pipeline Project of GAIL & NBPS Phase-II Project of OIL.
- Initiated use of Zinc Anodes in place of Magnesium Anodes for Cathodic Protection of Heat Exchangers due to reduced consumption.

Instrumentation Division

Instrumentation Division is always in the fore-front of latest digital technology. Total digital control systems & instrumentation is being used for plant controls. Instrumentation has also taken strides towards implementing IIoT (Industrial Internet of Things) in on-going refinery and petrochemical projects. In the on-going HMEL Petrochemical Project, Cloud based detailed engineering until FAT, simulation of plant graphics and logics through IIoT, Plant Development Model through OTS (Operator Training Simulator), Virtualisation Server & PC and usage of Universal I/O is being implemented.

In the recently commissioned IREP Project, advance diagnostic analysis system has been implemented for critical rotating equipment. Additionally, all the non-critical pumps are centrally monitored through wireless instruments & gateways in the DCS System which is a first for this scale of refinery. This same technology is being implemented in all subsequent on-going major projects like VRM Project of HPCL, DHT & GTU Projects of BPCL Mumbai Refinery and PDPP & MS Block Project of BPCL Kochi Refinery. Contribution of Instrumentation towards digitalisation & end to end work flow integration includes integration of data from Smart Plant P&IDs (SP-P&ID), Smart Plant Instrumentation Module (SPI) and Smart Plant 3D Model (SP3D) enabling smooth work flow & data flow from each of these modules. Conversion of in-house sizing software of instruments into web-based software to upgrade to latest technology & integration is presently underway. Control valve & safety valve have already been converted. For the BOM program, incorporation of all job standards and integration of work flow of Instrumentation with IPMCS of Piping and SORPS software has been carried out.

Three more Instrument engineers achieved certification from TUV as Functional Safety Engineers in accordance with IEC 61508/ 61511, bringing the total number of certified engineers to six in the department. This is a very prestigious accreditation which is required as pre-qualification in overseas projects especially in Middle-East.

Project Services

Costing

Cost Engineering Department 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.

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 knowledge pool of experienced manpower, provides complete Supply Chain Management & Contracting Services to various domestic and global Clients besides serving EIL's in-house requirements. These services include Supplier/ Contractor Registration, Contracting and Purchasing of Goods/ Services/ Works, Expediting, Inspection, Logistics, Supplier/ Contractor Performance Review etc. The Division contributes to successful execution of Projects being set-up through procurement of works, materials and services pertaining to specified quality within designated time at the most competitive price in a fair, just and transparent manner.

In the current year, orders for ₹2,430 Crores of direct purchase and contracts were placed on suppliers/ contractors globally for various OBE/ LSTK/ Depository Projects. Also, for in-house requirements of EIL, orders for ₹180 Crores of direct purchase and contracts were placed. In addition, orders for ₹22,230 Crores were placed for other projects of various clients where EIL was the Consultant.

EIL, through its commitment and dedication has been instrumental in implementation of Government of India's Public Procurement Policy 2012 for Micro and Small Enterprises (MSEs), and ensuring increased participation of MSEs in the Company's procurement. EIL has procured goods and services of ₹ 195 Crores from MSEs, which is around 23.63% of the total value of direct purchase orders for goods and service contracts, placed by EIL during the year 2017-18.

EIL is also focused for the growth of MSE sector and specifically for MSEs owned by SC/ ST entrepreneurs. The Company, in collaboration with SC/ ST bodies like DICCI, has organized various supplier event and product development initiatives. EIL, with its robust supplier enlistment management systems, has been able to develop transparent and accountable system and processes, for development of indigenous manufacturing capacity via proto-type route and other various development activities.

The Division carried out in-process and pre-dispatch inspection of critical equipment at suppliers' works as well as at project sites through its regional Procurement Offices, located all over the country and overseas offices located at London, Shanghai and Milan.

Major items inspected include:-

- Urea Reactor (Special chemistry) having overall dimension of 2.74 m outer diameter x 20 m length (with 160 MT weight of three individual section each) for Ramagundam Fertilizers and Chemicals Ltd.
- Coke Drum with dimension of 9.15 m outer diameter x 40 m length (with 530 MT weight in single section each) for IOCL Aishwarya Project, Haldia.
- Two Chrome Moly Reactor with dimension of 3.1 m outer diameter x 38 m length (weight 456 MT single section each) and 3.1 m outer diameter x 48 m length (weight 541 MT single section) for IOCL Aishwarya Haldia Project.
- Two Ammonia Converter (Special chemistry) having overall dimension of 3.6 m outer diameter x 33 m length (weight 608 MT single section) and 3.4 m outer diameter x 27 m length (weight 380 MT single section) for Ramagundam Fertilizers and Chemicals Ltd.
- DHT Reactor having overall dimensions of 5.2 m outer diameter x 36.9 m length (weight 400 MT single section) for HMEL BS-VI Project.

SCM division has been playing a major role in development of Indian Industry. Under the Government of India's "Make In India" drive, several steps have been taken to increase local industry participation and provide encouragement to overseas industry towards setting up plants in India. The suppliers developed this year under "Make In India" were primarily in the Rotating Machinery segment, which has significant import content. The initiatives under "Make In India" will facilitate import substitution in this segment.

Construction

The Division offers complete range 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 the year 2017-18, Construction Division continued to provide Construction Management Services for various clients at more than sixty diverse domestic project locations and four overseas locations.

Concurrent prestigious commitments for the Division include Vizag Refinery Modernization Project of HPCL, Aishwarya Project of IOCL Haldia Refinery, Revival of Ramagundam Fertilizer Complex, BS-VI projects of IOCL at Panipat, Vadodara, Haldia, Mathura, Bongaigaon and Digboi, MR-II project of HPCL at Mumbai, BS-VI project of HMEL at Bhatinda, BS-VI Project of MRPL at Mangalore, BORL-Bina, DHDT-NRL, BS-VI project of CPCL at Chennai, PDPP of BPCL at Kochi, AMRUT Project, Odisha, Rehabilitation Project in Algeria and Dangote Refinery in Nigeria.

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

- HMEL Petrochemicals , Bhatinda
- Rajasthan Refinery of HPCL
- H-Energy, Ratnagiri
- GTU of BPCL, Mumbai

- DDHPL of GAIL, Jharkhand
- Vijaipur-Auraiya Pipeline of GAIL
- Jamnagar-Loni Pipeline of GAIL
- Mumbai-Manmad Pipeline of BPCL, Mumbai
- Palanpur-Vadodara Pipeline of HPCL
- NBPS-II of OIL
- MSBP of BPCL, Kochi
- BSDC, Jaipur
- IT Facilities for Deptt. of Information Technology & Communication, Govt. of Rajasthan

The Construction Division leverages its highly skilled and motivated team for establishing and monitoring adherence of Construction Quality Management system. The system advocates quality plans, inspection test plans and implementation of special processes for concreting, welding involving latest NDT techniques, digital radiography, ultrasonic test, software for piping management sytem 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, CPCL , Chennai
- IREP, BPCL, Kochi
- Banggai Ammonia plant, PAU, Indonesia
- GASCO, Abu Dhabi
- DHDT, NRL
- NBPS-I, OIL
- TGTU, BPCL, Mumbai
- SSNL, Gujarat

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
- Pre-fabricated structures
- Auto Blasting and auto beveling machines
- Monsoon shelter/ hanging platform
- 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:

- 15 Million LTA free man-hours at Banggai Ammonia plant, Indonesia
- 18.1 Million LTA free man-hours at Aishwarya project of IOCL, Haldia
- 10 Million LTA free man-hours for RFCL, Ramagundam site
- 8 Million LTA free man-hours for PDPP, Kochi
- 5 Million LTA free man-hours at DHDT project , NRL
- 3 Million LTA free man-hours for DDP Hazira site

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 undertaken by the Company during the year include the following:

- PMC services for HPCL Visakhapatnam Refinery Modernization Project for construction of RO based sea water desalination plant and integrated effluent treatment & recycle facilities to minimize fresh water consumption by refinery.
- Consultancy services to ONGC for techno-commercial & environmental feasibility study for construction of desalination plants at Mori, Kesanapalli and Malleshwaram fields of Rajahmundry Asset.
- PMC services for HMEL Bhatinda Polymer Addition Project for construction of entire water & wastewater treatment facilities including effluent recycle and reuse.
- PMC services for AMRUT Project (Atal Mission for Rejuvenation and Urban Transformation) in Odisha for construction/ rehabilitation of Raw Water Treatment Plants.
- Completed feasibility study for ADNOC Refining Company, Abu Dhabi for Wastewater Management at Ruwais Refinery East and Abu Dhabi Refinery Divisions.
- EIA studies for Ratnagiri Refinery & Petrochemical Complex; GAIL's Petrochemical Project at Usar; HPCL's Rajasthan Refinery Project & Township; BPCL's 2G lingo-cellulosic based Ethanol Plants at Bargarh, Odisha & Bina, Madhya Pradesh were successfully carried out by EIL for its clients.
- EIL has been accredited by Quality Council of India (QCI) for carrying out EIA studies in India and the accreditation is valid till 2019. EIL has now been accredited in fourteen sectors including a new sector 'Distilleries'.

Research & Development

EIL has continually endeavoured to deliver optimum services to the clients by providing value addition and leveraging technological advances. It is with this objective of fostering the 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), HPCL(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 following initiatives for development of new capabilities and up-gradation of existing capabilities:

Technology development projects initiated:

- Development of Amine Purification Process with efficient resin
- Modification of gasifier pilot plant for sustainable operation
- Study of cross flow reactor hydrodynamics through Computational Fluid Dynamics (CFD) modeling
- Radio tracer studies with porous spherical alumina type of catalyst to characterize hydrodynamics of improved 3 phase reactor configuration for hydroprocessing applications
- Minimum fluidzation velocity studies in 2 Dimensional cold flow set up
- Development of databank for potential coal gasification
- Production of Di Methyl Ether (DME) from Methanol
- Development of De-Foaming Cyclonic Device for liquid-gas separation
- Development of high level Oxygen Enrichment Technology for capacity enhancement of SRU (> 35%)

Technology commercialization efforts:

Sustained efforts towards commercialization of developed knowhow and technologies have yielded following results during the year:

- Grass root design of Tail Gas Treating Unit (TGTU) with EIL technology completed for MRPL.
- Commissioning of TGTU of HPCL Mumbai Refinery licensed by EIL.
- Commissioning of two Sulfur Recovery Units (SRU) of BPCL Kochi Refinery, each with 340 TPD capacity, successfully completed.
- Commissioning of two TGTUs of BPCL Kochi Refinery with EIL technology, completed successfully.
- Commissioning of CDU/ VDU (Vacuum Column) with EIL patented PARLPAK at IREP-BPCL-Kochi.

Following major jobs were received by R&D during the year:

- Implementation of IndDSK unit at Paradip and Gujarat Refinery of IOCL.
- Implementation of IndeSelect unit for IOCL Guwahati Refinery.
- Indjet unit for IOCL Barauni Refinery.
- Feasibility Report prepared for 2G Ethanol Plant for MRPL.
- Licensor selection and DFR preparation for 2G Ethanol plant to be set up at Khamgaon, Maharashtra for BPCL.
- Licensor selection and DFR preparation for 2G Ethanol plant for MRPL.
- Energy Efficiency Improvement Study of 15 PSU Refineries being coordinated by Centre for High Technology (CHT).
- As part of PAT cycle-4, activities have been initiated for collaboration with Bureau of Energy Efficiency (BEE) for carrying out energy efficiency studies in petrochemical area.
- Understanding has been reached with NRL for setting up technology demonstration unit for Above Ground Sulfur Seal technology developed in-house.

Initiatives taken for strengthening technology tie ups:

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

- 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:

EIL has been awarded 26 technology patents and 24 other patent applications are under evaluation. To safeguard EIL's knowhow and technologies, the following patents have been filed during the year:

- Novel gas-liquid inlet diffuser for Cocurrent downflow trickle bed Reactor.
- Ion exchange resin process for removal of Heat Stable Salts (HSS) from alkanolamine solution.
- Apparatus for deoxygenation of water and process for the same.
- A device for recovering and separating a low pressure fluid.
- Low pressure system and process for recovering anhydrous ammonia from sour gas.
- Method for optimizing energy in a process carried out using a system.

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

- Patent No. 283193 granted on 09.05.2017: A Novel Method for Recovery of Ethane/Propane and Liquefied petroleum gas from LNG.
- Patent No. 291143 granted on 28.12.2017: Improved process for removal of Disulphide Oil from Caustic.
- Patent No. 291293 granted on 02.01.2018: Recovery of Sulphur by using oxygen enriched air.
- Patent No. 293679 granted on 01.03.2018: A process and system for re-utilizing waste nitrogen gas coming from nitrogen plant.
- Patent No. 294749 granted on 22.03.2018: Recovery of Sulphur Slurry by using hybrid membrane-filter system.

Trademarks applied and granted:

- Two Applications for registration of Trademark pertaining to in-house technologies have been made during the year to enhance the brand image of the company.
- Two nos. Trademarks have been granted in the year.

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:

- Conceptualisation and Design of complete IT infrastructure including Data centre, LAN network and IT security for Nuclear Fuel Complex, Kota with over 60+ buildings.
- In-house developed web based application for Supply Chain Management launched. This application will bring automatic work flow for end to end procurement activities.
- State-of-the-art application developed for contract management to enhance the project progress on real time basis.
- Automatic work flow based application developed for marketing pre-award activities to facilitate marketing strategies and implementation.
- Successful implementation of in-house developed IT enabled GST system in financial accounting applications, for all financial transactions as per GOI directive.

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.

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 the owners.

The CS&BD Division has initiated sustained business development activities in sectors like Bio Fuels, Water and Waste Water Treatment, Urban Infrastructure like Smart Cities, LNG Terminals, Fertilizers, Airports, Ports and Harbours, Defence, etc as a part of possible diversification initiatives. Sustained BD efforts are also under progress with prospective clients, 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.

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 the year, your Company 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. During the year, the Company's HSE Management System was upgraded against the requirements of the latest version of ISO 14001, i.e. ISO 14001:2015. The certification agency has assessed and declared that the HSE Management System of the Company conforms to the requirements of ISO 14001:2015 standard and continues to conform to the requirements of OHSAS 18001:2007 standard. The Certificate of approval is valid up to 14.12.2020. Apart from ensuring effectiveness of the HSE Management system, these certifications enhance chances of securing business, especially overseas.

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

On the engineering front, HSE aspects that are to be addressed in the design engineering phases are built into the procedures of various engineering departments. Exhaustive HSE checklists are in place to ensure that these aspects are complied 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 contractors' HSE compliance, upfront analysis of HSE aspects of the construction sites through constructability study are a couple of other examples of improvements implemented during this year. On achieving 1 Million LTA free Man hours, your Company is issuing Recognition Certificate to Contractors.

Quality Management System

Quality is inbuilt into the processes, workplace, deliverables and services of your Company. During the year, Quality Management System of your Company was reassessed, vide external Surveillance

Audit for continual conformance to ISO 9001:2015 by third party certification agency. The Quality Management System of your Company continues to conform to the international standard ISO 9001.

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, address cross functional issues, improve visibility and credibility. QMS implementation and its effectiveness have been further increased by using in-house developed software.

The Quality Management System of your Company's Abu Dhabi office was also separately audited and reassessed during surveillance audit and declared conforming to ISO 9001: 2015 standard.

In addition, the Company participated as a prominent and active member in various committees for formulating quality system standards under the aegis of Bureau of Indian Standards. Quality Management System of your Company provides the competitive edge in securing and executing projects with focus on full customer satisfaction.

Risk Management

The objective of Risk Management in the Company is to act as an enabler in maintaining business continuity, its competitiveness and ensuring execution of projects within budgeted cost, time and quality, resulting in improved turnover & profitability apart from ensuring business resilience.

Your Company has in place a robust Risk Management framework which facilitates identification, assessment and mitigation of Risks. Your Company's Risk Management framework is based on ISO 31000:2009 (Risk Management Principles and Guidelines) and meets regulatory requirements. The Risk Management framework of your Company is overseen by the Risk Management Committee of the Board. During the year, your Company's Risk Management process has been further fine tuned to meet the changes in the regulatory requirements and has also been integrated with the Quality Management System of the Company, as required by ISO 9001:2015. The integration of the Risk Management system with the Quality Management system has provided an added advantage by further ingraining Risk Management into the day to day working.

Your Company has identified 25 Key risks across various business processes namely Procurement, Construction, Project Management, Marketing, Human Resources, Legal, Accounts & Recovery. Mitigation plans are in place for these risks and are being deployed across the organization. An independent group (Corporate Risk Assurance) audits the implementation of these mitigation plans regularly and the results are presented to the Risk Management Committee of the Board. Your company uses its in-house software package 'Enterprise Risk Management System (ERMS)' to conduct these audits as it enables seamless audits across multiple locations, departments of your Company.

Being a Project Management organization, Project Risk Management framework has been put in place so that project specific risks are identified, assessed and mitigated. Regular Risk Management meetings are conducted and reports are issued to the stakeholders. Numerical Risk scoring mechanism is in place to identify the important risks (Critical, Major). To add teeth to the Project Risk Management activities, your Company has certified Project Risk Management Professionals in place. Apart from enabling in-house project management, the Project Risk Management process is also seen as value addition to the clients. During the year, your Company has developed a Project Risk Management database which acts as a reference database of all Risks that have been encountered in past projects. This database is facilitating the new projects to quickly identify possible Risks.

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

To spread awareness amongst the employees, a digital newsletter 'Risk Screen' is being issued to all employees. The newsletter covers case studies, survey reports and best practices on Risk Management apart from apprising the employees on the Risk Management updates within the company.

Being a strong believer of continuous improvement, EIL is continuously strengthening its risk management capabilities in order to protect the interests and enhance shareholder value.

Vigilance

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 during the year by the Vigilance Division, 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 by way of issuance of around 30 system improvement advisories.

As part of observing Vigilance Awareness Week 2017, a series of programs were held in line with this year's theme "My Vision – Corruption free India." During the period, three seminars were organized on the topics "Frauds in e-procurement and solutions", "Key features of arbitration in India & Vigilance issues" and the third was organized with the active support of SCM Department on the subject "Enhancing SC/ ST entrepreneurs participation in Public procurement" 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. Besides all the above, awareness programs/ competitions were organized involving local community, at Colleges/ Schools in the areas around various sites.

During this period, Vigilance released its annual journal named 'ABHIJATASYA'. A 'Vigilance Logo' and 'Vigilance Statement' for the Company were also released during this period. The 'Visitor Management System' was made online and linked with administration of 'Integrity Pledge' by the visitors.

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 2017 and December 2017.

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.

- **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 which is in-line with DPE guidelines.

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 are presented to the Audit Committee of the Board.

Corporate Management Information System

To help improve Resource Engagements, Automation of Employee Centric Systems and Real-Time Management Information on both Projects, Manpower and Future Workload aspects, Company has created a Corporate Management Information System Department having multi-disciplinary professionals. During the year, several automated software modules have been launched by the Department resulting in improved resource engagement and optimization along with various automated reports for the Company Management.

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 towards 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, 2018, EIL had 2827 employees, including 2339 professionally qualified employees. Approximately 2.47% 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 career progression, performance related pay, 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 organising 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 in health & fitness, EIL promotes a culture of sports by organizing weekend sessions and inter-departmental tournaments for participation in PSPB Tournaments. EIL organises indoor sports like Table Tennis, Carrom and Chess after office hours and weekend sessions of Badminton and Tennis. Employees are also encouraged to participate in Marathons, various trekking expeditions, sports tournaments at regional and national levels. EIL employees participated in seven PSPB Tournaments during the year.

- **Annual Awards**

  Recognizing the contribution of team(s) and individuals, employees were felicitated in following categories of Annual Awards

  - 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 2016-17 were presented on the occasion of 71st Independence Day on August 15, 2017. A total of 33 nos. employees were awarded in different categories.

- **Training & Development**

  In alignment with organizational objectives and business strategy, the Training Department extended support towards individual and organizational development.

  Structured training programs were organized on specialized subjects for clients, both in India and abroad, as open and customized training modules which generated revenue for the Company and also showcased EIL's outstanding technical knowhow. Programme on "Materials Corrosion Engineering" and "Refractory Design Engineering & Application" were conducted for BAPCO, Bahrain and "Training for Instrumentation Engineers" at HPCL, Visakh Site.

  Customized training program on Offshore Engineering for engineers of ONGC consisting forty modules was successfully completed in July, 2017. The program was highly appreciated by the participants and is a source of revenue stream for the Company.

  As part of Government of India's "Skill India Mission" on providing thrust to "Skill Development", 226 nos., apprentices were engaged during FY 2017-18 and apprenticeship training in various disciplines was provided at Head Office, Branch/ Regional Offices and Construction Sites. During the year, 55 nos. of apprentices successfully completed their one year Apprenticeship Training and were issued Training Completion Certificate.

  Leadership Development Program (Aarohan) with focus on delivering core leadership skills in line with EIL 'Competency Model', 'Group Development Outcome', 'Individual Learning & Development Plan' was imparted through a mix of case studies, simulation-based exercises, interactive games, role plays, videos and concept based movies to a group of 28 participants in GM/ DGM Level.

  As part of joint initiative with Oil PSUs under the MoP&NG, a two-day Seminar on "Coaching for Organization Culture and Leadership Development" for executives of Oil Industry by Mr. Marshall Goldsmith, world renowned business educator & leadership coach was jointly organized during February 18-19, 2018 at ONGC, Mumbai in which 24 senior officers of the Company participated. The participants had an opportunity to listen to Mr. Marshall, interact with him, and address their concerns about various challenges they face as leaders.

  As part of 'Swachhta Hi Sewa' (SHS) Campaign, 'Public Sector Day Celebration' and 'National Productivity Week', various Workshops and in-house Essay Writing Competitions, Slogan Writing Competitions and Painting Competitions were organized.

  In an endeavour for professional and domain enhancement of personnel, 242 participants were also nominated to 58 various external training programs organized by reputed organizations and institutions in India and abroad.

- **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 17 Lakh hits during the financial year, thus continuing its efficacy in maintaining an interactive environment with employees located in India and abroad.

- **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 period meetings with the Association.

  Scholarships were awarded by EIL to 44 nos. SC and ST (SC-32 and ST-12) undergraduate engineering students.

  The percentage of employees belonging to Scheduled Castes and Scheduled Tribes was 18.8% and 4.6% respectively, out of the total employee strength of the Company (as on March 31, 2018). 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**

  EIL is implementing the provisions of the Persons with Disabilities Act, 1995 by way of providing reservation for Persons with Disabilities. Special Recruitment Drive for Persons with Disabilities (PwDs) was carried out in FY 2017-18. As on March 31, 2018, there were 42 nos. (i.e., 1.48%) PwD employees on the rolls of the Company.

- **Women Development**

  Women constitute approximately 12.2% of EIL's human resource, wherein 86.67 % 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 made during three immediately preceding financial years has been made in the Financial Year 2017-18 for CSR activities.

Education: Major initiatives undertaken by EIL in the domain of education include support towards providing computer literacy to children from backward segment of society in Delhi/ NCR and holistic educational programme for development of underprivileged children in Kolkata, West Bengal. In order to facilitate quality education for children of remote areas, EIL supported the setting up of smart classes in Kamdhenu Public School in Phoolpur, Uttar Pradesh and is supporting the construction of Government School Building in Kabennur, Karnataka. With an objective of creating inclusive education opportunities for children with Intellectual Development Disorder, EIL is conducting 10 nos. workshops for training of teachers so as to address the teaching needs of such students.

Health Care: In order to extend advanced health care services to poor and needy people residing in remote villages of Odisha, EIL provided Mobile Medical Care Unit equipped with Dental Unit, Eye Unit, Laboratory and OPD Unit.

Drinking Water/ Sanitation: EIL supported the restoration and development of Anjani Kund site at Palwal. The Company is also supporting the construction and installation of three water purification plants (ROs) in villages of Sheohar district, Bihar.

Rural Electrification: EIL supported installation and commissioning of 100 nos. solar photovoltaic based LED street lighting systems in various villages of Poornia District, Bihar.

Environment Protection/ Sustainability: To reduce the burden of plastic waste in the holy city of Mathura, EIL is providing support towards setting up a 5 TPD plant for conversion of waste to fuel. Plastic waste shall be collected from segregated Municipal Solid Waste and processed to convert it into value added saleable products viz., fuel. The CSR initiative will contribute towards Swachh Bharat Abhiyan mission of Govt. of India.

Women Empowerment: EIL conducted livelihood training in cottage industry and basic IT (Information Technology) skills for 5,000 nos. women belonging to backward sections of the society at various locations of Delhi.

Functional literacy programme in Mushroom Cultivation and Bee-Keeping is being conducted for 120 nos. tribal women at Bolangir District in Odisha.

Upliftment of underprivileged: EIL supported distribution of adult diapers among bedridden and elderly patients across 30 nos. slum areas of Delhi. The Company also conducted eight camps for distribution of assistive aids and appliances to poor & needy Persons with Disabilities, one each at Udaipur, Kota, Delhi, Haldia, Kochi, Udupi, Ratnagiri and Dharamshala.

For well being of old underprivileged people, EIL supported the distribution of 'Multi-Facility Health Package' in 12 nos. Old Age Homes at Odisha, Tamil Nadu, Gujarat and Maharashtra.

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

Vocational Training/Skill Centres: To promote the Skill India mission, EIL has joined hands with Oil PSUs to set up Skill Development Institutes (SDIs) at Ahmedabad, Bhubaneswar, Guwahati, Raebareli, Vishakhapatnam and Kochi which would provide vocational training to youth.

For welfare of Persons with Disabilities (PwDs), EIL is also conducting Skill Development Training for 1200 nos. PwDs in various trades across its area of operation.

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:

- 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/ enhancement through continuous interaction, assessment and evaluation
- Relaxation of PTR criteria for 51% owned subsidiaries

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.

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 for Local Content Policy which has now been mandated under the ambit of Make In India.

Official Language

With an objective to promote the usage of Official Language in communication, various initiatives like organizing workshops and conferences, participation in TOLIC activities, competition for the Undertakings under the aegis of TOLIC, Gurugram, facilitating Unicode tools in all computers etc. were undertaken. During Hindi Fortnight celebrations from September 1-14, 2017, various competitions were organized to encourage the progressive use of Hindi. On this occasion, HODs/ Head of office and respective Hindi Coordinators who undertook maximum work in Hindi during the year were felicitated. The Company was bestowed with the Consolation Prize of Petroleum Rajbhasha Shield by the Ministry of Petroleum & Natural Gas for the excellent work done for propagation of Hindi during FY 2016-17, Best Rajbhasha award for progressive Official Language Implementation for year 2017, Award for conducting Hindi competition for member organizations of TOLIC Gurugram by Ministry of Home Affairs, Department of Official Language under the aegis of Town Official Language Implementation Committee, Gurugram.

Awards and Accolades

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

- Best Indigenous Innovator Award at 21st Refinery Technology Meet being organized by Centre for High Technology (CHT), MoP&NG at Visakhapatnam during April 20-22, 2017.
- FIPI 'Project Management –Company of the Year' Award for the year 2016 jointly with BPCL.
- 5th Governance Now PSU Award for "Consistent Growth" in Navratna Category.
- 10th CIDC Vishwakarma Award for Best Construction Projects to DHT Project at BPCL Mumbai Refinery.
- 10th CIDC Vishwakarma Award for Construction Health, Safety and Environment to Daman Development Project at Hazira.
- Institute of Public Enterprises' Women of Excellence Awards-2017 to four women executives of EIL.

Joint Venture

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. Engineering activities for the project are almost complete. Ordering of all equipment has been completed and equipment are being received progressively at site. All work contracts have been awarded. Site activities are in full swing with civil works nearing completion and mechanical works in progress.

Subsidiary Company

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 VMC, SMC, RMC, RINL, GSPL, GITL , KRCL, GAIL, OPaL, TEDA, MMRDA and various State Governments , notable among these being:

- ONGC : Extension of contracts for Daman Development, Sagar Samrat Conversion and Sagar Pragati conversion Project.
- Konkan Railway Corporation Ltd: Quality assurance services for 16 Bridges on Katra-Dharam
- Special Production Group (SPG) : TPI services for Residential and Training Complex.
- Cantonment Boards : Third party Inspection services for various cantonment Boards across India.
- Deepak Phenolic Limited : Third Party Quality Audit for Phenolic and Cumene Plant.
- VMC, SMC, RMC : TPI for various infrastructure Projects undertaken by Municipal Corporations.
- GAIL(I) Ltd: Inspection of Critical activities of Pipe and plates at overseas vendor's place .
- GSPL/ GITL : TPI for various Pipeline Projects in Gujarat and Andhra Pradesh.
- TEDA : Third Party Inspection Services for SPV Home lighting system.
- RINL : Pre-despatch Inspection of materials & Capacity assessment of Industrial Units.
- MMRDA : TPI services for Construction of ROB
- 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, BPCL; Vijay Tanks and Vessels; Paramount Ltd., Patels Airtemp (I) Ltd; DRDO, Jindal Saw Ltd; Neuman & Essar and Heurty Petrochem (I) Pvt Ltd.; ERDMP & statutory audit assignments from GAIL, IOCL, Cairn India Ltd.

The Board of Directors of the Company has recommended for the financial year 2017-18, a final dividend of ₹350/- per share (of face value of ₹100/- per share) in addition to ₹350/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2017-18 works out to ₹700/- 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 ₹700 Lakhs and dividend distribution tax of ₹143.19 Lakhs aggregating to total outflow of ₹843.19 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 ten times during the financial year 2017-18, 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)

Directors

- **Inductions**

  Shri Chaman Kumar was appointed as Additional Director (Non-official Independent) w.e.f. 8th September, 2017 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31034/2/2017-CA/FTS:49128 dated 8th September, 2017. Shri Rajesh Kumar Gogna was appointed as Additional Director (Non-official Independent) w.e.f. 20th September, 2017 (date of allotment of DIN) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31034/2/2017-CA/FTS:49128 dated 8th September, 2017. Shri Jagdish Chander Nakra, Director (Projects) was appointed as Additional Director and Chairman & Managing Director w.e.f. 12th February, 2018 (A.N.) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31/1/2017-CA(14564) dated 12th February, 2018. Shri Lalit Kumar Vijh, Executive Director, was appointed as Director (Technical) w.e.f 2nd May, 2018 (A.N.) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/1/2017-PNG (98) dated 2nd May, 2018. Shri Ashish Chatterjee was appointed as Director (Government Nominee) w.e.f. 26.07.2018 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31033/1/2016-CA/FTS:42979 dated 26th July, 2018.

- **Re-appointments**

  In accordance with the provisions of the Articles of Association of the Company, Shri Vipin Chander Bhandari, Director (HR) and Shri Rakesh Kumar Sabharwal, Director (Commercial) would retire by rotation, at the ensuing Annual General Meeting, and being eligible, offers themselves for reappointment. In accordance with the provisions of the Companies Act, 2013, Shri Chaman Kumar, Shri Rajesh Kumar Gogna, Non-official Independent Directors, Shri Lalit Kumar Vijh, Director (Technical) who were appointed as Additional Directors and Shri Jagdish Chander Nakra who was appointed as Additional Director and Chairman & Managing Director 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/ corporategovernance/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 53rd Annual General Meeting.

- **Retirements**

  After the date of last Directors' Report i.e. 3rd August, 2017, Shri Sanjay Gupta, Chairman & Managing Director ceased to be the Chairman & Managing Director of the Company w.e.f. 1.11.2017 due to his retirement on attaining the age of superannuation on 31.10.2017. Ms. Sushma Taishete, Director (Government Nominee) ceased to be Director of the Company w.e.f. 24th November, 2017. Shri Ajay Narayan Deshpande, Director (Technical) with additional charge of Chairman & Managing Director and Director (Finance) ceased to be Director of the Company w.e.f. 1.02.2018 due to his retirement on attaining the age of superannuation on 31.01.2018. Shri Jagdish Chander Nakra, ceased to be Director (Projects) consequent to his appointment as Chairman & Managing Director w.e.f. 12.02.2018 (A.N.). The Board placed on record its sincere appreciation for the valuable services rendered and contributions made by Shri Sanjay Gupta, Chairman & Managing Director, Ms. Sushma Taishete, Director (Government Nominee) and Shri Ajay Narayan Deshpande, Director (Technical) with additional charge of Chairman & Managing Director and Director (Finance) of the Company.

- **Additional Charge**

  Shri Ajay Narayan Deshpande, Director (Technical) was entrusted with the additional charge of the Post of Chairman & Managing Director for a period of 3 months w.e.f. 1.11.2017 to 31.01.2018 (i.e. till the date of his superannuation) or until further orders whichever is the earliest vide Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31018/9/2017-CA-PNG:16545 dated 31.10.2017. Shri Ajay Narayan Deshpande, Director (Technical) was also entrusted with the additional charge of the Post of Director (Finance) for a period of 3 months w.e.f. 1.11.2017 to 31.01.2018 i.e. till the date of his superannuation 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-31018/3/2017 (4273) dated 21.12.2017. Shri Jagdish Chander Nakra, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Projects) for a period of 3 months from 13.02.2018 to 12.05.2018 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. CA-31018/2/2018-PNG (23190) dated 9.03.2018. Additional charge of the post of Director (Technical) was entrusted to Shri Jagdish Chander Nakra as Director (Projects) for a period from 1.02.2018 to 12.02.2018 vide Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/1/2018-CA-PNG dated 16.03.2018. Additional charge of the post of Director (Technical) was entrusted to Shri Jagdish Chander Nakra as Chairman & Managing Director for a period from 13.02.2018 to 30.04.2018 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. CA-

31018/1/2018-CA-PNG dated 16.03.2018. Additional charge of the post of Director (Finance) was entrusted to Shri Jagdish Chander Nakra as Director (Projects) for a period from 1.02.2018 to 12.02.2018 vide Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31/1/2017-PNG (14564) dated 28.03.2018. Additional charge of the post of Director (Finance) was entrusted to Shri Jagdish Chander Nakra as Chairman & Managing Director for a period from 13.02.2018 to 30.04.2018 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. CA-31/1/2017-PNG (14564) dated 28.03.2018. Shri Jagdish Chander Nakra, Director (Projects), was entrusted with the Additional charge of the post of Chairman & Managing Director w.e.f. 1.02.2018 till 12.02.2018 vide Ministry of Petroleum & Natural Gas, Government of India letter no. C-31018/9/2017-CA-PNG:16545 dated 5.04.2018. Shri Jagdish Chander Nakra, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Projects) for a period of 6 months from 13.05.2018 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. CA-31018/2/2018-PNG (23190) dated 9.05.2018. Shri Jagdish Chander Nakra, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Finance) for a period of 6 months w.e.f 1.05.2018 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. CA-31/1/2017-PNG (14564) dated 14.06.2018. Shri Jagdish Chander Nakra, Chairman & Managing Director was entrusted with the additional charge of the Post of Director (Technical) for a period of one day i.e. 1.05.2018 vide Ministry of Petroleum & Natural Gas, Government of India, letter no. CA-31018/1/2018-CA-PNG dated 14.06.2018.

Key Managerial Personnel

- Company Secretary : Shri Rajan Kapur, Company Secretary of the Company has resigned from the post of Company Secretary w.e.f 26.07.2018. The Board in its meeting held on 9.08.2018 has appointed Shri Narendra Kumar, Manager (CS) as Company Secretary of the Company till new whole time Company Secretary is selected and appointed by the Board.
- CFO : During the period under review, the position of CFO was occupied as follows:
  - Shri Ram Singh, Director (Finance) was holding the position till 30.04.2017 (date of his superannuation).
  - Shri R.K. Garg, ED (F&A), was holding the position from 15.05.2017 to 30.06.2017 (date of his superannuation).
  - Shri V.C. Bhandari, Director (HR), was Designated as CFO of the Company w.e.f 1.07.2017.

Secretarial Auditor

M/s Agarwal S. & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2017-18 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 2017-18 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 Regulations, 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 (AS18) 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 31.03.2018 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. The same has also been given on the website of the Company at http://engineersindia.com/corporate-governance/m-160.

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, 2018	Year ended 31st March, 2017
a)	Expenditure (disbursement basis) in foreign Currency on account of:		
(I)	Know how and professional fees including sub-contracts (others)	591.70	1808.76
(ii)	Sub-contractor/Construction Material turnkey projects	1100.43	1610.75
(iii)	Others (foreign travel, living allowance, membership fees, agency commission, foreign office expenses)	3096.58	4499.47
b)			
(I)	Earnings (accrual basis) in foreign exchange on account of professional fees including ₹ 107.79 Lakhs (Previous year: ₹ 85.80 Lakhs) earned in local foreign currencies, which are not repatriable to India against which, an expenditure of ₹ 38.69 Lakhs (Previous year: ₹ 50.17 Lakhs) incurred in local foreign currencies.	22583.95	30059.73

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 2017-18:-

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.

The Company has in place internal complaints committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, during the financial year 2017-18, there were no cases filed under the above act.

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

Code of Conduct

EIL has formulated a Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Board Members and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by C&MD is given under para 2(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 pubic 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 in compliance with requirements of the RTI Act. Between April 01, 2017 and March 31, 2018, a total of 154 (One hundred fifty four) RTI applications were received by the Company. The applications received have been disposed of by providing requisite information as per the guidelines. Apart from RTI applications, the Company also received Appeals against decision of CPIO, which too have been duly attended 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, 2018, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 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 2017-18 by the Office of Comptroller & Auditor General of India.

Bankers

Bankers of the Company include State Bank of India, Indian Overseas Bank, 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 10, 2018

J.C. Nakra
Chairman & Managing Director

Management Discussion & Analysis

We are pleased to present our performance highlights for FY 2017-18 and the business outlook for this year:

1. **Business Overview**

For the year 2017-18, the Company secured business worth ₹2140.57 Crores with segment-wise breakup as follows:-

- Domestic Consultancy : ₹ 1357.24 crores
- Domestic Turnkey : ₹ 479.71 crores
- Overseas Consultancy : ₹ 303.62 crores

Major contribution in order inflows for Consultancy segment was from Guru Gobind Singh Polymer Addition project of HMEL and in Turnkey segment from brown-field expansion projects of ONGC.

Domestic

In the downstream hydrocarbon sector, the major consulting orders secured in the Refining sector include Consultancy services for Guru Gobind Singh Polymer Addition project of HMEL, DFR & Licensor Selection assignment for 2G Ethanol projects of BPCL, IOCL and MRPL, Pre-Project Activities for Rajasthan Refinery Project of HPCL, PMC Services for Kero Hydro Desulphurization Project at BORL Bina Refinery, PMC Services for BBU and PPU 3rd Reactor Project of HMEL, Preparation of DFR for 9 MMTPA Refinery of CPCL at CBR, Tamil Nadu, Pre-Project activities for setting up Petrochemical Complex at Kakinada, Andhra Pradesh and Detail Design Consultancy (DDC) Services for MS Block Revamp at NRL, Assam.

In the midstream segment of hydrocarbon value chain, EIL secured PMC Services for new selected C_2 - C_3 product Injection scheme in HVJ pipeline at GAIL Vijaipur, Technical Study & suitable Mitigation Method of Pipeline Exposure in Banas River and its Catchment Area in Banaskantha Distt., Gujarat and Laying of Pipeline from H_2SO_4 Tank in Haldia Refinery to (Hazira Oil Jetty) HOJ-3 under BS-VI project of IOCL Haldia Refinery.

In the upstream segment, EIL was successful in securing turnkey projects for the Augmentation of Slug Catcher Project at ONGC, Uran and SRU revamp Project at ONGC, Hazira. The projects are on OBE mode of execution.

In the Infrastructure sector, major assignments secured by EIL include Detailed Topography Survey, Drainage Plan and Level Finalization including Earth Work Quantity Estimation for Development of Greenfield Airport at Hirasar, Rajkot; Independent Engineer Services for Development and Construction of Greenfield International Airport at Mopa, Goa; Engineering Project Management Consultancy Services for Development of Tourist Infrastructure Facilities at Khajuraho Group of Temples, Madhya Pradesh; Consultancy for Third Party Assessment for establishment of Bhamashah State Data Centre (BSDC) at Jaipur, Rajasthan; Project Management Consultancy (PMC) Services for establishment of Export Certified Cold Storage Infrastructure for Chilli and Turmeric in Guntur District, Andhra Pradesh.

In the metallurgy sector, EIL was successful in securing the assignment for Consultancy Services for Retrofitting of HRD-DCW Package of NALCO Alumina Refinery at Damanjodi, Odisha.

Overseas

EIL was able to secure various engineering and consultancy assignments in Middle East, Africa, Central Asia, Mauritius and other overseas geographies against stiff international competition.

Major jobs were secured through repeat orders from existing clients based on our excellent past performance. This includes award of consultancy orders from Dangote Group in Nigeria for revamp of existing units as well as addition of new units in the project. EIL also received engineering assignments in Bahrain under General Engineering Services Agreement.

This year, EIL was also able to secure a feasibility assignment in Central Asia, which is a new territory, for a new upcoming refinery project. EIL expects to leverage this study, in getting further assignments during its execution phase.

EIL was also able to empanel itself with EXIM Bank for Project Management Services as well as DPR preparation for projects in various countries funded by Government of India under Line of Credit.

Additionally, EIL also focused on providing Training Services in the hydrocarbon sector which will help in developing relationship with various clients. EIL was able to empanel itself with KPC of Kuwait and its subsidiaries for Training Services in Hydrocarbon Sector.

EIL is pursuing opportunities in other overseas territories as well to augment its international footprints.

2. **Business Environment & Future Outlook**

India

The Indian Economy has once again regained the tag of "Fastest Growing Economy in the World" in 2018, resurging from the weak growth seen at the beginning of 2017. With the plethora of initiatives undertaken by the GoI such as Make In India, Digital India, SMART City, AMRUT, Sagarmala etc. coupled with FDI influx into Defence sector, the nation is definitely poised to lead the developing economies. The energy demand is set to grow at an all time high owing to rapid urbanisation and industrialisation.

The hydrocarbon sector of the country has been energized with announcements of new Mega Projects. The refining capacity of the nation is envisaged to surge from the present 247.6 MMT to 533 MMT by 2040, to cater to its robust demand and also promote itself as an Export Hub. Integration of Petrochemicals to

Refineries has now been taken up by major OMCs. Projects pertaining to Energy Efficiency, Value addition with Integration of Natural Gas, displacement of Liquid fuels and Clean Fuels (BS-VI) projects have been undertaken in the country. Various initiatives in Pipelines sector have been announced in the country as well as friendship pipelines are also being planned with Bangladesh. The vision of Gas Grid is steadily turning into reality.

Natural Gas is seen to increase its share to 20% by 2030 which could mean creation of more energy consumers driving the regional growth. The PCPIRs and Plastic parks would revive the growth potential of per capita consumption of petrochemical products from the present less than 8 kg to about 15 Kg by 2030. Number of LNG Regasification projects are being planned on the East Coast of the country.

The Company is optimistic that with planned capex expenditure of all the oil & gas majors in the hydrocarbon sector, the coming years would offer a number of opportunities across the value chain especially in the midstream and downstream segment with integrated refinery and petrochemical complexes as well as standalone petrochemical plants.

Overseas

The World Economy has strengthened as the lingering fragilities related to the global financial crises have subsided. The Global Economy is back on track registering more than 3 percent growth in 2017 and envisaged to grow at 3.7 percent in 2018 against 2.4 percent growth in 2016. The improved global economic situation provides an opportunity for countries to focus on creating policies for long term issues and implement measures for Low carbon Economic Growth, Reducing Inequalities and Economic Diversification.

The developing countries are bound to clock a growth rate of 4.9 percent. The Energy demand is set to be governed primarily by India & China in the APAC Region. Hydrocarbons are envisaged to have a significant demand with rapid urbanisation and increased energy consumption. Clean Fuels are projected to increase their share in the Energy Mix along with Renewable and Bio fuels. With focus on environment, these energy constituents are going to witness tremendous growth in coming years.

The stability in the oil prices at the higher end has resulted in MENA region pursuing its planned investments in the upstream and downstream segment of hydrocarbon value chain.

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 Asia, Middle East and Africa.

EIL is currently 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 set-up in Abu Dhabi, EIL is well positioned to actively participate in these upcoming opportunities in Middle East 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 immediate previous year are as under:

(Figures in ₹ Lakhs)

Sl. No.	Description	Actual 2017-18	Actual 2016-17
A.	**INCOME**		
i)	Consultancy & Engineering Contracts	137929	116507
ii)	Turnkey Contracts	40829	28357
iii)	Other Income	17947	22366
	TOTAL INCOME	**196705**	**167230**
B.	**EXPENDITURE**		
i)	Cost of rendering services	137512	114961
ii)	Depreciation & Amortization	2383	2251
	Total	**139895**	**117212**
C.	**PROFIT BEFORE TAX (A-B)**	**56810**	**50018**
D.	Provision for Current tax	21669	21480
E.	Provision for Deferred Tax	(3179)	(3958)
F.	Earlier Year Tax Adjustments, Short/(Excess)	533	(8)
G.	**PROFIT FOR THE YEAR (C-D-E-F)**	**37787**	**32504**
H	**OTHER COMPREHENSIVE INCOME**	**460**	**(2323)**
I.	**TOTAL COMPREHENSIVE INCOME**	**38247**	**30181**

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 31.03.2018	Year ended 31.03.2017
Segment Revenue		
Consultancy & Engineering Projects	137929	116507
Turnkey Projects	40829	28357
Total	**178758**	**144864**
Segment Profit From Operations		
Consultancy & Engineering Projects	43027	35920
Turnkey Projects	7537	10355
Total (A)	**50564**	**46275**
Interest	57	317
Other un-allocable expenditure*	11644	18306
Total (B)	**11701**	**18623**
Other Income (C)	**17947**	**22366**
Profit Before Tax (A-B+C)	**56810**	**50018**
Income Tax Expense	**19023**	**17514**
Profit for the year	**37787**	**32504**
**Capital Employed ** **	**226787**	**277596**

NOTES:

* Financial year 2017-18 includes expenditure on oil and gas exploration blocks including dry well written off amounting to ₹ 2,643.14 Lakhs (previous year : ₹ 449.47 Lakhs)

Financial year 2016-17 included ₹ 9062.88 Lakhs on account of provisions for increase in gratuity ceiling from ₹ 10 Lakhs to ₹ 20 Lakhs with effect from January 1, 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 ₹178758 Lakhs in FY2017-18, as stated in the audited financial statement. The revenue from consultancy business is ₹137929 Lakhs and from Turnkey Project was ₹40829 Lakhs.

The Company has recommended a final dividend of ₹ 1.50 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 at management level to review operations and plans in key business areas.

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

EIL signed the Memorandum of Understanding (MoU) for 2018-19 with the Ministry of Petroleum & Natural Gas (MoP&NG) on April 26, 2018. 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 and securing prestigious assignments in Mongolia and Bangladesh. Company intends to leverage its current assignments and presence in Nigeria to expand its operations in African Continent.

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. DFR for PDH complex of GAIL at Kakinada was also completed.

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.

Some of HR's key initiatives and best practices

- A robust and transparent Performance Management system is in place which enables fostering a performance based culture and performance assessment in line with Industry best practices. The performance appraisal process and promotion policy for officers was further reviewed and implemented to drive higher employee engagement.
- EIL has been updating its systems 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 meritorious employees in recognition of exemplary contributions made in their area of work. Technical paper writing competitions were held to encourage the employees to share their knowledge & experience which helped in documenting the tacit knowledge of employees.
- Continuous Learning & Development (Training) is in place as the said function was engaged in the task of creating multifarious learning opportunities for employees.
- Training Division has organized various programmes for clients during 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 for steered development of leadership competencies.
- Integration of HR software modules for effective flow of information and better performance is under process.
- Continuous Employee welfare related activities are in place and updations and modifications keep taking place from time to time for betterment of benefits provided to employees. Implementation of revised pay-scales, revision in Maternity Leave Provisions, Medical facilities and re-designation of officers have been done in order to meet the expectations and aspirations of employees.
- Supporting the well-being of the employees, thrust was laid on Sports and fitness activities, for example, encouraging employees to participate in PSPB tournaments. For creating awareness on health issues, talk-cum-interactive sessions were conducted under Health & Lifestyle Enrichment program.

7.2 Marketing

FY 2017-18 has been a good year for EIL in terms of robust order book and business secured. However, number of these projects are secured against stiff competition from both domestic and international companies. Some of such achievements have been in securing the major assignment of Polymer Addition project of HMEL and in diversified field of Infrastructure and Airports.

The Company has continued to build further on its strengths in the International Market. In addition to Middle East and Africa several other regions have also been targeted for upcoming opportunities. EIL is undertaking various initiatives for offering its services in MENA and Central Asia. Potential business opportunities have also been identified in UAE, Algeria, Mongolia, Bangladesh, Oman, Bahrain, Kuwait, Nigeria and Mauritius wherein bids have been submitted.

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

Additionally, EIL is also focusing on providing Training Services in the hydrocarbon sector to its international clients which will help in developing future relationship with them.

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.

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. Corporate Management Information System (MIS)

Management Information System in EIL is constantly being fine tuned to cater to the ever growing information needs of effective and quick decision making as well as statutory requirements. To expand its domain further and to make it more robust, additional features concerning Resource Engagements, Automation of Employee Centric Systems and Real-Time Management Information aspects have been added to its profile. The remodeled CMIS would operate on a Real-Time Platform for Resource Engagement and Optimization. The CMIS has been providing vital data inputs to various Divisions and Senior Management highlighting operating variables, achievement vis-a-vis budget and other decision support data.

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:** 2017-18
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 31.03.2018):** 11 (UAE, Bahrain, Oman, Algeria, Nigeria, Indonesia, Mongolia, Bangladesh and 3 Inspection Offices at China, U.K. & Italy)
   - **(ii) Number of National locations (as on 31.03.2018):**

Locations	No.
Corporate Office	01
R & D Complex	01
Regional Offices	03
Regional Procurement Offices	07
Construction Sites	76

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

SECTION B: Financial details of the Company

1. **Paid up capital (INR):** ₹ 31595.58 lakhs (as on 31.03.2018)
2. **Total turnover (INR):** ₹ 178758.25 lakhs (FY 2017-18)
3. **Total profit after taxes (INR):** ₹ 37787.24 lakhs (FY 2017-18)

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** 3.90% of profit after tax during financial year 2017-18.

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 Directors' 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%]:**

   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 are sourced through a large Vendor Data Base of more than 1800 suppliers developed over a period of time. Enlistment/ enhancement of Vendor Data Base is done through Company's website open to Vendors on 24X7 basis.

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

SECTION D: BR Information

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

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

   Director Name : Shri Vipin Chander Bhandari

   DIN : 07550501

   Designation : Director (Human Resources)

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

   DIN Number (if applicable): NA

   Name: Shri R.P. Mehrotra

   Designation : ED (HR)

   Telephone number: 011-26763721

   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.								

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

3. **Governance related to BR**

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

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

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

Sustainability Report is prepared as a part of Annual Report regularly. The Annual Report for the year 2016-17 can be accessed from the link: http://www.engineersindia.com/Common/Uploads/DownloadsTemplate/196_Download_Annual_Report_2016-17.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 2017-18 are as under:

Complaints	No. of complaints received	No. of complaints resolved	% Resolved
Grievances received from internal employees	23	16	69.6%
Grievances received in CPGRAMS Portal	17	15	88.23%
Complaints received in Complaint Management System from all stakeholders	Nil	Nil	Nil
Investor Complaints	930	930	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.

Being a consultancy organization, EIL's primary responsibility is to address all the concern/ risk of environmental issues emerging in our projects. Our designs provide emphasis on sustainability right from the conceptualization till commissioning of plant and later during the commercial operation. Energy efficiency, water management, resource optimization and safety of plant personnel & of society at large are the cornerstones of our business operations. Improvements in fuel specifications have achieved the immediate goal of cleaner air. However, it has necessitated increased treatment severity and hence resultant higher energy consumption per unit volume of fuels produced. Thus, even though the emissions caused by combustion of fuels at the consumer end have gone down, there has been a definite increase in emissions at the production end due to increased energy consumption. Therefore, in spite of net reduction in the atmospheric pollution, improvement in fuels specifications alone is not adequate to achieve the overall objectives of clean air & reduction in global warming.

Energy conservation measures have the double advantage of improving the profitability of operations on one hand while reducing the environmental pollution on the other hand. The justification of the energy conservation measures is, however, typically based on a cost benefit analysis of the potential options. Thus EIL worked out methodology to meet low energy numbers for their design that can be adopted depending on the economics of each case.

Therefore it is important for EIL to consider a pragmatic view of the problem considering following aspects in our design.

a. Development of Alternate -Fuel

Development of environmental friendly feedstocks/ fuels is by far the most promising option for the future of which bio-fuels/ Hydrogen are promising alternatives.

The primary drivers for production & use of green fuels are:

- Valuable form of renewable energy
- Energy independence
- Economic growth & reduced trade deficit
- Environmental friendly leading to reduced pollution, Cleaner air
- Reduced global warming
- Economic growth
- Bio-degradable

b. Introduce green design/ approach to green design

The green design concept is new to the world but it entails optimization of raw material, energy, space, water and the desired product specification. The process will involve the following:

- Life cycle assessment of all major materials used in designs
- Life cycle assessment of all major materials such as steel, cement, glass etc
- Estimate carbon foot-prints of any design before hand
- Conduct imbedded and operational carbon foot-print analysis
- Conduct financial analysis of any design (with or without carbon)

c. Turning businesses processes green

There are area 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 of business (exploration, processing, petrochemical)
- Energy efficiency in motors and drives
- Energy efficiency in power generation

- Green buildings
- Water use efficiency in all business processes making use of "4 R" concept ie. Reduce, Reuse, Recycle, Recover.
- Resourcing Green energy produced from renewable energy sources.

Low Carbon/ water foot print of the technology

Apart from above, another parameter which will now govern the greening of the Hydrocarbon chain, is carrying out carbon foot-printing and water footprint of various technologies at the technology selection stage. A technology that will score low on these footprints shall govern the choice of selection.

EIL is aggressively working in these areas and at present developed skills to carry out these requirements. 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?

Being a consultancy organization, EIL incorporates in the design all such requirement of low energy numbers, low fresh water requirement so as to bring down water needed /tonne of crude processed and thereby enhancing water reuse and recycle in all of the projects undertaken. 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:

- Indjet project at IOCL Baurani
- MEG plant at IOCL Paradip
- Integrated Refinery cum petrochemical complex at Ratnagiri, Maharashtra
- Greenfield petrochemical project at Kakinada, Andhra Pradesh
- BS-VI quality upgradation & Polymer Addition project at Guru Gobind Singh refinery
- BS-VI Projects for IOCL Paradip, BPCL Mumbai and BPCL Kochi Refineries
- Rajasthan Refinery project at Barmer, Rajasthan

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 to achieve maximum 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 to ONGC for techno-commercial & environmental feasibility study for construction of desalination plants at their Mori, Kesanapalli and Malleshwaram fields of Rajahmundry Asset, HMEL Bhatinda Polymer Addition Project for construction of entire water & wastewater treatment facilities, AMRUT project in Odisha (Atal Mission for Rejuvenation and Urban Transformation) for construction/rehabilitation of Raw Water Treatment Plants etc.

The Company is also undertaking energy efficiency improvement studies for all PSU refineries of India to optimise energy numbers and is involved in calculating specific fresh water requirement in m3 per tonne of crude processed which will bring down the fresh water requirement of the refineries.

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" .

EIL's steadfast efforts towards vendor development have resulted in a large vendor database of more than 1800 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 2017-18, from MSEs was approx. 23.63% 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 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 and cartridges. EIL has an arrangement with the suppliers to take back the used cartridges for recycle purpose. Obsolete computers in our applications are also reused by upgrading their processing capability and distributing to the 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. Paper waste is also recycled through authorized recyclers

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 31.03.2018 was 2,827.

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 31.03.2018 was 735.

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

   The total number of permanent women employees as on 31.03.2018 was 345.

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

   The total number of permanent employees with disabilities as on 31.03.2018 was 42.

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?**

   All the eligible employees are members of the respective Associations.

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 2017-18	No. of complaints pending as on end of the financial year
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 & kill up-gradation training during 2017-18
1.	Permanent Male Employees	47.38%
2.	Permanent Women Employees	45.80%
3.	Casual/Temporary/Contractual Employees	100% (Safety awareness training/campaigns are organised for all site employees)
4.	Employees with Disabilities	16.70%

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 Directors' 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 23.63% procurement of supplies & services from Micro and Small Enterprises during the year 2017-18.

   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 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.

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.

   EIL is also pursuing projects in Bio-Fuel/ Waste-to-Energy/ Drop-in Fuels domains.

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 (NACE)	International
Heat Transfer Research Inc. (HTRI)	International
University of Manchester Institute of Science & Technology (UMIST)	International
Process Science & Technology Centre (Separations Research Program)	International
Bureau of Indian Standards (BIS)	National
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 Development Council	National
Federation of India Chambers of Commerce and Industry (FICCI)	National
Institution of Permanentway Engineers	National
Project Export Promotion Council of India (Consultancy & Engineering Services)	National
All India Management Association	National
Forum of Women in Public Sector	National
Institute of Public Enterprise	National
Project Management Associates	National
Indian Society for Training & Development (ISTD)	National
National Institute of Personnel Management (NIPM)	National
National HRD Network (NHRDN)	National
The Institute of Cost Accountants of India, Northern India Regional Council	National
Standing Conference of Public Enterprises (SCOPE)	National
Institute of Directors(IOD)	National
The Institution of Engineers (India)	National
The Institute of Company Secretaries	National
International Market Assessment India Pvt. Ltd. (IMA)	National
Federation of Indian Petroleum Industry (FIPI)	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 Directors’ 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 external NGO/ Trusts, 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 2017-18, the total contribution towards CSR activities has been ₹ 1474.29 Lakh. The details of projects have been provided as Annexure to Directors' 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.**

   Two (2) nos. of complaints are pending as on 31.03.2018 which were received in March 2018.

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 5 years is shown below:

Financial Year	2013-14	2014-15	2015-16	2016-17	2017-18
Average rating	8.1	8.53	8.14	8.8	7.74

Report on Sustainable Development

Introduction

"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."

In EIL, we know that the profitable growth of our company depends on the economic, environmental, and social sustainability of our communities across the country. And we know it is in our best interests to contribute to the sustainability of those communities. Engaging in social business is beneficial to us 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.

We know that new value system has emerged which demands conscious evolution, global sharing, healing the environment, sustainable economies, self-determination, social justice, economic empowerment of the poor, 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. 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 thrive on Water & 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 GHG thereby reducing 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 & achieving sustainable energy numbers for the plant we built.

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

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

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

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 2017-18, our CSR expenditure stood at ₹ 1474.29 Lakh which exceeded the annual expenditure target of ₹ 916.03 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.

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

- Carry out business operations in line with HSE and Environment Policy.
- Promote use of technology and best practices for improving carbon footprints in our business operations.
- Promote, Support and advice environment green practices to our clients.
- 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 have been awarded 26 technology 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:

Cleaner atmosphere with H_2S Removal process (CATSOL) from H_2S Lean Acid Gases

H_2S Removal Process (CATSOL Process), jointly developed by Gujarat Narmada Fertilizer Corporation, Baruch (GNFC), and EIL, uses highly selective catalyst to remove H_2S from acid gases containing less than 5% H_2S . Acid gas generated from natural gas sweetening units contains very less quantity of H_2S and this gas can be treated in conventional Claus based sulphur recovery unit. The process developed uses liquid phase catalyst which directly converts H_2S to sulphur. The sulphur is removed from the solution and is used in fertilizers and other chemical industries. The treated gas is discharged to atmosphere and contains less than 10 ppm H_2S. The process is in use at two gas processing complexes.

Cleaner atmosphere with H_2S Removal process (Sulfur Recovery Technology) from H_2S Rich Acid Gases

It is a challenge of refineries and other chemical industries to remove toxic H_2S from off-gas before its release to atmosphere. EIL has developed 2 Claus Sulfur Recovery Technology and 3 Claus Sulphur Recovery Technology. The processes ensure sulphur recovery from 96% to 98% from acid gas containing H_2S above 50% . The processes also treat H_2S and NH_3 rich sour water strippers gases . The sulphur produced by the process is bright yellow and has high purity. Number of sulphur recovery units has been installed based on these processes and the capacity of these units ranges from 3 TPD to 340 TPD.

Capacity Enhancement of Sulfur Recovery Unit by Oxygen Enrichment Technology

Refineries are processing sour crude and also gradually expanding their processing capacity. In both the conditions, refineries are generating large quantity of acid gases and encountering problems in treatment of the additional acid gases in their existing sulphur recovery units. It is therefore an essential requirement of refineries to adopt new technology for capacity enhancement of their units. EIL has developed oxygen enrichment technology in association of Chennai Petrochemical Limited (CPCL) , which uses vaporised oxygen in the combustion air for capacity enhancement of the unit by 25%. Subsequently EIL improved the technology by adopting waste nitrogen from nitrogen plant for further capacity enhancement upto 30%. The technology is in use at three refineries and is under implementation at one refinery .

Meeting environmental quality standards by TGTU for Sulfur removal

Claus Tail Gas Treating process (TGT) 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, 1 nos of TGTU downstream of 2x65 TPD SRU and 2 nos of TGTU downstream of 2X45 TPD SRU and 2X80TPD of 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.

Meeting environmental quality standards of Sulfur produced in SRU by CATDEGAS Process

Catalytic Sulfur Degassing Process (CATDEGAS) has been developed by EIL-R&D to effectively remove trapped H_2S in liquid sulphur produced from Claus based sulphur recovery units. It is observed that the liquid sulphur produced from these units contains 100-500 ppmw of H_2S and during transpiration and storing , the H_2S gets released to atmosphere. Release of toxic H_2S is a major environmental issue of refineries. CATDEGAS Process removes H_2S from liquid sulphur by using liquid catalyst injected in sulphur pit. The released H_2S is finally oxidized in the incinerator to SO_2 . The process is highly efficient and is a low cost option for refineries. It has been implemented at five refineries.

Cleaner future with Ammonia treating process (ATP) technology

Ammonia Treating Process (ATP) is 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.

Environment Performance

Environmental Services to Industries

EIL is a leading consultant in India in carrying out Environmental Impact Assessment (EIA) studies and preparation of Environmental Management Plan (EMP) for new projects. A comprehensive and detailed EIA study helps in accurately predicting & assessing the environmental & socio-economic impacts of the proposed new facilities. Having accurately predicted the impacts, EIL ensures that all negative impacts are properly addressed and all mitigations measures are taken to ensure the sustainability of environment in the region. 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 adopting/recommending state of the art technologies in the field of effluent recycle/reuse leading to Zero Liquid Discharge (ZLD) requirements, 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 4.5 lakh KW of energy with a peak daily generation of above 400kW on an sunny day. Last year the total generation from solar SPV was to the tune of 1 lakh 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. In order to save power in office, cabins have been provided with movement detection system so that power of the cabin is turned off when persons are not in the room/ cabins.

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 95 KL/D as against 120 KL/day reported last year, whereas at EIL Gurugram office it is about 160 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. 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 undertaken by the Company during the year in Environmental field include the following:

- PMC services for HPCL Visakhapatnam Refinery Modernization Project for construction of their RO based sea water desalination plant and integrated effluent treatment & recycle facilities to minimize the fresh water consumption by refinery.
- Consultancy services to ONGC for techno-commercial & environmental feasibility study for construction of desalination plants at their Mori, Kesanapalli and Malleshwaram fields of Rajahmundry Asset.
- PMC services for HMEL Bhatinda Polymer Addition Project for construction of entire water & wastewater treatment facilities including effluent recycle and reuse.
- PMC services for AMRUT project in Odisha (Atal Mission Rejuvenation for Urban Transformation) for construction/ rehabilitation of Raw Water Treatment Plants.
- Completed feasibility study for ADNOC Refining Company, Abu Dhabi for Wastewater Management at their Ruwais Refinery East and Abu Dhabi Refinery Divisions.
- EIA studies for Ratnagiri Refinery & Petrochemical Complex; GAIL's Petrochemical Project at Usar; HPCL's Rajasthan Refinery Project & Township; BPCL's 2G lingo-cellulosic based Ethanol Plants at Bargarh, Odisha & Bina, Madhya Pradesh were successfully carried out by EIL for its clients.
- 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 fourteen sectors. The new sectors that have been added include 'Distilleries'.

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 like batteries, electrical waste, waste lube oil, etc. Our waste management practices seek to reduce the environmental impact of this limited waste to the extent possible by reduction in generation, segregation at source and proper management including recycling and disposal through authorized recyclers. Other mixed dry waste is sent to scrap dealers or municipal disposal.

EIL also recognized the importance of contributing to the protection of our environment by minimizing use of paper that comes from well managed forests or other controlled sources. Today's information and communication technologies provide many opportunities for businesses to function with far less paper. Electronic mail, Intranets, IP transfer, Internet and document scanner can radically reduce paper use, while also save time and money. EIL's print / paper reduction program continues to expand across the board in the organization.

Our goals remain the same: - continue to reduce overall print volume, increase duplex usage, and remove non-sustainable devices from use in the company. Duplexing along with the reduction in overall printing has allowed us to eliminate many non-committed print jobs and has grown our sustainability-related cost savings. In the area of print management, our adoption of new practices and instigation of 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 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)

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 during the year by the Vigilance Division, 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 by way of issuance of around 30 system improvement advisories.

As part of observing Vigilance Awareness Week 2017, a series of programs were held in line with this year's theme "My Vision – Corruption free India." During the period three seminars were organized on the topic "Frauds in e-procurement and solutions", "Key features of arbitration in India & Vigilance issues" and the third was organized with the active support of SCM Department on the subject "Enhancing SC/ ST entrepreneurs participation in Public procurement" 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. Besides all the above, awareness programs/ competitions were organized involving local community, at Colleges/ Schools in the local areas around various sites.

During the above period Vigilance had released its annual journal named 'ABHIJATASYA'. A 'Vigilance logo' and 'Vigilance Statement' for the company was also released during this period. The 'Visitor Management System' was made online and linked with taking 'Integrity Pledge' by the visitors.

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 2017 and December 2017.

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.

- **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 is ISO 9001:2015 certified for Quality Management Systems and current certificate is valid up to 13.10.2018. The certificate for conformance was originally awarded & issued on 26.09.1994 and since last 23 years we are continuously maintaining this certification. Our organization does have a mechanism for monitoring and collecting feedback/ perception of our customers. It is EIL's policy to meet or exceed the customer needs and expectations and pursue excellence in delivery of our services. To serve our customer's needs / expectations in the best possible manner, we take customer feedback and suggestions about the services provided by EIL for various Projects. This gives us pertinent information and an opportunity to evaluate our services / deliverables critically and bring further improvement in our systems and processes on a continuous basis.

Product Responsibility (Health & Safety)

EIL is committed to adhere to HSE requirements for all its operations to ensure Health & Safety of its employees, client personnel, contractors, vendors, and all stake holders associated with EIL. 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 a HSE Management System designed to ensure, as a minimum, compliance with the laws and project requirements and to achieve continuous performance improvements.

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

- Hazard Identification Study (HAZID)
- Hazard and Operability Study (HAZOP)
- Safety Integrity Level (SIL)
- Rapid Risk Analysis (Consequence Analysis)
- Quantitative Risk Analysis Study (QRA)
- Fire Safety Assessment
- Gas dispersion Study (Flammable & Toxic Gas)
- Vent Dispersion Study
- Flare Radiation and Dispersion Study
- Safety Layouts Review
- F&G Layouts and Cause/ Effect Matrix
- Escape Evacuation and Rescue Assessment
- Escape Route layouts
- Disaster Management Plan/Emergency Response Plan
- Safety Audits
- Project HSE Review (PHSER)

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 258 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)
- 18.1 Million man-hours without any LTA (Aishwarya project of IOCL , Haldia)
- 15 Million man-hours without any LTA (Banggai Ammonia plant, Indonesia)
- 10 Million man-hours without any LTA (RFCL, Ramagundam site)

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 strive 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:

- Construction of Data Centers and Office Building at Delhi and Bengaluru for UIDAI - LEED Gold rating
- Construction of EIL office Complex at Gurugram — GRIHA 5 star rating
- Construction of EIL Office complex at Chennai – GRIHA 4 star rating

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 has 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. Protection of National Heritage, art and culture

   The web link for EIL's CSR projects or programs 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 2014-15, FY 2015-16 and FY 2016-17 was ₹ 45801.48 Lakh.

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

   The prescribed CSR expenditure i.e. 2% of ₹45801.48 Lakh is ₹ 916.03 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 2017-18 was ₹ 916.03 Lakh.

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

      Nil

   c) **Manner in which the amount spent during the financial year 2017-18.**

      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

J.C. Nakra
Chairman-CSR Committee

Place: New Delhi
Date: May 24, 2018

Annexure to Annual Report on CSR Activities

Detail of amount spent during financial year 2017-18

(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 (₹ in Lakh)	Amount spent:Direct or through Implementing Agency"
			Other	Local Area	District/State		Direct Expenditure (₹ in Lakh)	Overheads (₹ in Lakh)		
1	Contribution towards construction of Statue of Unity.	Art & Culture	-	Vadodara	Gujarat	500.00	500.00	-	500.00	Sardar Vallabhbhai Patel Rashtriya Ekta Trust (SVPRET)
2	Support for construction of Road & drain facilities at Yanam.	Community Development	Yanam	-	Yanam	292.00	77.91	-	77.91	District Administra-tion, Yanam
3	Support for construction and installation of three water purification plants (ROs) in villages of Sheohar district, Bihar.	Drinking water and Sanitation	Sheohar	-	Bihar	24.71	2.47	-	2.47	Gandhi Gramoday
4	Support for running four units of Gadadhar Abhyudaya Prakalpa GAP) (two units each at Rahara and Rajarhat-Bishnupur Branch Centre) for holistic development of underprivileged children.	Education	-	Kolkata	West Bengal	22.39	8.22	-	8.22	Ramakrishna Mission, West Bengal
5	Support for development of smart classes in Kamdhenu Public School in Phoolpur Constituency of Allahabad District, UP.	Education	Phoolpur	-	Uttar Pradesh	9.22	9.56	-	9.56	Kamdhenu Charitable Society
6	Support for bringing computer literacy to 136 Underprivileged Children of Delhi/NCR enrolled at AHF School 125, Noida.	Education	-	Delhi/NCR	Delhi/NCR	9.40	4.44	-	4.44	Amity Humanity Foundation

(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 (₹ in Lakh)	Amount spent:Direct or through Implementing Agency
			Other	Local Area	District/State		Direct Expenditure (₹ in Lakh)	Overheads (₹ in Lakh)		
7	Setting up of plant for conversion of Waste to Fuel in Mathura.	Environment Protection/ Sustainability	Mathura	-	Uttar Pradesh	548.00	191.75	-	191.75	EIL (in-house)
8	Support for restoration and development of of Anjani Kund site at Palwal.	Environment Protection/ Sustainability	-	Palwal	Haryana	22.87	22.81	-	22.81	The Braj Foundation
9	Support for providing Mobile Medical Care Unit to extend advanced health care services to poor and needy people residing in remote villages of Odisha.	Healthcare	-	Bhubaneswar	Odisha	84.30	7.98	-	7.98	Utkal Bipanna Sahayata Samiti (UBSS)
10	Support for installation and commissioning of 100 solar photovoltaic based LED street lighting systems in various villages of Bhadohi District, Uttar Pradesh.	Rural Electrification	Bhadohi	-	Uttar Pradesh	21.80	10.90	-	10.90	Rajasthan Electronics and Instruments Limited (REIL)
11	Support for installation and commissioning of 110 solar photovoltaic based LED street lighting systems in various villages of Shrawasti District, Uttar Pradesh.	Rural Electrification	Shrawasti	-	Uttar Pradesh	23.98	11.99	-	11.99	Rajasthan Electronics and Instruments Limited (REIL)
12	Support for installation and commissioning of 100 solar photovoltaic based LED street lighting Instruments systems in various villages of Poornia District, Bihar.	Rural Electrification	-	Poornia	Bihar	21.80	10.90	-	10.90	Rajasthan Electronics and Instruments Limited (REIL)

(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 (₹ in Lakh)	Amount spent:Direct or through Implementing Agency"
			Other	Local Area	District/State		Direct Expenditure (₹ in Lakh)	Overheads (₹ in Lakh)		
13	Support for conducting livelihood training in cottage industry and basic IT (Information Technology) skills for 5,000 women belonging to backward sections of the society at various locations of Delhi.	Skill Development / Vocational Training	-	Delhi	Delhi	24.85	4.97	-	4.97	Buddha Education Foundation
14	Support for conducting Skill Development Training for 1200 Persons with Disabilities (PwDs) in various trades identified by NHFDC across India near EIL's area of operation.	Skill Development / Vocational Training	-	Across EIL's area of operation	Across EIL's area of operation	180.00	36.00	-	36.00	National Handicapped Finance and Development Corporation
15	Support for conducting Ten Camps (Assessment and Distribution) for distribution of assistive aids & appliances to poor & needy Persons with Disabilities (PwDs).	Upliftment of Under privileged	i) Udaipur & Kota ii) Bargarh iii) Dharamshala	i) Kota ii) Cuttack iv) Haldia v) Ratnagiri vi) Delhi vii)Udupi viii) Kochi	i) Rajasthan ii) Odisha iii) Himachal Pradesh iv) West Bengal v) Maharashtra vi) Delhi vii) Karnataka viii) Kerala	400.00	220.00	-	220.00	Artificial Limbs Manufacturing Corporation of India (ALIMCO)
16	Support for conducting functional literacy programme of 120 tribal women in Mushroom Cultivation and Bee- Keeping at Bolangir District in Odisha.	Skill Development / Vocational Training	-	Bolangir	Odisha	9.39	0.94	-	0.94	Amity Humanity Foundation

(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 (₹ in Lakh)	Amount spent:Direct or through Implementing Agency"
			Other	Local Area	District/State		Direct Expenditure (₹ in Lakh)	Overheads (₹ in Lakh)		
17	Contribution to Hydrocarbon Sector Skill Council.	Skill Development / Vocational Training	-	Delhi	Delhi	100.00	100.00	-	100.00	Hydrocarbon Sector Skill Council
18	Contribution to Skil Development Institute, Raebareli.	Skill Development / Vocational Training	Raebareli	-	Uttar Pradesh	75.00	75.00	-	75.00	Skill Development Institute, Raebareli
19	Contribution to Skill Development Institute, Guwahati.	Skill Development / Vocational Training	-	Guwahati	Assam	75.00	75.00	-	75.00	Skill Development Institute, Guwahati
20	Contribution to Skill Development , Institute Bhubaneswar.	Skill Development / Vocational Training	-	Bhubaneswar	Odisha	25.00	25.00	-	25.00	Skill Development Institute, Bhubaneswar
21	Contribution to Skill Development Institute, Vishakhapatnam.	Skill Development / Vocational Training	-	Vishakha patnam	Andhra Pradesh	25.00	25.00	-	25.00	Skill Development Institute, Vishakha patnam
22	Contribution to Skill Development Institute, Kochi.	Skill Development / Vocational Training	-	Kochi	Kerala	25.00	25.00	-	25.00	Skill Development Institute, Kochi.
23	Support for providing 'Multi-Facility Health Package' for cause and care of destitute elderly residing in 12 Old Age Homes across India.	Upliftment of Under privileged	(i) Boudha, Dhenkanal, Kandhamal, Khurdha	(ii) Ahmedabad & Vadodra (iii) Chennai (iv) Mumbai	(i) Odisha (ii) Gujarat (iii) Tamil Nadu (iv) Maharashtra	41.55	21.88	-	21.88	HelpAge India
24	Support for distribution of adult diapers among bedridden and elderly patients residing across 30 slum areas of Delhi.	Upliftment of Under privileged	-	Delhi	Delhi	9.97	1.99	-	1.99	Agewell Foundation
25	Miscellaneous	-	-		-	-	4.58	-	4.58	-
	TOTAL						**1474.29**		**1474.29**	

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 thereto

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 2017-18.

2. **Detail of material contracts or arrangement or transactions at arm's length basis** - NIL

Annexure to the Directors' Report

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

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

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. As on 31.03.2018, the Board comprises of 11 Directors viz. C&MD [holding additional charge of Director (Projects), Director (Technical) and Director (Finance)], 2 Executive Directors (Functional) and 8 Non-Executive Directors out of which one is Government Nominee Director and seven are Non-official Independent Directors. The Executive Directors (Functional) are reporting to the Chairman and Managing Director.

b) Number of Board Meetings

The Board of Directors met 10 times during the financial year 2017-18. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	May 15,2017	New Delhi	12	10
2.	May 22, 2017	New Delhi	12	9
3.	June 27, 2017	New Delhi	12	9
4.	July 19, 2017	New Delhi	12	11
5.	August 9, 2017	New Delhi	12	9
6.	October 25, 2017	New Delhi	14	13
7.	November 20,2017	New Delhi	13	11
8	January 3, 2018	New Delhi	12	9
9.	January 30, 2018	New Delhi	12	11
10.	March 12, 2018	New Delhi	11	11

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

Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the financial year 2017-2018 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 19/09/2017	Other Directorships	Other Committee Memberships**	Other Committee Chairmanships**
A) Chairman and Managing Director (Executive)					
Shri Jagdish Chander Nakra[*-1]	9	Yes	2	-	-
B) Executive Directors (Functional)					
I) Present Directors					
Shri V.C. Bhandari	9	Yes	-	-	-
Shri R.K. Sabharwal	10	Yes	-	-	-
II) Directors Retired					
Shri Sanjay Gupta[*-2]	6	Yes	-	-	-

Name of the Director	Attendance Particulars		Number of other Directorships / Committee Memberships / Chairmanships		
	Board Meetings	Last Annual General Meeting held on 19/09/2017	Other Directorships	Other Committee Memberships**	Other Committee Chairmanships**
Shri Ajay N. Deshpande*-3	9	Yes	-	-	-
C) Non-Executive Directors					
I) Present Directors					
Shri Sandeep Poundrik	5	No	1	-	-
Dr (Prof.) Mukesh Khare	6	Yes	2	1	-
Shri Umesh Chandra Pandey	9	Yes	2	-	1
Shri V.K. Deshpande	8	No	3	-	-
Mrs. Arusha Vasudev	7	Yes	-	-	-
Ms. Shazia Ilmi Malik	9	Yes	-	-	-
Shri Chaman Kumar*-4	5	-	-	-	-
Shri Rajesh Kumar Gogna*-5	5	-	-	-	-
I) Directors Retired #					
Ms. Sushma Taishete*-6	6	No	-	-	-

including nomination withdrawn by the appointing authority.

Remarks:

*-1 Shri Jagdish Chander Nakra, Director (Projects) was appointed as Additional Director and Chairman & Managing Director w.e.f. 12th February, 2018 (A/N) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31/1/2017-CA(14564) dated 12th February, 2018. He ceased to be Director (Projects) consequent to his appointment as Chairman & Managing Director w.e.f. 12.02.2018 (A/N).

*-2 Shri Sanjay Gupta, Chairman & Managing Director holding additional charge of Director (Finance) ceased to be the Chairman & Managing Director of the Company w.e.f. 1.11.2017 due to his retirement on attaining the age of superannuation on 31.10.2017.

*-3 Shri Ajay N. Deshpande, Director (Technical) holding additional charge of Director (Finance) and Chairman & Managing Director ceased to be Director (Technical) w.e.f. 1.02.2018 due to his retirement on attaining the age of superannuation on 31.01.2018

*-4 Shri Chaman Kumar was appointed as Additional Director (Non-official Independent) w.e.f. 8.09.2017 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31034/2/2017-CA/FTS:49128 dated 8.09.2017.

*-5 Shri Rajesh Kumar Gogna was appointed as Additional Director (Non-Official Independent) w.e.f. 20.09.2017 (date of allotment of DIN) in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no. C-31034/2/2017-CA/FTS:49128 dated 8.09.2017.

*-6 Ms. Sushma Taishete, Director (Government Nominee) ceased to be Director of the Company w.e.f. 24.11.2017.

– For details regarding additional charges to the Directors, kindly refer Directors' Report.

** 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, 2018.

(Jagdish Chander Nakra)
Chairman & Managing Director
and Addl. Charge-D(P)

Place: New Delhi
Date: 25.05.2018

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 29.01.2018 as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Independent Directors of CPSEs and in compliance to the other statutory provisions in this regard. All the Independent Directors except Dr. (Prof.) Mukesh Khare 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 with regard to Performance Evaluation of the Directors and Policy for Preservation of Documents. 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

As on 31.03.2018, the Audit Committee comprises of Shri Umesh Chandra Pandey, Non-official Independent Director as Chairman, Dr. (Prof.) Mukesh Khare, Mrs. Arusha Vasudev, Ms. Shazia Ilmi Malik, Shri Chaman Kumar and Shri Rajesh Kumar Gogna, Non-official Independent Directors as members. The Committee was reconstituted during the year due to the following:-

- Ms. Shazia llmi Malik was inducted as member w.e.f. 15.05.2017.

- Shri V.K. Deshpande ceased to be member w.e.f. 3.01.2018.

- Shri Chaman Kumar and Shri Rajesh Kumar Gogna were inducted as members w.e.f. 3.01.2018.

The details of meetings held during the financial year 2017-18 and the attendance of the Members is given below:

S. No.	Date of the Meeting	Name of the Members	Category	Attendance
1.	22.05.2017	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
		Ms. Shazia Ilmi Malik	Non-Executive (Independent)	Present
2.	9.06.2017	Shri Umesh Chandra Pandey	Non-Executive (Independent) - Chairman	Present
		Dr. (Prof.) Mukesh Khare	Non-Executive (Independent)	Present
		Shri V.K. Deshpande	Non-Executive (Independent)	Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Present
		Ms. Shazia Ilmi Malik	Non-Executive (Independent)	Present
3.	9.08.2017	Shri Umesh Chandra Pandey	Non-Executive (Independent) - Chairman	Present
		Dr. (Prof.) Mukesh Khare	Non-Executive (Independent)	Present
		Shri V.K. Deshpande	Non-Executive (Independent)	Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Present
		Ms. Shazia Ilmi Malik	Non-Executive (Independent)	Not Present
4.	25.10.2017	Shri Umesh Chandra Pandey	Non-Executive (Independent) - Chairman	Present
		Dr. (Prof.) Mukesh Khare	Non-Executive (Independent)	Present
		Shri V.K. Deshpande	Non-Executive (Independent)	Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Not Present
		Ms. Shazia Ilmi Malik	Non-Executive (Independent)	Present
5.	29.01.2018	Shri Umesh Chandra Pandey	Non-Executive (Independent) - Chairman	Present
		Dr. (Prof.) Mukesh Khare	Non-Executive (Independent)	Not Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Present
		Ms. Shazia Ilmi Malik	Non-Executive (Independent)	Present
		Shri Chaman Kumar	Non-Executive (Independent)	Present
		Shri Rajesh Kumar Gogna	Non-Executive (Independent)	Present
6.	30.01.2018	Shri Umesh Chandra Pandey	Non-Executive (Independent) - Chairman	Present
		Dr. (Prof.) Mukesh Khare	Non-Executive (Independent)	Not Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Present
		Ms. Shazia Ilmi Malik	Non-Executive (Independent)	Present
		Shri Chaman Kumar	Non-Executive (Independent)	Present
		Shri Rajesh Kumar Gogna	Non-Executive (Independent)	Present

The Audit Committee invites Senior Executives & External Auditors whenever it considers appropriate to be present in the meetings. The Head of Internal Audit Department and Director (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 Non-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 Independent Directors of the Company has been increased by the Board of Directors in their Meeting held on 20.11.2017 from ₹ 15,000 to ₹ 25,000/- for each meeting of the Board of Directors and from ₹15,000 to ₹ 20,000/- for each meeting of the Committees of the Board of Directors attended by them. 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."

As on 31.03.2018, the Nomination and Remuneration Committee comprises of Shri Rajesh Kumar Gogna, Non-official Independent Director as Chairman, Shri V.K. Deshpande, Shri Umesh Chandra Pandey, Mrs. Arusha Vasudev and Shri Chaman Kumar, Non-official Independent Directors as the members of the committee. Director (HR) is the convener of this committee. The Committee was reconstituted during the year due to the following:

- Ms. Sushma Taishete ceased to be member w.e.f. 24.11.2017.
- Shri Rajesh Kumar Gogna was inducted as member and chairman w.e.f. 3.01.2018 in place of Shri V.K. Deshpande, who continued as member.
- Shri Chaman Kumar was inducted as member w.e.f. 3.01.2018.

The details of meeting held during the financial year 2017-18 and the attendance of the Members is given below:

S. No.	Date of the Meeting	Name of the Members	Category	Attendance
1.	15.05.2017	Shri. V.K Deshpande	Non-Executive (Independent) - Chairman	Present
		Ms. Sushma Taishete	Non-Executive (Government Nominee)	Present
		Shri Umesh Chandra Pandey	Non-Executive (Independent)	Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Present

S. No.	Date of the Meeting	Name of the Members	Category	Attendance
2.	22.05.2017	Shri. V.K Deshpande	Non-Executive (Independent) - Chairman	Present
		Ms. Sushma Taishete	Non-Executive (Government Nominee)	Present
		Shri Umesh Chandra Pandey	Non-Executive (Independent)	Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Present
3.	25.10.2017	Shri. V.K Deshpande	Non-Executive (Independent) - Chairman	Present
		Ms. Sushma Taishete	Non-Executive (Government Nominee)	Present
		Shri Umesh Chandra Pandey	Non-Executive (Independent)	Present
		Mrs. Arusha Vasudev	Non-Executive (Independent)	Not Present

The details of remuneration paid to the Functional Directors during the financial year ended March 31, 2018 are as under:

(Amount in ₹)

S. No	Name of Director	Salary and Allowances	Other Benefits	Performance Related Pay/ Productivity Linked Reward	Stock Options during the year 2017-18	Total
1	Shri J.C. Nakra	3675660	573875	115293	Nil	4364828
2	Shri Ajay N Deshpande	3189942	394356	225535	Nil	3809833
3	Shri Sanjay Gupta	2191792	1006590	319063	Nil	3517445
4	Shri Ram Singh	472043	88020	253452	Nil	813515
5	Shri V.C. Bhandari	3734806	529031	175672	Nil	4439509
6	Shri Rakesh Kumar Sabharwal	3758713	491075	164885	Nil	4414673
	Total	**17022956**	**3082947**	**1253900**	**Nil**	**21359803**

Details of payments towards sitting fees to Independent Directors during the financial year 2017-18 are given below:-

(Amount in ₹)

Name of Non-official Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Dr. (Prof.) Mukesh Khare	110000	90000	200000
Mrs. Arusha Vasudev	125000	165000	290000
Shri V.K. Deshpande	150000	235000	385000
Shri Umesh Chandra Pandey	175000	220000	395000
Ms. Shazia Ilmi Malik	175000	155000	330000
Shri Chaman Kumar	115000	60000	175000
Shri Rajesh Kumar Gogna	115000	60000	175000
Total	**965000**	**985000**	**1950000**

*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. During this year, EIL's Risk Management process has been further upgraded to meet the changes in the regulatory requirements and has also been integrated with the Risk Management requirements of ISO 9001:2015 (Quality Management System standard). The linkage of the Risk Management system with the Quality Management system has provided an added advantage by further ingraining Risk Management into the day to day business operations.

The Risk Management committee is a key governing body of the Risk management function at EIL. The Risk Management Committee (RMC) of the Board comprises of both independent Directors and functional Directors and is headed by an independent Director. The Risk Management Committee is supported by the Corporate Risk Assurance (CRA) group which performs day-to-day activities required to maintain and improve Risk Management.

Major functions of the Risk Management Committee are:

- Review & 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 (ERM) and Project Risk Management Plans (PRMPs) is reviewed on a Quarterly basis by the Risk Management committee. The Risk Management Committee plays an active role in reviewing the status and providing the required interventions for improving the effectiveness of the Risk Management System and aligning it with Business objectives.

Risk Management Committee

As on 31.03.2018, the Risk Management Committee comprises of Shri V.K. Deshpande, Non-official Independent Director as Chairman, Mrs. Arusha Vasudev, Dr. (Prof.) Mukesh Khare, Shri Rajesh Kumar Gogna, Non-official Independent Directors as members of the Committee. Further, Director (Projects), Director (Technical) and Director (Finance) were also the members whose additional charges were held by Shri J.C. Nakra, C&MD. The Committee was reconstituted during the year due to the following:

- Mrs. Arusha Vasudev, Dr. (Prof.) Mukesh Khare, Ms. Shazia Ilmi Malik were inducted as member w.e.f. 22.05.2017.
- Shri V.K. Deshpande was made the Chairman of the committee w.e.f. 22.05.2017 in place of Shri Umesh Chandra Pandey, who continued as member.
- Shri Rajesh Kumar Gogna was Inducted as member w.e.f 03.01.2018
- Shri Umesh Chandra Pandey and Ms. Shazia Ilmi Malik ceased to be member of the committee w.e.f. 03.01.2018.

The Committee met 4 times during the year on 9.06.2017, 8.08.2017, 24.10.2017 and 29.01.2018. The details regarding number of meetings attended by each Director are given below:-

S.No.	Name of the Members	Number of Meetings attended
1.	Shri V.K. Deshpande	4
2.	Shri Umesh Chandra Pandey	3
3.	Dr. (Prof.) Mukesh Khare	2
4.	Mrs. Arusha Vasudev	3
5.	Ms. Shazia Ilmi Malik	2
6.	Shri Sanjay Gupta*	-
7.	Shri Ajay N. Deshpande	4
8.	Shri Jagdish Chander Nakra	3
9.	Shri Rajesh Kumar Gogna	1

*Shri Sanjay Gupta was member of the Committee due to having additional charge of Director (Finance) & Director (Projects).

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 2017-18. However during the period under review, the Company has Buyback 4,19,61,780 equity shares of the Company. The President of India, acting through DIPAM and Ministry of Petroleum and Natural Gas, Government of India has divested 4,19,46,454 equity shares in the Buyback of shares. Further, the President of India has sold 1,35,88,409 equity shares of the Company to BHARAT 22 ETF through a New Fund Offer (NFO) in terms of Scheme framed in this regard. Consequently, Government of India (Promoter) shareholding as on **31.03.2018 stands reduced to 52.02% (32,86,89,731 equity shares)** as compared to 57.02% (38,42,24,594 equity shares) as on 31.03.2017.

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 in other companies 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, 2018.

C) None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2018.

D) Means of Communication

Quarterly, Half Yearly Results and Yearly Results	Published in Economic Times (all editions) & Financial Express (all editions) in English, Economic Times (Delhi) & Nav Bharat Times (Delhi) in Hindi and Economic Times (Ahmedabad & Mumbai) in Gujarati.
Displayed on Website	www.engineersindia.com and simultaneously posted on the 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 2016-17 and other communications like NECS/ECS credit information for final and interim dividend to large number of shareholders for the financial years 2016-17 & 2017-18 respectively through e-mail ids of the shareholders registered with NSDL/ CDSL/Company/RTA.

E) Stakeholders Relationship Committee of the Board

The Company is having a Stakeholders Relationship Committee. As on 31.03.2018, the Stakeholders Relationship Committee comprises of four Directors (Two Non-official Independent Directors and two Executive Functional Directors) viz. Ms. Shazia Ilmi Malik as Chairperson, Shri V.K. Deshpande, Non-official Independent Directors, Director (HR) and Director (Commercial) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- Director (Commercial) was inducted as member in place of Director (Finance) w.e.f 22.05.2017.
- Ms. Shazia Ilmi Malik was inducted as member and chairperson w.e.f. 3.01.2018 in place of Shri V.K. Deshpande, who continued as member.

The Committee met 4 times during the year on 22.05.2017, 9.08.2017, 25.10.2017 and 29.01.2018 and all the members were present in each meeting, except in meeting of 22.05.2017, Shri Vipin Chander Bhandari, Director (HR) was not present.

F) Share Transfer Committee of the Board

The Company has a Share Transfer Committee in place. As on 31.03.2018, the Share Transfer Committee comprises of three Directors viz. C&MD as Chairman, Director (HR) and Director (Commercial) as the members of the Committee. The Committee was reconstituted during the year due to the following:

- C&MD was inducted as Chairman w.e.f. 1.02.2018 in place of Director (Technical).

The Share Transfer Committee met 51 times during the financial year 2017-18 on 3.04.2017, 10.04.2017, 17.04.2017, 24.04.2017, 2.05.2017, 8.05.2017, 15.05.2017, 22.05.2017, 29.05.2017, 5.06.2017, 12.06.2017, 19.06.2017, 27.06.2017, 3.07.2017, 10.07.2017, 17.07.2017, 24.07.2017, 31.07.2017, 7.08.2017, 14.08.2017, 21.08.2017, 28.08.2017, 4.09.2017, 11.09.2017, 18.09.2017 25.09.2017, 3.10,2017, 9.10.2017, 16.10.2017, 23.10.2017, 30.10.2017, 6.11.2017, 13.11.2017, 20.11.2017, 24.11.2017, 4.12.2017, 11.12.2017, 18.12.2017, 26.12.2017, 1.01.2018, 8.01.2018, 15.01.2018, 22.01.2018, 29.01.2018, 12.02.2018, 19.02.2018, 26.02.2018, 5.03.2018, 12.03.2018, 19.03.2018 and26.03.2018. All the members were present in each meeting except the following:-

(i) Director (HR) was not present in the Meetings held on 22.05.2017, 29.05.2017, 5.06.2017, 12.06.2017, 3.07.2017, 7.08.2017 and 11.09.2017.

(ii) Director (Technical) was not present in the Meeting held on 10.07.2017.

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.

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. As on 31.03.2018, the HR Committee comprises of C&MD of EIL as Chairman, Shri Umesh Chandra Pandey, Shri Chaman Kumar, Shri Vikas Khushalrao Deshpande, Non-official Independent Directors, Director (HR) and Director (Commercial) as the members of the Committee. Further, Director (Projects), Director (Technical) and Director (Finance) were also the members whose additional charges were held by Shri J.C. Nakra, C&MD. The Committee was reconstituted during the year due to the following:

- Shri Chaman Kumar and Shri V.K. Deshpande, Non-official Independent Directors were inducted as members w.e.f. 3.01.2018.

The Committee met 2 times during the year 2017-18 on 15.05.2017 and 28.09.2017. The details regarding number of meetings attended by each Director are given below:-

S.No.	Name of the Members	Number of Meetings attended
1.	Shri Sanjay Gupta(upto 31.10.2017)	2
2.	Ms. Sushma Taishete (upto 23.11.2017)	2
3.	Shri Umesh Chandra Pandey	2
4.	Shri Ajay N. Deshpande	2
5.	Shri V.C. Bhandari	2
6.	Shri Rakesh Kumar Sabharwal	2
7.	Shri Jagdish Chander Nakra (w.e.f. 12.04.2017)	2

H) CSR & SD Committee of the Board

The Company is having CSR & SD Committee. As on 31.03.2018, the CSR & SD Committee comprises of Chairman & Managing Director as Chairman, Dr. (Prof.) Mukesh Khare, Ms. Shazia Ilmi Malik, Shri Chaman Kumar, Non-official Independent Directors and Director (HR) as the members of the Committee. Director (HR) is also the convenor of this Committee. The Committee was reconstituted during the year due to the following:

- Ms. Shazia Ilmi Malik was inducted as member w.e.f 22.05.2017.
- Shri Chaman Kumar was inducted as memeber w.e.f. 3.01.2018.

The Committee met 3 times during the year 2017-18 on 15.05.2017, 9.08.2017 and 29.01.2018. The details regarding number of meetings attended by each Director are given below:-

S.No.	Name of the Members	Number of Meetings attended
1.	Shri Sanjay Gupta (upto 31.10.2017)	2
2.	Ms. Sushma Taishete (upto 23.11.2017)	2
3.	Dr. (Prof.) Mukesh Khare	1
4.	Shri V.C. Bhandari	3
5.	Ms. Shazia Ilmi Malik	1
6.	Shri Ajay N. Deshpande*	1
7.	Shri Chaman Kumar	1

*Shri Ajay N. Deshpande was member of the Committee due to having additional charge of C&MD.

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. As on 31.03.2018, the Committee comprises of C&MD of EIL as Chairman, Director (HR) and Director (Commercial) as the members of the Committee. Further, Director (Projects), Director (Technical) and Director (Finance) were also the members whose additional charges were held by Shri J.C. Nakra, C&MD. The committee met 42 times during the financial year 2017-18 on 19.04.2017, 25.04.2017, 27.04.2017, 30.05.2017, 8.06.2017, 21.06.2017, 1.07.2017, 6.07,2017. 31.07.2017, 1.08.2017, 2.08.2017, 14.08.2017, 17.08.2017, 21.08.2017, 27.08.2017, 31.08.2017, 8.09.2017, 12.09.2017, 29.09.2017, 5.10.2017, 16.10.2017, 20.10.2017, 24.10.2017, 13.11.2017, 21.11.2017, 23.11.2017, 27.11.2017, 30.11.2017, 9.12.2017, 11.12.2017, 19.12.2017, 29.12.2017, 2.01.2018, 8.01.2018, 12.01.2018, 20.01.2018, 22.01.2018, 25.01.2018, 27.01.2018, 12.02.2018, 16.02.2018 and 14.03.2018. The details regarding number of meetings attended by each Director are given below:-

S.No.	Name of the Members	Number of Meetings attended
1.	Shri Sanjay Gupta (upto 31.10.2017)	23
2.	Shri Ram Singh (upto 30.04.2017)	3
3.	Shri Ajay N. Deshpande (upto 31.01.2018)	36
4.	Shri V. C. Bhandari	36
5.	Shri R.K. Sabharwal	42
6.	Shri J.C. Nakra	37

J) Buyback Committee of the Board

The Board of Directors constituted Buyback Committee to deliberate and decide on the matters as per defined scope of the committee. The Buyback Committee comprised of Chairman & Managing Director as Chairman, Director (Finance), Director (Technical), Director (HR), Director (Commercial) and Director (Projects) as members. Director (Finance) ceased to be member of the Committee w.e.f. 1.05.2017.

The Committee met 7 times during the year 2017-18 on 13.06.2017, 16.06.2017, 21.06.2017, 17.07.2017, 7.08.2017, 10.08.2017 and 14.08.2017. The details regarding number of meetings attended by each Director are given below:-

S.No.	Name of the Members	Number of Meetings attended
1.	Shri Sanjay Gupta	7
2.	Shri Ajay N. Deshpande	7
3.	Shri V.C. Bhandari	6
4.	Shri R.K. Sabharwal	6
5.	Shri J.C. Nakra	4

During the year, the Shareholders of the Company have approved the Buyback by Special Resolution through postal ballot and voting process, the results of which were declared on 15.06.2017. The Buyback Committee ceased to exist after completion of Buyback process.

K) Legal Advisory Committee of the Board

The Board of Directors constituted Legal Advisory Committee to deliberate and decide on the matters as per defined scope of the committee. As on 31.03.2018, the Legal Advisory Committee comprises of Shri Chaman Kumar, Non-official Independent Director as Chairman, Shri Rajesh Kumar Gogna, Ms. Shazia Ilmi Malik, Shri Umesh Chandra Pandey, Non-official Independent Directors, Director (HR) and Director (Commercial) as the members of the committee. Further, Director (Projects) and Director (Finance) were also the members whose additional charges were held by Shri J.C. Nakra, C&MD. Director (HR) is also the convener of this committee. The Committee was reconstituted during the year due to the following:

- Shri Umesh Chandra Pandey was inducted as member w.e.f. 3.01.2018.

No meeting was held during the financial year 2017-18.

L) Compliance Officer

As on 31.03.2018, Shri Rajan Kapur, Company Secretary was the Compliance officer. The Company Secretary also acts as the Secretary to the various empowered committees of the Board.

M) Status of Investor Complaints

Complaints pending on 01.04.2017	NIL
Complaints received during the financial year 2017-18	930
Complaints disposed off during the financial year 2017-18	930
Complaints pending as on 31.03.2018	NIL

As on 31st March, 2018, no transfer request was pending.

11. General Body Meetings

i) Annual General Meeting (AGM)

The details of Annual General Meetings held during the last three years are as under:

AGM	Year	Venue	Date	Time
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, New Delhi-110049	19.09.2016	3.00 PM
52nd	2016-2017	Engineers India Limited NH-8, Sector-16, Gurugram-122001(Haryana)	19.09.2017	3.00 PM

ii) Details of Special Resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
50th	Approval of Material Related Party Transactions of EIL with M/s Ramagundam Fertilizers and Chemicals Limited (RFCL).
51st	Nil
52nd	Nil

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing the resolution through Postal Ballot.

iii) Postal Ballot

During the year, approval of the members by means of special resolution was sought through Postal Ballot for Amendment in Article of Association (for insertion of Buyback clause) and for approval of Buyback of Shares. The Postal Ballot was circulated to member and the last date for receipt of Postal Ballot form was 13th June, 2017. Facility of e-voting was also provided to the member. Both the resolution were passed with requisite majority and the result was declared on 15th June, 2017. The Postal Ballot exercise was conducted by Shri Santosh Kumar Pradhan, Practising Company Secretary (C.P.No. 7647). The procedure prescribed under the Companies Act, 2013 and the rules made there under has been duly complied.

iv) No Extra-ordinary General Meeting of the members was held during the financial year 2017-18.

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 2017-2018 are given in Note No.38 to the Annual Accounts for the year ended 31st March, 2018. 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 except the Composition of the Board with respect to Independent Directors during the period from 01.04.2017 to 19.09.2017 as required by Listing Regulations and DPE Guidelines on Corporate Governance, Performance Evaluation of Independent Director as required by Regulations 17 of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Policy for Preservation of Documents of the Company as required by Regulations 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

v) During the last three years, two Presidential Directives have been received by the Company in 2017-18:-

(a) Presidential Directive on Pay Revision of Board and below Board level Executives and non-unionised supervisors in CPSEs following IDA pattern of scale w.e.f. 1.01.2017 dated 1.02.2018.

(b) Presidential Directive on Pay Revision of Board and below Board level Executives and non-unionised supervisors in CPSEs following CDA pattern of pay scales w.e.f. 1.01.2016 dated 31.01.2018.

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 2017-18 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 7.07% of the total expenses in the Financial year 2017-18 as against 7.36% during the Financial year 2016-17.

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, 2018.

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) 53rd Annual General Meeting

Date	Wednesday, September 19, 2018
Time	3:00 p.m.
Venue	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi - 110049

ii) Financial Year

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

iii) Dates of Book-closure

Thursday, September 13, 2018 to Wednesday, September 19, 2018 (both days inclusive).

iv) Dividend

The Board of Directors of the Company have recommended payment of Final Dividend of ₹ 1.50 per share (on the face value of ₹ 5/- each) for the Financial Year ended 31st March, 2018 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, 2018.

The Record Date and Dividend Payment Date for Final Dividend for the financial year ended 31st March, 2018 are Wednesday, September 12, 2018 and Tuesday, September 25, 2018 respectively. The dividend warrants would be posted on or after Tuesday, September 25, 2018 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 2017-18 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 2017-18.

vi) Stock Code

ISIN INE510A01028

Scrip Code 532178

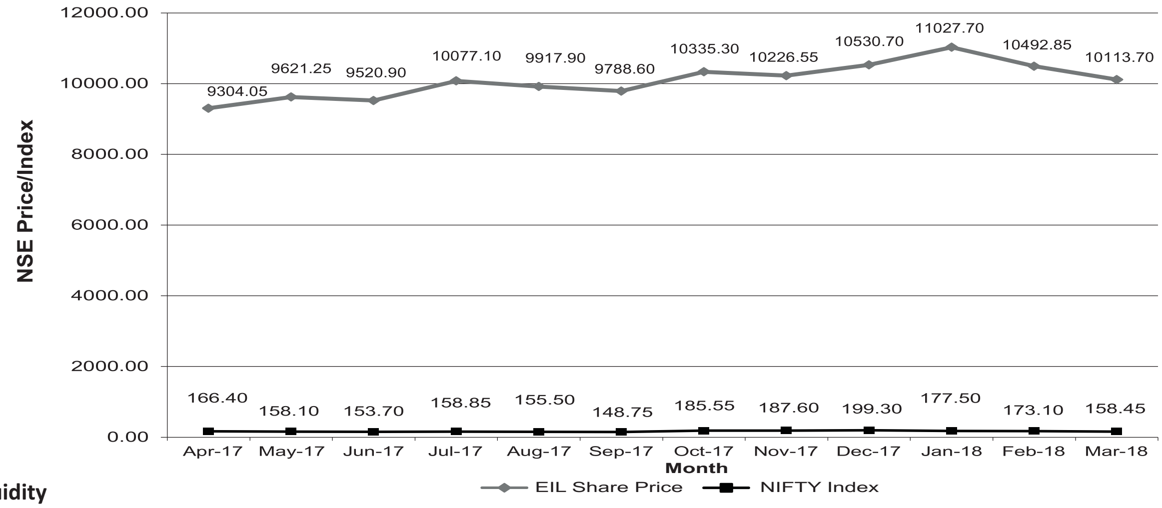
Scrip Symbol ENGINERSIN

vii) Monthly Share Price Data

(Amount in ₹)

Month & Year	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2017	174.25	144.00	174.00	144.00
May, 2017	175.70	152.00	175.70	152.10
June, 2017	163.15	150.30	163.20	150.25
July, 2017	167.65	152.95	167.50	152.80
August, 2017	163.40	140.95	163.70	140.65
September, 2017	163.40	148.15	163.45	148.05
October, 2017	190.00	146.40	190.30	146.45
November, 2017	203.90	179.00	204.00	179.00
December, 2017	206.20	176.25	206.40	175.00
January, 2018	203.50	171.60	204.05	171.50
February, 2018	178.10	155.75	178.00	154.55
March, 2018	174.00	147.40	174.45	147.15

viii) Performance of EIL's Share price in comparison to NIFTY Index during the financial year 2017-18.



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 31.03.2018.

Depository	No. of Shares	Percentage
NSDL	276112369	43.69
CDSL	355100401	56.19
Total	631212770	99.88

President of India has held 52.02% of the total shares, all in dematerialised form. Out of the balance 47.98% shares held by others, 47.86% have been held in dematerialised form as on March 31, 2018. 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 01.04.2017 to 31.03.2018.

	NSDL		CDSL	
	No. of Shares	Percentage	No. of Shares	Percentage
Dematerialised	27206	0.0000	16163	0.0000
Rematerialised	3	0.0000	767	0.0000

xi) Distribution of Shareholding as on March 31, 2018.

The shareholding in EIL by major categories of Shareholders as at the end of March 31, 2018 is presented hereunder:

a) Shareholding Pattern

Category of Shareholders	No. of Shares held	% of Total
President of India	328689731	52.02
Mutual Funds	121076010	19.16
Banks, Financial Institutions and Insurance Companies	46848429	7.41
Private Corporate Bodies	23267166	3.68
Foreign Institutional Investors	35450343	5.61
NRIs/OCBs/Trust/NBFC/HUF/IEPF/AIF	10848053	1.72
Resident Individuals	65731688	10.40
Total	**631911420**	**100**

b) Distribution Schedule

S.No.	Category	No. of Shareholders	% to Total Shareholders	Amount (₹)	% of Total Amount
1	Upto 5000	189236	99.09	243605570	7.71
2	5001 - 10000	965	0.51	34464010	1.09
3	10001 - 20000	355	0.19	25032300	0.79
4	20001 - 30000	99	0.05	12114075	0.38
5	30001 - 40000	47	0.02	8254965	0.26
6	40001 - 50000	33	0.02	7572845	0.24
7	50001 - 100000	75	0.04	27428940	0.87
8	100001 & above	170	0.08	2801084395	88.66
	Total:	**190980**	**100**	**3159557100**	**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. The Unpaid Dividend remaining unclaimed and unpaid for the financial years 2009-2010 (Special interim) and 2010-2011 (Interim) have accordingly been transferred to Investor Education & Protection Fund (IEPF) on 23.05.2017 and 16.05.2018 respectively. Unpaid/ Unclaimed Dividend for the financial year 2010-2011 (final) is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 10.11.2018 (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:

Further, pursuant to the requirement of section 124(6) and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred to IEPF. In this regard, the Company has completed the posting of specific communications to the concerned shareholders whose dividend has not been paid or claimed for seven consecutive years, at their latest available address. More details are available at www.engineersindia.com/Investor Zone.

Financial Year	Date of Declaration of Dividend	Proposed date for transfer to IEPF (Tentative Date)
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
2016-17(Final)	19.09.2017	18.10.2024
2017-18(Interim)	12.03.2018	11.04.2025

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 1.4.2017		Shareholders approached for Transfer of shares from Suspense Account during 2017-18		Shareholders to whom shares were transferred from Suspense Account during 2017-18		Closing Balance as on 31.03.2018	
Cases	Shares	Cases	Shares	Cases	Shares	Cases	Shares
6	832	NIL	NIL	NIL	NIL	6	832

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

Opening Balance as on 1.4.2017		Shareholders approached for Transfer of shares from Suspense Account during 2017-18		Shareholders to whom shares were transferred from Suspense Account during 2017-18		Closing Balance as on 31.03.2018	
Cases	Shares	Cases	Shares	Cases	Shares	Cases	Shares
2	522	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 Bhawan, 1, Bhikaji Cama Place,
New Delhi – 110066
CIN: L74899DL1965GOI004352
Tel: 011-26762121; Fax: 011-26178210, 26194715
Email: eil.mktg@eil.co.in Website: www.engineersindia.com

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 25, 2018

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, J. C. Nakra, Chairman a Managing Director, CEO and V.C. Bhandari, Director (HR), CFO of Engineers India Limited certify that:

A. We have reviewed Financial Results for the quarter and year ended 31st March, 2018 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 a 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.

(J C Nakra)
Chairman & Managing Director
CEO

(V C Bhandari)
Director (HR)
CFO

Place : New Delhi
Date: May 25, 2018

Auditors' Certificate on Corporate Governance

To,
The Members
ENGINEERS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by ENGINEERS INDIA LIMITED ("the Company") for the year ended 31 March, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises(DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring compliance of the condition of Corporate Governance as stipulated in said regulation and guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We conducted our examination of the relevant records of the Company in accordance with the guidance note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and other Assurance and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations and DPE guidelines on corporate governance, subject to the following:

I. The composition of the board of directors did not comprise of the required number of Independent Directors during the period from 01.04.2017 to 19.09.2017 as required by the Listing Regulations 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.

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)

Place: New Delhi
Date: 25 May, 2018

Arun Agarwal
(Partner)
M. No. 082899

Management's Reply to Auditors' Report on Corporate Governance (2017-18)

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 01.04.2017 to 19.09.2017 as required by the Listing Regulations 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. As on 31.03.2018, the Company meets the statutory requirements regarding Composition of the Board of Directors.
(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.

Annexure to the Directors' Report

Secretarial Audit Report

For the Financial Year Ended 31st March, 2018

{Pursuant to Section 204(1) of the Companies Act, 2013 andRule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Engineers India Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Engineers India Limited (hereinafter called 'the Company'or 'EIL'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 here by report that in our opinion, the company has, during the audit period covering the financial period ended on 31st March, 2018 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, 2018 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 there under 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, as amended from time to time, issued by the Institute of Company Secretaries of India— Generally complied with.

(ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

Observation No. 1 Non-Compliance of Regulation 17 (10) & 25 (4) of Securities and Exchange Board of india (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has not carried out the performance evaluation of the directors.

Observation No. 2 Non-Compliance of Regulation 9 of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 on Board approved Policy for Preservation of Documents of the Company.

Observation No. 3 Non-Compliance under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per 3.1.4 DPE Guidelines, w.r. t. to the requisite number of independent Directors on the Board of Company, for the period 01.04.2017 till 07.09.2017.

We further report that the Board of Directors of the Company is duly constituted except for the period 01.04.2017 till 07.09.2017 with proper balance of Executive Directors, Non- Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of convening of meeting including sending of agenda at shorter notice, consent of members present in the meeting were taken.

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, the Company had bought back its 4,19,61,780 (Four Crore Nineteen Lacks Sixty-one Thousand Seven Hundred Eighty) nos. of Equity Shares at a price of Rs.157/— (Rupees One Hundred Fifty Seven only) per equity share on a proportionate basis from the Equity shareholders of the Company.

For Agarwal S. & Associates
Company Secretaries

Anuradha Jain
Partner
ACS No.: 36639
C.P. No.: 14180

Place: New Delhi
Date: 25.05.2018

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 or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates
Company Secretaries

Anuradha Jain
Partner
ACS No.: 36639
C.P. No.: 14180

Place: New Delhi
Date: 25.05.2018

Management's Reply to Secretarial Auditor Report (2017-18)

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 above subject to the following observations: i) Non-Compliance of Regulation 17 (10) & 25 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has not carried out the performance evaluation of the directors.	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. However, Independent Directors' meeting in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and DPE Guidelines on Corporate Governance was held on 29.01.2018.
ii) Non-Compliance of Regulation 9 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Board approved Policy for Preservation of Documents of the Company.	The draft Policy has been made and the same is under review by the Management. After review, the same shall be put up to the Board for approval at the earliest.
iii) Non-Compliance under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per 3.1.4 DPE Guidelines, w.r.t. to the requisite number of Independent Directors on the Board of Company, for the period 01.04.2017 till 07.09.2017.	EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. As on 31.03.2018, the Company meets the statutory requirements regarding Composition of the Board of Directors.

Annexure to the Directors' Report

Form No. MGT-9

Extract of Annual Return
as on the Financial Year ended on 31st March, 2018

[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, 1, Bhikaji Cama Place, New Delhi-110066 Tel: 011-26762121, Fax: 011-26178210, 26194715 E-mail: eil.mktg@eil.co.in 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. Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad- 500032 Fax No. 040-23001153 Email:einward.ris@karvy.com 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:-

S. 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.	77.15
2	Turnkey Projects	N.A.	22.85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N0	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. SHARE HOLDING 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 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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					0.00
(b)	Central Government/ State Government(s)	384224594	0	384224594	57.02	328689731	0	328689731	52.02	-5.00
(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) :	**384224594**	**0**	**384224594**	**57.02**	**328689731**	**0**	**328689731**	**52.02**	**-5.00**
(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)	**384224594**	**0**	**384224594**	**57.02**	**328689731**	**0**	**328689731**	**52.02**	**-5.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	74219935	0	74219935	11.01	121076010	0	121076010	19.16	8.15
(b)	Financial Institutions / Banks	14999556	0	14999556	2.23	10302210	0	10302210	1.63	-0.60
(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	44646050	0	44646050	6.63	36546219	0	36546219	5.78	-0.84
(f)	Foreign Institutional Investors	46127261	0	46127261	6.85	35450343	0	35450343	5.61	-1.24
(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) :	**179992802**	**0**	**179992802**	**26.71**	**203374782**	**0**	**203374782**	**32.18**	**5.47**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	28396893	36	28396929	4.21	23267142	24	23267166	3.68	-0.53
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	53923410	748938	54672348	8.11	53543302	698626	54241928	8.58	0.47
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	18537324	0	18537324	2.75	13600184	0	13600184	2.15	-0.60

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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									
	ALTERNATIVE INVESTMENT FUND	0	0	0	0.00	960216	0	960216	0.15	0.15
	CLEARING MEMBERS	3897328	0	3897328	0.58	1462901	0	1462901	0.23	-0.35
	IEPF	0	0	0	0.00	14888	0	14888	0.00	0.00
	NBFC	687155	0	687155	0.10	390066	0	390066	0.06	-0.04
	NON RESIDENT INDIANS	2313236	0	2313236	0.34	2106387	0	2106387	0.33	-0.01
	NRI NON-REPATRIATION	1002971	0	1002971	0.15	1274727	0	1274727	0.20	0.05
	TRUSTS	148513	0	148513	0.02	2528444	0	2528444	0.40	0.38
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
	Sub-Total B(2) :	**108906830**	**748974**	**109655804**	**16.27**	**99148257**	**698650**	**99846907**	**15.80**	**-0.47**
	Total B=B(1)+B(2) :	**288899632**	**748974**	**289648606**	**42.98**	**302523039**	**698650**	**303221689**	**47.98**	**5.00**
	Total (A+B) :	**673124226**	**748974**	**673873200**	**100.00**	**631212770**	**698650**	**631911420**	**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					0.00
	GRAND TOTAL (A+B+C) :	**673124226**	**748974**	**673873200**	**100.00**	**631212770**	**698650**	**631911420**	**100.00**	**0.00**

(ii) Shareholding of Promoter

SI. No.	Shareholder's Name	Shareholding at the beginning 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/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	President of India	384224594	57.02	Nil	328689731	52.02	Nil	-5.00
	Total	384224594	57.02	Nil	328689731	52.02	Nil	-5.00

(iii) Change in Promoter's Shareholding

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
1	President of India	384224594	57.02	31/03/2017			384224594	57.02
				04-08-2017	-41961780	Transfer	342262814	54.16
				18-08-2017	15326	Transfer	342278140	54.17
				17-11-2017	-12551529	Transfer	329726611	52.18
				24-11-2017	-1036880	Transfer	328689731	52.02
		328689731	52.02	31/03/2018			328689731	52.02

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
1	ICICI PRUDENTIAL BALANCED FUND	10011345	1.49	31/03/2017			10011345	1.49
				21/04/2017	5674130	Transfer	15685475	2.33
				05/05/2017	2360521	Transfer	18045996	2.68
				12/05/2017	192854	Transfer	18238850	2.71
				19/05/2017	255925	Transfer	18494775	2.74
				26/05/2017	3771672	Transfer	22266447	3.30
				02/06/2017	572688	Transfer	22839135	3.39
				09/06/2017	476359	Transfer	23315494	3.46
				14/07/2017	412601	Transfer	23728095	3.52
				21/07/2017	133433	Transfer	23861528	3.54
				28/07/2017	740868	Transfer	24602396	3.65
				18/08/2017	381920	Transfer	24984316	3.95
				25/08/2017	1758512	Transfer	26742828	4.23
				08/09/2017	73694	Transfer	26816522	4.24
				15/09/2017	75072	Transfer	26891594	4.26
				22/09/2017	108243	Transfer	26999837	4.27
				29/09/2017	91757	Transfer	27091594	4.29
				06/10/2017	6577310	Transfer	33668904	5.33
				13/10/2017	679161	Transfer	34348065	5.44
				31/10/2017	-496985	Transfer	33851080	5.36
				03/11/2017	-184038	Transfer	33667042	5.33
				10/11/2017	-293922	Transfer	33373120	5.28
				17/11/2017	80427	Transfer	33453547	5.29
				24/11/2017	13588409	Transfer	47041956	7.44
				01/12/2017	-1680770	Transfer	45361186	7.18
				08/12/2017	948241	Transfer	46309427	7.33
				08/12/2017	-1345190	Transfer	44964237	7.12
				15/12/2017	149550	Transfer	45113787	7.14
				15/12/2017	-231008	Transfer	44882779	7.10
				22/12/2017	-1357104	Transfer	43525675	6.89
				29/12/2017	-2119070	Transfer	41406605	6.55
				05/01/2018	-1025530	Transfer	40381075	6.39
				12/01/2018	-1575688	Transfer	38805387	6.14
				19/01/2018	-1105023	Transfer	37700364	5.97
				26/01/2018	-386400	Transfer	37313964	5.90
				02/02/2018	-495446	Transfer	36818518	5.83
				09/02/2018	791483	Transfer	37610001	5.95
				09/02/2018	-21756	Transfer	37588245	5.95
				16/02/2018	372746	Transfer	37960991	6.01
				16/02/2018	-21588	Transfer	37939403	6.00
				23/02/2018	145569	Transfer	38084972	6.03
				23/02/2018	-843417	Transfer	37241555	5.89
				02/03/2018	200521	Transfer	37442076	5.93
				09/03/2018	-24864	Transfer	37417212	5.92
				16/03/2018	92960	Transfer	37510172	5.94
				16/03/2018	-37282	Transfer	37472890	5.93
				23/03/2018	-1601344	Transfer	35871546	5.68
				30/03/2018	749066	Transfer	36620612	5.80
		38102586		31/03/2018			38102586	6.03

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
2	LIC OF INDIA HEALTH PROTECTION PLUS FUND	39021616	5.79	31/03/2017			39021616	5.79
				28/04/2017	-60000	Transfer	38961616	5.78
				02/06/2017	-2480744	Transfer	36480872	5.41
				09/06/2017	-2424686	Transfer	34056186	5.05
				16/06/2017	-2863676	Transfer	31192510	4.63
				23/06/2017	-235894	Transfer	30956616	4.59
				31/10/2017	-165000	Transfer	30791616	4.87
				03/11/2017	-140000	Transfer	30651616	4.85
				10/11/2017	-321600	Transfer	30330016	4.80
				17/11/2017	-110000	Transfer	30220016	4.78
				24/11/2017	-150000	Transfer	30070016	4.76
				01/12/2017	-150000	Transfer	29920016	4.73
				19/01/2018	-20000	Transfer	29900016	4.73
				30/03/2018	-413600	Transfer	29486416	4.67
		29486416		31/03/2018			29486416	4.67
3	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MONTHLY IN	12976114	1.93	31/03/2017			12976114	1.93
				07/04/2017	-231500	Transfer	12744614	1.89
				21/04/2017	425300	Transfer	13169914	1.95
				28/04/2017	200000	Transfer	13369914	1.98
				28/04/2017	-61300	Transfer	13308614	1.97
				05/05/2017	76100	Transfer	13384714	1.99
				12/05/2017	546640	Transfer	13931354	2.07
				19/05/2017	522060	Transfer	14453414	2.14
				26/05/2017	600000	Transfer	15053414	2.23
				02/06/2017	59000	Transfer	15112414	2.24
				02/06/2017	-3900	Transfer	15108514	2.24
				09/06/2017	298700	Transfer	15407214	2.29
				16/06/2017	54400	Transfer	15461614	2.29
				23/06/2017	74100	Transfer	15535714	2.31
				28/07/2017	64800	Transfer	15600514	2.32
				22/09/2017	-159400	Transfer	15441114	2.44
				31/10/2017	300000	Transfer	15741114	2.49
				03/11/2017	858500	Transfer	16599614	2.63
				10/11/2017	366900	Transfer	16966514	2.68
				24/11/2017	583586	Transfer	17550100	2.78
				08/12/2017	579956	Transfer	18130056	2.87
				15/12/2017	1261500	Transfer	19391556	3.07
				15/12/2017	-2572500	Transfer	16819056	2.66
				22/12/2017	825480	Transfer	17644536	2.79
				29/12/2017	3090865	Transfer	20735401	3.28
				05/01/2018	716715	Transfer	21452116	3.39
				12/01/2018	205600	Transfer	21657716	3.43
				19/01/2018	231300	Transfer	21889016	3.46
				02/02/2018	325600	Transfer	22214616	3.52
				09/02/2018	664612	Transfer	22879228	3.62
				16/02/2018	481798	Transfer	23361026	3.70
				23/02/2018	720102	Transfer	24081128	3.81
				02/03/2018	244372	Transfer	24325500	3.85
				09/03/2018	531493	Transfer	24856993	3.93
				16/03/2018	446300	Transfer	25303293	4.00
		25303293		31/03/2018			25303293	4.00

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
4	R SHARES INFRA BEES - INVESTMENT AC	11102603	1.65	31/03/2017			11102603	1.65
				07/04/2017	357000	Transfer	11459603	1.70
				07/04/2017	-212854	Transfer	11246749	1.67
				14/04/2017	45	Transfer	11246794	1.67
				14/04/2017	-73798	Transfer	11172996	1.66
				21/04/2017	-1049506	Transfer	10123490	1.50
				28/04/2017	420013	Transfer	10543503	1.56
				28/04/2017	-201083	Transfer	10342420	1.53
				05/05/2017	-544375	Transfer	9798045	1.45
				12/05/2017	-614250	Transfer	9183795	1.36
				19/05/2017	-1500	Transfer	9182295	1.36
				26/05/2017	-556375	Transfer	8625920	1.28
				02/06/2017	121707	Transfer	8747627	1.30
				02/06/2017	-7000	Transfer	8740627	1.30
				09/06/2017	-12192	Transfer	8728435	1.30
				16/06/2017	136500	Transfer	8864935	1.32
				16/06/2017	-12192	Transfer	8852743	1.31
				23/06/2017	-459004	Transfer	8393739	1.25
				30/06/2017	-6477	Transfer	8387262	1.24
				07/07/2017	400560	Transfer	8787822	1.30
				14/07/2017	3500	Transfer	8791322	1.30
				14/07/2017	-12606	Transfer	8778716	1.30
				21/07/2017	-95500	Transfer	8683216	1.29
				28/07/2017	-3056	Transfer	8680160	1.29
				18/08/2017	-184550	Transfer	8495610	1.34
				25/08/2017	17500	Transfer	8513110	1.35
				25/08/2017	-430896	Transfer	8082214	1.28
				01/09/2017	-438536	Transfer	7643678	1.21
				08/09/2017	-72939	Transfer	7570739	1.20
				15/09/2017	-384398	Transfer	7186341	1.14
				22/09/2017	17500	Transfer	7203841	1.14
				22/09/2017	-1149	Transfer	7202692	1.14
				29/09/2017	10500	Transfer	7213192	1.14
				29/09/2017	-16687	Transfer	7196505	1.14
				06/10/2017	458537	Transfer	7655042	1.21
				06/10/2017	-5953	Transfer	7649089	1.21
				13/10/2017	14000	Transfer	7663089	1.21
				13/10/2017	-19135	Transfer	7643954	1.21
				20/10/2017	12	Transfer	7643966	1.21
				20/10/2017	-33196	Transfer	7610770	1.20
				27/10/2017	-60216	Transfer	7550554	1.19
				31/10/2017	4919342	Transfer	12469896	1.97
				31/10/2017	-269318	Transfer	12200578	1.93
				03/11/2017	2004658	Transfer	14205236	2.25
				03/11/2017	-21716	Transfer	14183520	2.24
				10/11/2017	2518500	Transfer	16702020	2.64
				10/11/2017	-119722	Transfer	16582298	2.62
				17/11/2017	504000	Transfer	17086298	2.70
				17/11/2017	-24022	Transfer	17062276	2.70
				24/11/2017	-1505334	Transfer	15556942	2.46
				01/12/2017	3511015	Transfer	19067957	3.02

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
				01/12/2017	-797739	Transfer	18270218	2.89
				08/12/2017	83808	Transfer	18354026	2.90
				08/12/2017	-11	Transfer	18354015	2.90
				15/12/2017	105	Transfer	18354120	2.90
				15/12/2017	-6966	Transfer	18347154	2.90
				22/12/2017	-29025	Transfer	18318129	2.90
				29/12/2017	-7441	Transfer	18310688	2.90
				05/01/2018	137608	Transfer	18448296	2.92
				12/01/2018	-24381	Transfer	18423915	2.92
				19/01/2018	7000	Transfer	18430915	2.92
				19/01/2018	-108514	Transfer	18322401	2.90
				26/01/2018	255500	Transfer	18577901	2.94
				26/01/2018	-18576	Transfer	18559325	2.94
				02/02/2018	718604	Transfer	19277929	3.05
				02/02/2018	-11045	Transfer	19266884	3.05
				09/02/2018	30	Transfer	19266914	3.05
				09/02/2018	-164056	Transfer	19102858	3.02
				16/02/2018	-4665	Transfer	19098193	3.02
				23/02/2018	194787	Transfer	19292980	3.05
				02/03/2018	1018500	Transfer	20311480	3.21
				02/03/2018	-102570	Transfer	20208910	3.20
				09/03/2018	209003	Transfer	20417913	3.23
				09/03/2018	-40	Transfer	20417873	3.23
				16/03/2018	70000	Transfer	20487873	3.24
				16/03/2018	-5895	Transfer	20481978	3.24
				23/03/2018	21275	Transfer	20503253	3.24
				30/03/2018	8668	Transfer	20511921	3.25
				30/03/2018	-63032	Transfer	20448889	3.24
		20204168		31/03/2018			20204168	3.20
5	UTI-MID CAP FUND	9577032	1.42	31/03/2017			9577032	1.42
				14/04/2017	137442	Transfer	9714474	1.44
				21/04/2017	36000	Transfer	9750474	1.45
				28/04/2017	563562	Transfer	10314036	1.53
				05/05/2017	54000	Transfer	10368036	1.54
				12/05/2017	106701	Transfer	10474737	1.55
				26/05/2017	900000	Transfer	11374737	1.69
				02/06/2017	486000	Transfer	11860737	1.76
				02/06/2017	-23378	Transfer	11837359	1.76
				09/06/2017	-152576	Transfer	11684783	1.73
				23/06/2017	270000	Transfer	11954783	1.77
				23/06/2017	-300145	Transfer	11654638	1.73
				30/06/2017	180000	Transfer	11834638	1.76
				30/06/2017	-224560	Transfer	11610078	1.72
				07/07/2017	-223993	Transfer	11386085	1.69
				14/07/2017	-197388	Transfer	11188697	1.66
				21/07/2017	-100113	Transfer	11088584	1.65
				28/07/2017	90000	Transfer	11178584	1.66
				28/07/2017	-34848	Transfer	11143736	1.65
				18/08/2017	45000	Transfer	11188736	1.77
				25/08/2017	-271760	Transfer	10916976	1.73
				01/09/2017	-803737	Transfer	10113239	1.60
				08/09/2017	-146697	Transfer	9966542	1.58

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
				15/09/2017	-22723	Transfer	9943819	1.57
				06/10/2017	-1127	Transfer	9942692	1.57
				13/10/2017	-26273	Transfer	9916419	1.57
				22/12/2017	-1465	Transfer	9914954	1.57
				26/01/2018	-12697	Transfer	9902257	1.57
				02/02/2018	-75985	Transfer	9826272	1.56
				09/02/2018	-1440	Transfer	9824832	1.55
				23/02/2018	-21264	Transfer	9803568	1.55
				09/03/2018	174065	Transfer	9977633	1.58
				09/03/2018	-70598	Transfer	9907035	1.57
				23/03/2018	90000	Transfer	9997035	1.58
				30/03/2018	126600	Transfer	10123635	1.60
		10258635		31/03/2018			10258635	1.62
6	SBI LIFE INSURANCE CO. LTD	6444106	0.96	31/03/2017			6444106	0.96
				07/04/2017	57702	Transfer	6501808	0.96
				14/04/2017	498449	Transfer	7000257	1.04
				21/04/2017	-418136	Transfer	6582121	0.98
				28/04/2017	-100000	Transfer	6482121	0.96
				12/05/2017	-40000	Transfer	6442121	0.96
				19/05/2017	-38000	Transfer	6404121	0.95
				26/05/2017	244000	Transfer	6648121	0.99
				02/06/2017	200000	Transfer	6848121	1.02
				09/06/2017	48522	Transfer	6896643	1.02
				23/06/2017	-49286	Transfer	6847357	1.02
				30/06/2017	200000	Transfer	7047357	1.05
				07/07/2017	135000	Transfer	7182357	1.07
				28/07/2017	-225000	Transfer	6957357	1.03
				18/08/2017	979364	Transfer	7936721	1.26
				01/09/2017	70000	Transfer	8006721	1.27
				08/09/2017	100000	Transfer	8106721	1.28
				15/09/2017	-8140	Transfer	8098581	1.28
				22/09/2017	-12000	Transfer	8086581	1.28
				29/09/2017	200000	Transfer	8286581	1.31
				06/10/2017	97902	Transfer	8384483	1.33
				13/10/2017	200000	Transfer	8584483	1.36
				20/10/2017	-50000	Transfer	8534483	1.35
				27/10/2017	-327017	Transfer	8207466	1.30
				31/10/2017	-55095	Transfer	8152371	1.29
				03/11/2017	-40000	Transfer	8112371	1.28
				10/11/2017	-981321	Transfer	7131050	1.13
				24/11/2017	-7600	Transfer	7123450	1.13
				08/12/2017	-127193	Transfer	6996257	1.11
				15/12/2017	25000	Transfer	7021257	1.11
				22/12/2017	56909	Transfer	7078166	1.12
				29/12/2017	-38532	Transfer	7039634	1.11
				05/01/2018	-2783	Transfer	7036851	1.11
				12/01/2018	-8812	Transfer	7028039	1.11
				19/01/2018	-30453	Transfer	6997586	1.11
				26/01/2018	147199	Transfer	7144785	1.13
				02/02/2018	400000	Transfer	7544785	1.19
				09/02/2018	-22960	Transfer	7521825	1.19
				16/02/2018	20000	Transfer	7541825	1.19

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
				02/03/2018	30000	Transfer	7571825	1.20
				09/03/2018	31277	Transfer	7603102	1.20
				16/03/2018	516696	Transfer	8119798	1.28
				23/03/2018	6360	Transfer	8126158	1.29
				30/03/2018	1000000	Transfer	9126158	1.44
		7660403		31/03/2018			7660403	1.21
7	GENERAL INSURANCE CORPORATION OF INDIA	8440928	1.25	31/03/2017			8440928	1.25
				01/12/2017	-140928	Transfer	8300000	1.31
				29/12/2017	-105000	Transfer	8195000	1.30
				05/01/2018	-7004	Transfer	8187996	1.30
				12/01/2018	-56407	Transfer	8131589	1.29
				19/01/2018	-111589	Transfer	8020000	1.27
				26/01/2018	-20000	Transfer	8000000	1.27
				09/02/2018	-250000	Transfer	7750000	1.23
				16/02/2018	-150000	Transfer	7600000	1.20
				23/02/2018	-75000	Transfer	7525000	1.19
				02/03/2018	-525000	Transfer	7000000	1.11
				09/03/2018	-109558	Transfer	6890442	1.09
				16/03/2018	-90442	Transfer	6800000	1.08
		6800000		31/03/2018			6800000	1.08
8	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGI	4646860	0.69	31/03/2017			4646860	0.69
				26/05/2017	-100000	Transfer	4546860	0.67
				16/06/2017	200000	Transfer	4746860	0.70
				07/07/2017	100000	Transfer	4846860	0.72
				21/07/2017	-68000	Transfer	4778860	0.71
				28/07/2017	100000	Transfer	4878860	0.72
				28/07/2017	-22000	Transfer	4856860	0.72
				18/08/2017	80000	Transfer	4936860	0.78
				25/08/2017	50000	Transfer	4986860	0.79
				29/09/2017	-9100	Transfer	4977760	0.79
				06/10/2017	-36400	Transfer	4941360	0.78
				13/10/2017	-45500	Transfer	4895860	0.77
				20/10/2017	-98200	Transfer	4797660	0.76
				27/10/2017	-45500	Transfer	4752160	0.75
				03/11/2017	90000	Transfer	4842160	0.77
				03/11/2017	-9100	Transfer	4833060	0.76
				10/11/2017	-17800	Transfer	4815260	0.76
				24/11/2017	51000	Transfer	4866260	0.77
				08/12/2017	100000	Transfer	4966260	0.79
				15/12/2017	-5000	Transfer	4961260	0.79
				22/12/2017	100000	Transfer	5061260	0.80
				29/12/2017	300000	Transfer	5361260	0.85
				29/12/2017	-30000	Transfer	5331260	0.84
				05/01/2018	50000	Transfer	5381260	0.85
				19/01/2018	100000	Transfer	5481260	0.87
				16/03/2018	30000	Transfer	5511260	0.87
				30/03/2018	-40000	Transfer	5471260	0.87
		5571260		31/03/2018			5571260	0.88
9	IDFC ARBITRAGE FUND	4546000	0.67	31/03/2017			4546000	0.67
				07/04/2017	196000	Transfer	4742000	0.70
				21/04/2017	-49000	Transfer	4693000	0.70

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
				28/04/2017	266308	Transfer	4959308	0.74
				05/05/2017	10500	Transfer	4969808	0.74
				12/05/2017	-17500	Transfer	4952308	0.73
				26/05/2017	-350000	Transfer	4602308	0.68
				02/06/2017	-125000	Transfer	4477308	0.66
				09/06/2017	-100000	Transfer	4377308	0.65
				16/06/2017	-100000	Transfer	4277308	0.63
				23/06/2017	-471000	Transfer	3806308	0.56
				30/06/2017	-125000	Transfer	3681308	0.55
				07/07/2017	455000	Transfer	4136308	0.61
				14/07/2017	-100000	Transfer	4036308	0.60
				21/07/2017	260000	Transfer	4296308	0.64
				21/07/2017	-125000	Transfer	4171308	0.62
				25/08/2017	87500	Transfer	4258808	0.67
				01/09/2017	108500	Transfer	4367308	0.69
				08/09/2017	54000	Transfer	4421308	0.70
				08/09/2017	-164500	Transfer	4256808	0.67
				15/09/2017	64648	Transfer	4321456	0.68
				22/09/2017	-150000	Transfer	4171456	0.66
				29/09/2017	10500	Transfer	4181956	0.66
				13/10/2017	-231000	Transfer	3950956	0.63
				20/10/2017	-21000	Transfer	3929956	0.62
				31/10/2017	-24500	Transfer	3905456	0.62
				03/11/2017	174582	Transfer	4080038	0.65
				03/11/2017	-52500	Transfer	4027538	0.64
				10/11/2017	190770	Transfer	4218308	0.67
				10/11/2017	-52500	Transfer	4165808	0.66
				01/12/2017	150000	Transfer	4315808	0.68
				01/12/2017	-10500	Transfer	4305308	0.68
				29/12/2017	125000	Transfer	4430308	0.70
				05/01/2018	121118	Transfer	4551426	0.72
				12/01/2018	20000	Transfer	4571426	0.72
				12/01/2018	-73308	Transfer	4498118	0.71
				19/01/2018	28000	Transfer	4526118	0.72
				26/01/2018	52500	Transfer	4578618	0.72
				09/02/2018	510882	Transfer	5089500	0.81
				16/02/2018	195393	Transfer	5284893	0.84
				16/02/2018	-80500	Transfer	5204393	0.82
				23/02/2018	121530	Transfer	5325923	0.84
				09/03/2018	158077	Transfer	5484000	0.87
		5525000		31/03/2018			5525000	0.87
10	DSP BLACKROCK EQUITY OPPORTUNITIES FUND	5025984	0.75	31/03/2017			5025984	0.75
				07/04/2017	-2869232	Transfer	2156752	0.32
				03/11/2017	500000	Transfer	2656752	0.42
				15/12/2017	1227794	Transfer	3884546	0.61
				16/02/2018	239890	Transfer	4124436	0.65
				23/02/2018	205210	Transfer	4329646	0.69
				02/03/2018	1091450	Transfer	5421096	0.86
		5421096		31/03/2018			5421096	0.86

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
1	Shri Jagdish Chander Nakra Chairman & Managing Director and Addl. Charge-Director (Projects)	8534	0.00	01/04/2017			8534	0.00
					0	Nil movement during the year		
		8534	0.00	31/03/2018			8534	0.00
2	Shri Sandeep Poundrik Director (Govt. Nominee)	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		
		Nil	0.00	31/03/2018			Nil	0.00
3	Dr. (Prof.) Mukesh Khare Non-official Independent Director	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		
		Nil	0.00	31/03/2018			Nil	0.00
4	Mrs. Arusha vasudev Non-official Independent Director	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		0.00
		Nil	0.00	31/03/2018			Nil	0.00
5	Shri Vikas Khushalrao Deshpande Non-official Independent Director	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		0.00
		Nil	0.00	31/03/2018			Nil	
6	Shri Umesh Chandra Pandey Non-official Independent Director	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		0.00
		Nil	0.00	31/03/2018			Nil	0.00
7	Ms. Shazia Ilmi Malik Non-official Independent Director	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		0.00
		Nil	0.00	31/03/2018			Nil	0.00
8	Shri Chaman Kumar Non-official Independent Director	Nil	0.00	08/09/2017			Nil	0.00
					0	Nil movement during the year		0.00
		Nil	0.00	31/03/2018			Nil	0.00
9	Shri Rajesh Kumar Gogna Non-official Independent Director	Nil	0.00	20/09/2017			Nil	0.00
					0	Nil movement during the year		0.00
		Nil	0.00	31/03/2018			Nil	0.00
10	Shri Vipin Chander Bhandari, Director (HR)	140	0.00	01/04/2017			140	0.00
					0	Nil movement during the year		
		140	0.00	31/03/2018			140	0.00

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017)/end of the year (31-03-2018)	% of total shares of the company				No. of Shares	% of total shares of the company
11	Shri Rakesh Kumar Sabharwal, Director (Commercial)	7400	0.00	01/04/2014			7400	0.00
					0	Nil movement during the year		
		7400	0.00	31/03/2018			7400	0.00
12	Shri Rajan Kapur Company Secretary	Nil	0.00	01/04/2017			Nil	0.00
					0	Nil movement during the year		
		Nil	0.00	31/03/2018			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

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 details in this regard are given in the Corporate Governance Report which forms part of Annual Report. The remuneration paid to Key Managerial Personnel is given in table below:

Remuneration to Key Managerial Personnel (other than MD/Manager/WTD):

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel						Total
		CEO		CFO			CS (Shri Rajan Kapur)	
		Shri Sanjay Gupta* (till 31.10.2017)	Shri J.C. Nakra* (w.e.f. 12.03.2018)	Shri Ram Singh* (till 30.04.2017)	Shri R.K. Garg (w.e.f 15.05.2017 to 30.06.2017)	Shri V.C. Bhandari* (w.e.f 01.07.2017)		
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	-	-	-	4,12,315	-	39,74,995	43,87,310
	(b) Value of Perquisites u/s 17(2) of the Income tax Act,1961	-	-	-	49,375		29,718	79,093
	(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)				**4,61,690**		**40,04,713**	**44,66,403**

* The remuneration paid to Shri Sanjay Gupta, Chairman & Managing Director (CEO), Shri J.C. Nakra, Chairman & Managing Director (CEO), Shri Ram Singh, Director (Finance) (CFO), Shri V.C. Bhandari, Director (HR) (CFO) have been given under the heading Remuneration of Directors under Corporate Governance Section.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the financial year ended 31st March, 2018.

Independent Auditor's Report

TO

THE MEMBERS OF
ENGINEERS INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ENGINEERS INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, 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 "the Standalone 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 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) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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 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 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of standalone 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2018, 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. 53 to the standalone financial statements of 31 March 2018, regarding claim of the contractor for ₹ 40,960.75

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.

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 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements-refer note no. 40 to the standalone financial statements of 31 March 2018;

      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. 55 to the standalone financial statements of 31 March 2018; and

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

      iv. the reporting on disclosure relating to Specified Bank Notes is not applicable for the year ended 31 March 2018.

For Arun K Agarwal & Associates
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
Arun Agarwal
(Partner)
M. No. 082899

Place: New Delhi
Date: 25 May 2018

Annexure A to Independent Auditors' Report

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year and according to information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK	NET BLOCK
4 Flats at Naranpura, Ahemdabad	10.31	3.54
Land at Memnagar, Ahemdabad	69.21	54.69
2 Flats at Viman Nagar, Pune	8.45	3.04
84 Flats at Gokuldham Goregaon, Mumbai	238.19	38.09
6 Flats in Andheri East, Mumbai	9.93	0.40
1 Floor at CBD Belapur, Navi Mumbai	101.68	39.78

ii. The Company has carried out 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 loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraphs 3 (iii) (a), (b) and (c) of the order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the grant of loan, making investment, providing guarantees and security.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and Rules framed there under. Accordingly paragraphs 3 (v) (a), (b) and (c) of the order are not applicable.

vi. As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for services rendered by the company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, GST, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other statutory dues have been regularly deposited during the year by the company with appropriate authorities. As 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, GST, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess and any other statutory dues were in arrears as at 31 March 2018 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:

S. No.	Name of Statue	Nature of dues	Forum where dispute is pending	Period to which amount relates	Amount including interest (₹ in lakhs)
1.	Income Tax Act, 1961	TDS Under section 201(1)	CIT (Appeals)	F.Y. 2008-09 (A.Y. 2009-10)	0.66
2.	Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunals	F.Y. 2001-02 (A.Y. 2002-03)	596.33
				F.Y. 2003-04 (A.Y. 2004-05)	203.87
				F.Y. 2010-11 (A.Y. 2011-12)	93.51
3.	Sales Tax	Entry Tax	Sales Tax Tribunal Noida	F.Y. 1999-2000	57.17
4.	Sales Tax	VAT	Andhra Pradesh High Court	July 2011 to March 2014	10358.77
5.	Sales Tax	VAT	Karnataka High Court	F.Y. 2009-10	3351.40
6.	Sales Tax	VAT	Karnataka High Court	F.Y. 2010-11	26149.08

viii. The company does not have any loan or borrowings from any financial institution, bank, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanation given to us by the management and based on audit procedures performed, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.

xi. 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 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 standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arun K Agarwal & Associates
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
Arun Agarwal
(Partner)
M. No. 082899

Place: New Delhi
Date: 25 May 2018

Annexure B to Independent Auditors' Report

Referred to Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

According to the information and explanations given to us we report as under:

S. No.	Areas Examined	Observations/Findings
1.	Whether the company has 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 6 properties where some of the compliances to establish clear title/execution of lease deed in favour of the company is pending. Out of 6 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 ₹ 57.18 Lakhs during the year, out of which ₹ 55.32 Lakhs is on account of bad debts written off and ₹ 1.86 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. Beside this, an amount of ₹ 1961.77 Lakhs have been written off being declared as Dry Well as per accounting policies of the company.
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. (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)/Others has been properly accounted for in the records maintained by the Company.

For Arun K Agarwal & Associates
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
Arun Agarwal
(Partner)
M. No. 082899

Place: New Delhi
Date: 25 May 2018

Annexure C to Independent Auditors' Report

Referred to Paragraph 3(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls 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, 2018 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, 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/-
Arun Agarwal
(Partner)
M. No. 082899

Place: New Delhi
Date: 25 May 2018

Balance Sheet

AS AT 31 MARCH, 2018

(₹ in Lakhs)

	Note	31 March 2018	31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	4	22,043.79	22,542.06
Capital work-in-progress	4	2,340.79	1,810.11
Investment property	5	2,882.21	3,707.16
Other intangibles assets	6 A	587.64	741.81
Intangible assets under development	6B	2,844.04	3,762.27
Financial assets			
Investments	7A	21,898.95	15,376.18
Loans	8A	3,378.54	3,109.81
Other financial assets	9A	85.60	87.95
Deferred tax assets (net)	10	30,289.64	26,571.97
Non-current tax assets (net)	11	101.39	424.08
Other non-current assets	12A	972.61	785.79
Total non-current assets		**87,425.20**	**78,919.19**
Current assets			
Inventories	13	110.19	105.44
Financial assets			
Investments	7B	2,501.60	37,866.17
Trade receivables	14	54,492.59	38,307.82
Cash and cash equivalents	15	2,456.37	15,745.08
Other bank balances	16	2,45,606.76	2,15,304.16
Loans	8B	1,033.86	1,076.42
Other financial assets	9B	35,632.33	38,373.16
Other current assets	12B	13,772.68	6,162.67
Total current assets		**3,55,606.38**	**3,52,940.92**
Total assets		**4,43,031.58**	**4,31,860.11**
Equity and liabilities			
Equity			
Equity share capital	17	31,595.58	33,693.67
Other equity	18	1,95,191.69	2,43,902.32
Total equity		**2,26,787.27**	**2,77,595.99**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	19A	650.38	119.23
Provisions	20A	727.91	762.86
Other non-current liabilities	21A	860.99	1,222.91
Total non-current liabilities		**2,239.28**	**2,105.00**
Current liabilities			
Financial liabilities			
Trade payables	22	21,801.03	22,289.71
Other financial liabilities	19B	41,646.91	29,733.18
Other current liabilities	21B	1,02,766.11	48,543.13
Provisions	20B	46,666.55	45,577.03
Current tax liabilities (net)	23	1,124.43	6,016.07
Total current liabilities		**2,14,005.03**	**1,52,159.12**
Total equity and liabilities		**4,43,031.58**	**4,31,860.11**
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.	1 to 66		

This is the balance sheet referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Statement of profit and loss

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

	Note	31 March 2018	31 March 2017
Revenue			
Revenue from operations	24	1,78,758.25	1,44,864.31
Other income	25	17,947.07	22,366.04
Total revenue		**1,96,705.32**	**1,67,230.35**
Expenses			
Techincal assistance/sub-contracts	26	21,210.66	16,358.11
Construction materials and equipments	27	9,979.83	6,332.59
Employee benefits expenses	28	75,714.90	74,397.68
Finance costs	29	57.21	317.15
Depreciation and amortisation expense	30	2,382.69	2,250.90
Other expenses	31	30,549.88	17,555.85
Total expenses		**1,39,895.17**	**1,17,212.28**
Profit before tax		**56,810.15**	**50,018.07**
Less: Tax expense	32		
Current tax		21,669.47	21,480.52
Earlier years tax adjustments (net)		532.86	(8.25)
Deferred tax		(3,179.42)	(3,957.89)
Profit for the year		**37,787.24**	**32,503.69**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses) on defined benefit plans		648.87	(3,573.64)
Income tax relating to items that will not be reclassified to profit and loss		(204.10)	1,236.76
Items that will be reclassified to profit and loss			
Exchange differences on translation of foreign operations		22.65	21.14
Income tax relating to items that will be reclassified to profit and loss		(7.81)	(7.32)
Total comprehensive income for the year		**38,246.85**	**30,180.63**
Earnings per equity share (Face value ₹ 5 per share)	33		
Basic (₹)		5.83	4.82
Diluted (₹)		5.83	4.82
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.	1 to 66		

This is the statement of profit and loss referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Statement of Changes in Equity

AS AT 31 MARCH, 2018

A Equity share capital* (₹ in Lakhs)

Particulars	Opening balance as at 1 April 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	Changes in equity share capital during the year	Redemption of equity share capital during the year (Buy Back of Shares)	Balance as at 31 March 2018
Equity share capital	16,846.84	16,846.83	-	33,693.67	-	(2,098.09)	31,595.58

During the year, pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017. Post buyback the company's equity share capital as on 31 March 2018 is ₹ 31595.58 lakhs comprising of fully paid up 63,19,11,420 equity share having face value of ₹ 5/- each . The company has funded the buyback from its General Reserve. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹ 2098.09 lakhs equal to the nominal value of the shares bought back as an appropriation from general reserve.

B Other equity** (₹ in Lakhs)

Description	Reserves and surplus					Other comprehensive income		Total
	General reserve	Capital Redemption reserve	Retained earnings	CSR activity reserve	Corpus for Medical Benefits for Employees retired prior to 01.01.2007	Exchange difference on translation of foreign operation	Remeasurement of defined benefit plans	
Balance as at 1 April 2016	**2,46,701.79**	**-**	**9,624.51**	**2,753.05**	**-**	**9.58**	**(235.11)**	**2,58,853.82**
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	**2,29,854.96**	**-**	**13,912.51**	**2,683.44**	**-**	**23.40**	**(2,571.99)**	**2,43,902.32**
Profit for the year	-	-	37,787.24	-	-	-	-	37,787.24
Other comprehensive income	-	-	-	-	-	22.65	648.87	671.52
Income tax related to items of other comprehensive income	-	-	-	-	-	(7.81)	(204.10)	(211.91)
Buy Back of equity shares	(65,879.99)	2,098.09	-	-	-	-	-	(63,781.90)
Transaction Cost of Buy Back	-	-	(501.12)	-	-	-	-	(501.12)
Dividend including tax impact (refer note 37)	-	-	(22,674.46)	-	-	-	-	(22,674.46)
Transfer from retained earnings	10,180.85	-	(12,814.03)	916.03	1,717.15	-	-	-
Transfer to retained earnings	-	-	2,185.10	(1,474.29)	(710.81)	-	-	-
Balance as at 31 March 2018	**1,74,155.82**	**2,098.09**	**17,895.24**	**2,125.18**	**1,006.34**	**38.24**	**(2,127.22)**	**1,95,191.69**

**Refer note 17 for details*

***Refer note 18 for details*

This is the statement of changes in equity referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

		31 March 2018	31 March 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	56,810.15	50,018.07
	Adjustments for:		
	Depreciation and amortisation expense	2,382.69	2,250.90
	Fixed assets written off	5.74	3.33
	Deposits written off	1.86	14.47
	(Reversal of impairment)/impairment in value of investments	2.23	(4.39)
	Bad debts written off	55.32	49.96
	Dry well written off	1,961.77	193.59
	Allowance for expected credit losses - trade receivables and advances (net)	2,474.44	1,300.90
	(Reversal of provision)/provision for contractual obligations (net)	6,403.51	(1,781.87)
	(Reversal of provision)/provision for expected losses (net)	(339.10)	(791.61)
	Interest expense	57.21	317.15
	(Profit)/loss on sale of fixed assets	(4.89)	(9.77)
	Interest income	(12,805.29)	(20,567.79)
	Loss/(gain) on modification of employee advances	6.68	105.83
	Amortization of deferred income	(45.73)	(22.69)
	Capital gain on redemption of investments in mutual funds	(27.82)	-
	Dividend income	(2,030.51)	(733.98)
	Operating profit before working capital changes	**54,908.26**	**30,342.10**
	Movement in working capital		
	(Increase)/decrease in current and non-current loans	(254.03)	(170.16)
	(Increase)/decrease in inventories	(4.75)	(4.59)
	(Increase)/decrease in other current and non current financial assets	2,691.73	(512.29)
	(Increase)/decrease in other current and non-current assets	(7,635.40)	(1,398.82)
	(Increase)/decrease in trade receivables	(18,657.02)	(3,140.15)
	Increase/(decrease) in other current and non-current financial liabilites	6,146.79	1,294.49
	Increase/(decrease) in current and non-current provisions	(4,360.97)	9,718.40
	Increase/(decrease) in other current and non-current liabilites	53,906.79	953.97
	Increase/(decrease) in trade payables	(488.68)	2,039.50
	Cash flow from operating activities post working capital changes	**86,252.72**	**39,122.45**
	Income tax paid (net)	(27,533.73)	(16,023.19)
	Net cash flow from operating activities (A)	**58,718.99**	**23,099.26**

Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

		31 March 2018	31 March 2017
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, investment property and intangibles assets (including capital work-in-progress)	(2,895.95)	(4,521.97)
	Sale of fixed assets	10.40	27.96
	Interest received	13,803.50	21,116.09
	Dividend received	2,030.51	733.98
	Investment in liquid plans of mutual funds (net)	35,392.39	(36,664.79)
	Fixed deposit placed with banks having original maturity of more than three months	(2,35,596.84)	(1,98,683.74)
	Fixed deposit with banks matured having original maturity of more than three months	2,10,828.86	2,51,000.81
	Investment in joint ventures	(6,525.00)	(12,950.00)
	Net cash flows from investing activities (B)	**17,047.87**	**20,058.34**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividend paid (including tax)	(22,674.46)	(28,285.30)
	Buy Back of Shares (including transaction cost)	(66,381.11)	-
	Net cash used in financing activities (C)	**(89,055.57)**	**(28,285.30)**
	Increase/(decrease) in cash and cash equivalents (A+B+C)	(13,288.71)	14,872.30
	Cash and cash equivalents at the begining of the year (refer note 15)	15,745.08	872.78
	Cash and cash equivalents at the end of the year (refer note 15)	**2,456.37**	**15,745.08**

This is the cash flow statement referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Summary of significant accounting policies for the year ended 31 March 2018

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') and relevant amended rules issued thereafter. These are Company's standalone financial statements. The Company also prepared consolidated financial statements separately.

Effective from 1 April 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 25 May 2018.

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 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 Incorporaton	Relatonship	31 March 2018	31 March 2017
1	Petroleum India International (Association of Person (AOP))	India	Joint Operation	9.50%	9.51%
2	CB-ONN-2010/11	India	Joint Operation	20%	20%
3	CB-ONN-2010/08	India	Joint Operation	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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

The company is evaluating the impact of this amendment on its financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be not material.

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 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 2018

Note: 4 Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building	Plant and machinery	Computer hardware	Furniture, fxtures and office/ construction equipments	Vehicles	Library books	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 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**	-
Reclassification to investment property due to change in use	-	-	(4.42)	-	-	-	-	-	**(4.42)**	-
Exchange difference on translation of foreign operation	-	-	(0.77)	-	(4.75)	(10.38)	-	-	**(15.90)**	-
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**	**-**
Additions	-	-	208.63	39.36	378.35	58.29	0.14	0.24	**685.01**	-
Reclassification from investment property due to change in use	0.18	-	762.92	-	-	20.93	-	-	**784.03**	-
Exchange difference on translation of foreign operation	-	-	0.01	-	(12.60)	(13.73)	-	-	**(26.32)**	-
Disposals/assets written off/ Adjustment	-	-	(11.54)	-	(4.79)	(8.94)	-	(0.09)	**(25.36)**	-
Balance as at 31 March 2018	**297.91**	**1,287.25**	**20,790.31**	**86.88**	**3,357.96**	**1,806.70**	**0.44**	**5.60**	**27,633.05**	**-**
Accumulated depreciation										
At 1 April 2016	-	17.58	836.13	-	728.70	258.99	0.05	2.40	**1,843.85**	-
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**	**-**

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building	Plant and machinery	Computer hardware	Furniture, fxtures and office/ construction equipments	Vehicles	Library books	Total	Capital work-in-progress
Charge for the year	-	17.57	879.92	3.35	725.23	235.31	-	0.24	**1,861.62**	-
Reclassification from investment property due to change in use	-	-	78.63	-	-	6.26	-	-	**84.89**	-
Exchange difference on translation of foreign operation	-	-	(0.07)	-	(13.70)	(13.31)	-	-	**(27.08)**	-
Adjustments for disposals	-	-	(0.86)	-	(0.80)	(2.05)	-	(0.09)	**(3.80)**	-
Balance as at 31 March 2018	**-**	**52.72**	**2,641.30**	**3.38**	**2,170.10**	**716.04**	**0.12**	**5.60**	**5,589.26**	**-**
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**
Net book value as at 31 March 2018	**297.91**	**1,234.53**	**18,149.01**	**83.50**	**1,187.86**	**1,090.66**	**0.32**	**-**	**22,043.79**	**2,340.79**

**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 2017: ₹ 0.44 lakhs) shown as assets held for disposal under note 'Other Current Assets'.

(iii) Restirction on title of property, plant and equipment, refer note 42 (ii).

Note : 5 Investment property

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building and related fixtures /assets	Total
Gross carrying amount				
At 1 April 2016	0.35	264.53	3,773.68	**4,038.56**
Additions	-	-	7.15	**7.15**
Reclassification from property, plant and equipment due to change in use	-	-	4.42	**4.42**
Disposals/assets written off	-	-	(16.75)	**(16.75)**
Balance as at 31 March 2017	**0.35**	**264.53**	**3,768.50**	**4,033.38**
Additions	-	-	10.16	**10.16**
Reclassification to property, plant and equipment due to change in use	(0.18)	-	(783.85)	**(784.03)**
Disposals/assets written off	-	-	(6.65)	**(6.65)**
Balance as at 31 March 2018	**0.17**	**264.53**	**2,988.16**	**3,252.86**
Accumulated depreciation				
At 1 April 2016	-	0.71	160.60	**161.31**
Charge for the year	-	0.71	163.83	**164.54**
Reclassification from property, plant and equipment due to change in use	-	-	0.65	**0.65**
Adjustments for disposals	-	-	(0.28)	**(0.28)**
Balance as at 31 March 2017	**-**	**1.42**	**324.80**	**326.22**
Charge for the year	-	0.71	129.13	**129.84**
Reclassification to property, plant and equipment due to change in use	-	-	(84.89)	**(84.89)**
Adjustments for disposals	-	-	(0.52)	**(0.52)**
Balance as at 31 March 2018	**-**	**2.13**	**368.52**	**370.65**
Net book value as at 31 March 2017	**0.35**	**263.11**	**3,443.70**	**3,707.16**
Net book value as at 31 March 2018	**0.17**	**262.40**	**2,619.64**	**2,882.21**

**Refer note 39A for details*

(₹ in lakhs)

(i) Amounts recognised in statement of profit and loss for investment properties

	31 March 2018	31 March 2017
Rental income	2,102.31	554.75
Less:		
Direct operating expenses generating rental income	482.90	72.57
Direct operating expenses that did not generate rental income	146.69	503.29
Profit/(Loss) from leasing of investment properties	**1,472.72**	**(21.11)**

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39B(c) for details.

(iii) Fair value of investment property

Description	Fair Value (₹ in Lakhs)	
	31 March 2018	**31 March 2017**
Residential flats	6,601.89	6,144.56
Land and building	31,766.08	36,004.59
Office premises	706.42	693.00

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

Note : 6A Other intagible assets

(₹ in Lakhs)

Particulars	Computer software	Total
Gross carrying amount		
At 1 April 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**
Additions	235.04	**235.04**
Exchange difference on translation of foreign operation	0.08	**0.08**
Disposals/assets written off	-	**-**
Balance as at 31 March 2018	**1,739.33**	**1,739.33**
Accumulated amortisation		
At 1 April 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**
Amortisation charge for the year	391.23	**391.23**
Exchange difference on translation of foreign operation	(1.94)	**(1.94)**
Adjustments for disposals	-	**-**
Balance as at 31 March 2018	**1,151.69**	**1,151.69**
Net book value as at 31 March 2017	**741.81**	**741.81**
Net book value as at 31 March 2018	**587.64**	**587.64**

Note : 6B Intangible assets under development

(₹ in Lakhs)

Particulars	Exploration and evaluation assets	Total
Gross carrying amount		
At 1 April 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**
Additions	1,043.54	**1,043.54**
Disposals/assets written off	(1,961.77)	**(1,961.77)**
Balance as at 31 March 2018	**2,844.04**	**2,844.04**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 7

A Investments - non-current		
Equity instruments		
Investment in subsidiary companies (unquoted)		
Certification Engineers International Limited	20.00	20.00
1,00,000 (previous year 31 March 2017: 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**
Investment in joint venture companies (unquoted)		
TEIL Projects Limited	550.00	550.00
5,500,000 (previous year 31 March 2017 : 5,500,000) equity shares of ₹ 10 each fully paid up		
Less: Impairment in value of investments	(540.05)	(537.82)
Sub-total (B)	**9.95**	**12.18**
Jabal Eiliot Co. Ltd.	599.00	599.00
500,000 (previous year 31 March 2017 : 500,000) shares of SR 10 each fully paid up		
Less: Historical cost of part repatriated capital	(396.38)	(396.38)
Less: Impairment in value of investments	(202.62)	(202.62)
Sub-total (C)	**-**	**-**
Ramagundam Fertilizers and Chemicals Limited*	21,869.00	15,344.00
218,690,002 (previous year 31 March 2017: 125,440,004) equity shares of ₹10 each fully paid up		
Sub-total (D)	**21,869.00**	**15,344.00**
Grand total (A+B+C+D)	**21,898.95**	**15,376.18**
Aggregate book value of unquoted investments - Gross book value	22,641.62	16,116.62
Aggregate amount of impairment in value of investments	742.67	740.44

Particulars	Principal place of business	Ownership interests	Accounted on
Certification Engineers International Limited	India	100%	Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements'
TEIL Projects Limited	India	50%	
Jabal Eiliot Co. Ltd.	Saudi Arabia	33.33%	
Ramagundam Fertilizers and Chemicals Limited	India	36.3202%	

** Includes share application money for Nil shares of ₹ 10 each fully paid (Previous Year 31 March 2017 : 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)*

(₹ in Lakhs)

	Particulars	31 March 2018	31 March 2017
B	**Investments - current**		
	Liquid plan of mutual funds (quoted)		
	BOI AXA Liquid Fund - Direct Plan Nil units (Previous year 31 March 2017: 1,067,606.675 units)	-	10,704.34
	Daily dividend re-investment of ₹1,000 each (31 March 2017: NAV - ₹1,002.6483)		
	UTI - Liquid Cash Plan - Institutional - Direct Plan Nil units (Previous year 31 March 2017: 2,664,372.376 units)	-	27,161.83
	Daily dividend re-investment of ₹ 1,000 each (31 March 2017: NAV - 1,019.4457)		
	IDBI Liquid Fund - Direct Plan 249,572.165 units(Previous year 31 March 2017: Nil units)	2501.60	-
	Daily dividend re-investment of ₹1,000 each (31 March 2018: NAV - ₹1,002.3548)		
		2,501.60	**37,866.17**
	Aggregate book value of quoted investments	2,501.60	37,866.17
	Aggregate market value of quoted investments	2,501.60	37,866.17

Note : 8

A	**Loans - non-current**		
	(Considered good unless otherwise stated)		
	Secured		
	Loans to employees	1,340.54	1,207.34
	Unsecured		
	Security deposits	105.24	97.45
	Loans to related parties:		
	Loans to key managerial personnel	3.66	4.29
	Loans to employees	1,929.10	1,800.73
		3,378.54	**3,109.81**
B	**Loans - current**		
	(Considered good unless otherwise stated)		
	Secured		
	Loans to employees	236.81	233.22
	Unsecured		
	Loans to related parties:		
	Loans to other key managerial personnel	0.75	0.75
	Loans to employees	608.09	574.02
	Security deposits		
	Considered good	188.21	268.43
	Considered doubtful	4.23	0.69
		1,038.09	**1,077.11**
	Less: Allowance for expected credit losses	(4.23)	(0.69)
		1,033.86	**1,076.42**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 9

A Other financial asset - non-current		
Bank deposits with maturity more than 12 months	85.60	85.55
Others	-	2.40
	85.60	**87.95**

The above includes bank deposits ₹ 85.60 lakhs (previous year as at 31 March 2017: ₹ 85.55 lakhs) held as margin money/security against bank guarantees.

B Other financial assets - current		
(Unsecured, considered good unless otherwise stated)		
Retention against contracts	596.65	1,636.56
Work-in-progress*		
Considered good	214.33	786.37
Considered doubtful	179.56	179.56
Unbilled revenue**		
Considered good	31,589.06	31,737.53
Considered doubtful	51.77	-
Balances against joint venture entities	833.00	833.00
Others		
Considered good	2,399.29	3,379.70
Considered doubtful	2.40	2.67
	35,866.06	**38,555.39**
Less: Allowance for expected credit losses	(233.73)	(182.23)
	35,632.33	**38,373.16**

*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	5,489.78	6,946.62
Provision for post retirement medical benefits	6,863.81	6,097.48
Provision for other benefits on retirement	93.95	96.79
Provision for long service awards	210.25	216.75
Provision for employee related expenses allowed on payment basis	4,158.74	3,223.25
Provision for contractual obligations	11,641.27	9,313.21
Provision for estimated losses	130.75	246.85
Provision for doubtful debts and advances	3,741.07	2,849.57
Others:		
Provision for loss in joint venture	173.01	170.83
Amortised cost financial instruments	46.38	34.65
Foreign currency translation reserve	3.28	9.24
Deferred tax liabilities arising on:		
Depreciation	(2,262.65)	(2,100.22)
Others :		
Income under service export of India scheme	-	(533.05)
	30,289.64	**26,571.97**

Movement in abovementioned deferred tax assets and liabilities

(₹ in Lakhs)

Particulars	1 April 2016	Recognised in other comprehensive income	Recognised in statement of profit and loss	31 March 2017	Recognised in other comprehensive income	Recognised in statement of profit and loss	31 March 2018
Assets							
Employee benefits	10,573.03	1,236.76	4,771.10	16,580.89	544.20	(308.56)	16,816.53
Provision for contractual obligations	9,929.89	-	(616.68)	9,313.21	-	2,328.06	11,641.27
Provision for estimated losses	520.82	-	(273.97)	246.85	-	(116.10)	130.75
Trade receivables	2,402.21	-	447.36	2,849.57	-	891.50	3,741.07
Others	171.84	-	42.88	214.72	(5.95)	13.90	222.67
Deferred tax liabilities arising on:							
Depreciation	(1,695.43)	-	(404.79)	(2,100.22)	-	(162.43)	(2,262.65)
Others	(535.14)	10.10	(8.01)	(533.05)	-	533.05	-
Total	**21,367.22**	**1,246.86**	**3,957.89**	**26,571.97**	**538.25**	**3,179.42**	**30,289.64**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Note : 11		
Non-current tax assets (net)		
Advance income tax (net of provision for taxation amounting to Nil (previous year 31 March 2017: ₹28,471.94 lakhs)	101.39	424.08
	101.39	**424.08**
Note : 12		
A Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	189.93	40.53
Prepaid expense and rent advance	782.68	745.26
	972.61	**785.79**
B Other current assets		
(Unsecured, considered good unless otherwise stated)		
Advances to vendors/contractors		
Considered good	10,472.89	4,701.35
Considered doubtful	5.05	2.58
Prepaid expenses	501.67	561.00
Deposit with statutory authorities	2,468.92	600.50
Assets held for sale (refer note 65)	0.44	0.44
Claims receivable		
Considered good	0.60	12.93
Considered doubtful	10.05	10.05
Advances to employees		
Considered good	323.61	282.06
Considered doubtful	1.36	1.36
Other advances	4.55	4.39
	13,789.14	**6,176.66**
Less: Impairment of non-financial assets	(16.46)	(13.99)
	13,772.68	**6,162.67**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Note : 13		
Inventories		
(lower of cost or net realizable value)		
Stores, spares and chemicals in hand	110.19	105.44
	110.19	**105.44**
Note : 14		
Trade receivables		
Trade receivable		
Considered good	54,492.59	38,307.82
Considered doubtful	10,462.14	8,045.21
	64,954.73	**46,353.03**
Less: Allowance for expected credit losses	(10,462.14)	(8,045.21)
	54,492.59	**38,307.82**
Note : 15		
Cash and cash equivalents		
Balances with banks in current account*	894.98	1,851.45
Banks deposits having maturity of less than three months**	1,556.60	13,885.28
Cash and stamps on hand*	4.79	8.35
	2,456.37	**15,745.08**

** Includes ₹ 65.12 lakhs(previous year 31 March 2017: ₹ 102.99 lakhs) in currencies which are not repatriable.*

*** Includes interest accrued on bank deposits ₹ 0.88 lakhs (previous year 31 March 2017: ₹ 1.28 lakhs)*

Particulars	31 March 2018	31 March 2017
Note : 16		
Other bank balances		
Unpaid dividend account	78.56	139.12
Amount held on behalf of clients	11,608.99	5,031.33
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below)	2,33,919.21	2,10,133.71
	2,45,606.76	**2,15,304.16**

Notes:

(i) *Includes bank deposits having more than twelve months original maturity of ₹ 23,028.41 lakhs (previous year 31 March 2017: ₹ 52,920.64 lakhs)*

(ii) *Includes bank deposits ₹8,436.46 lakhs (previous year 31 March 2017: ₹ 12,317.47 lakhs) held as margin money/security against bank guarantees.*

(iii) *Includes interest accrued on bank deposits ₹ 2,968.54 lakhs (previous year 31 March 2017: ₹3,950.97 lakhs)*

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 17

Equity share capital		
Authorised share capital		
800,000,000 (previous year 31 March 2017: 800,000,000) equity shares of par value of ₹ 5 each	40,000.00	40,000.00
	40,000.00	**40,000.00**
Issued share capital		
631,992,420 (previous year 31 March 2017: 673,954,200) equity shares of par value of ₹5 each	31,599.62	33,697.71
	31,599.62	**33,697.71**
Subscribed and paid up		
631,911,420 (previous year 31 March 2017: 673,873,200) equity shares of par value of ₹ 5 each	31,595.57	33,693.66
Add: Forfeited shares	0.01	0.01
Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2017: 2,600 equity shares of par value of ₹ 5 each)		
	31,595.58	**33,693.67**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares	**Number**	**Number**
Shares outstanding at the beginning of the year	67,38,73,200	33,69,36,600
Add : bonus shares issued during the year	-	33,69,36,600
Less : buy back of shares during the year	4,19,61,780	-
Shares outstanding at the end of the year	**63,19,11,420**	**67,38,73,200**

b) Details of shareholders holding more than 5% equity shares in the Company

Name of shareholders	**Number**	**Number**
President of India	32,86,89,731	38,42,24,594
	52.02%	57.02%
ICICI Prudential Value Fund - Series - 1	3,81,02,586	1,00,11,345
	6.03%	1.49%

c) Other disclosures

Aggregate number of equity shares having par value of ₹ 5 each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date	33,69,36,600	33,69,36,600
Aggregate number of equity shares having par value of ₹ 5 each has been bought back by way of buy back during the period of five years immediately preceding the Balance sheet date	4,19,61,780	-

d) Terms and rights attached to equity shares

The Company is having only one class of equity shares having par value of ₹ 5 each. Each Shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

Note : 18

Other equity

Nature and purpose of other reserves

General Reserve

General Reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

Capital Redemption Reserve

The Company has Created Capital Redemption Reserve out of free reserves, a sum equal to the nominal value of the shares purchased transferred to the capital redemption reserve account and details of such transfer disclosed in the balance sheet 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 the Companies Act, 2013 and rules made thereunder.

Corpus for Medical Benefits for Employees retired prior to 01.01.2007

The Company has created separate corpus of medical benefits to retired employees who have retired prior to 01.01.2007 in terms of DPE guidelines

Other Comprehensive Income

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re measurement of defined benefit plans.

(₹ in Lakhs)

	Particulars	31 March 2018	31 March 2017
Note : 19			
A	**Other financial liabilities - non-current**		
	Security deposits and retentions	650.38	119.23
		650.38	**119.23**
B	**Other financial liabilities - Current**		
	Security deposits and retentions	19,986.64	17,852.67
	Capital creditors	1,799.45	2,063.36
	Accrued employees benefits	7,340.27	3,813.70
	Unpaid dividend*	78.56	139.12
	Amount held on behalf of clients	11,608.99	5,031.33
	Other liabilities against joint venture entities	833.00	833.00
		41,646.91	**29,733.18**
	**Excluding amount due for payment to Investor Education And Protection Fund*		
Note : 20			
A	**Provisions - non-current**		
	Employees' post retirement/long-term benefits	727.91	762.86
		727.91	**762.86**
B	**Provisions - current**		
	Employees' post retirement/long-term benefits	12,740.93	17,716.28
	Provision for contractual obligations	33,460.89	27,057.38
	Provision for expected losses	374.18	713.28
	Provision for corporate social responsibility	90.55	90.09
		46,666.55	**45,577.03**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 21

A Other non-current liabilities		
Advances received from clients	845.35	1,213.74
Deferred income	15.64	9.17
	860.99	**1,222.91**
B Other current liabilities		
Advances received from clients	3,002.17	3,699.95
Income received in advance*	88,410.93	42,167.17
Service tax/GST payable	3,991.75	18.83
Withholding for employees including employers contribution	2,751.10	1,217.35
Withholding for income taxes	4,396.69	1,280.27
Deferred income	65.73	14.89
Other liabilities	147.74	144.67
	1,02,766.11	**48,543.13**

**Represents Gross amount due to Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"*

Note : 22

Trade payables		
Due to Micro and Small Enterprises (refer Note 57)	959.24	795.33
Due to others	20,841.79	21,494.38
	21,801.03	**22,289.71**

Note : 23

Current tax liabilities (net)		
Provision for taxation (net of advance tax amounting to ₹56,320.97 lakhs (previous year 31 March 2017: ₹ 15,753.76 lakhs)	1,124.43	6,016.07
	1,124.43	**6,016.07**

(₹ in Lakhs)

Particulars		31 March 2018	31 March 2017

Note : 24

	Revenue from operations		
I	**Consultancy and engineering services**	**1,37,375.37**	**1,15,052.83**
	Increase/(decrease) in work-in-progress		
	Closing work-in-progress	393.89	965.93
	Less: Opening work-in-progress	965.93	327.99
		(572.04)	**637.94**
	Other operating income		
	Income under service export from India scheme	1,125.90	815.98
	Sub-total (A)	**1,37,929.23**	**1,16,506.75**
II	**Turnkey projects**	40,829.02	28,357.56
	Increase/(decrease) in work-in-progress		
	Closing work-in-progress	-	-
	Less: Opening work-in-progress	-	-
		-	-
	Sub-total (B)	**40,829.02**	**28,357.56**
	Grand total (A+B)	**1,78,758.25**	**1,44,864.31**

Note : 25

Other income		
Interest income		
Bank deposits	12,313.19	19,853.67
Loan to employees	298.58	311.48
Income-tax refunds	-	71.86
Others	193.52	330.78
Amortization of deferred income	45.73	22.69
Dividend income from subsidiary company	700.00	500.00
Dividend income from current investments	1,330.51	233.98
Capital gain on redemption of investments in mutual funds	27.82	-
Funds received against research and development (netting off the utilisation)	-	-
(31 March 2018: Received ₹ 744.01 lakhs and utilised ₹ 744.01 lakhs and 31 March 2017: Received ₹ 80.66 lakhs and utilised ₹ 80.66 lakhs)		
Profit on sale of assets	5.47	10.41
Foreign exchange difference (net)	630.80	-
Rental income	2,138.30	554.91
Miscellaneous income	263.15	476.26
	17,947.07	**22,366.04**

Note : 26

Technical assistance/sub contracts	**21,210.66**	**16,358.11**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 27

Construction materials and equipments	**9,979.83**	**6,332.59**

Note : 28

Employee benefits expense		
Salaries and allowances@		
Staff	62,021.34	51,059.29
Directors	182.77	190.56
Contribution towards employees pension and provident fund and administration charges thereon		
Staff	4,837.05	4,228.57
Directors	14.51	13.59
Contribution towards employees defined contributory superannuation scheme		
Staff	2,693.46	5,114.15
Directors	6.75	16.69
Staff Welfare #		
Staff	2,974.34	3,221.05
Directors	6.02	5.23
Contribution to gratuity fund (net of contribution received from others)*	2,978.66	10,548.55
	75,714.90	**74,397.68**

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.32 lakhs (previous year : ₹ 0.33 lakhs).

b) ₹ 1,825.30 lakhs (previous year : ₹ 3,162.72 lakhs) on account of Leave Encashment Funded Scheme with LIC of India.

 # Includes expenditure for medical benefits of ₹ 710.81 lakhs (previous year : ₹ 1579.74 lakhs) for employees retired prior to 01.1.2007.

**Includes Term Insurance Premium paid to LIC of India.*

Note : 29

Finance cost		
Income tax	12.31	294.56
Unwinding of discount on security deposit	44.90	22.59
	57.21	**317.15**

Note : 30

Depreciation and amortization		
Depreciation on property, plant and equipment	1,861.62	1,845.71
Depreciation of investment property	129.84	164.54
Amortization of other intangible assets	391.23	240.65
	2,382.69	**2,250.90**

(₹ in Lakhs)

Particulars		31 March 2018	31 March 2017

Note : 31

	Other expenses		
A	**Facilities**		
	Rent expense - office	523.66	586.75
	Rent - residential accommodation		
	Staff (net of recovery of ₹ 152.83 lakhs (previous year: ₹ 205.46 lakhs))	667.56	1,113.28
	Directors (net of recovery of ₹ 0.77 lakhs (previous year: ₹ 1.27 lakhs))	3.54	7.34
	Light, water and power	1,319.84	1,220.12
	Insurance	382.22	288.62
	Miscellaneous repair and maintenance	3,814.13	3,021.74
	Repair and maintenance of own building	275.61	93.79
	Repair and maintenance of plant and machinery	348.86	436.23
	Hire charges of office equipments	13.94	41.11
	Sub total (A)	**7,349.36**	**6,808.98**
B	**Corporate costs**		
	Bank charges	136.64	197.63
	Sitting fees to independent directors	19.37	8.74
	Advertisement for tender and recruitment	1,072.41	584.73
	Publicity	356.63	342.58
	Subscription	127.84	93.45
	Entertainment	186.65	147.50
	Remuneration to auditors * :		
	For Audit	10.04	10.04
	For Tax Audit	1.85	1.85
	Others	7.33	8.43
	Filing fee	7.79	23.82
	Legal and professional charges	682.82	422.67
	Licences and taxes	462.58	441.21
	Loss on sale of assets	0.58	0.64
	Foreign exchange difference (net)	-	19.67
	Fixed assets written off	5.74	3.33
	Sub total (B)	**3,078.27**	**2,306.29**
	** Excluding remuneration for buy back amounting to ₹ 1.90 lakhs (previous year : Nil)*		
C	**Other costs**		
	Consumables/stores/equipment - R&D Centre	19.69	26.56
	Travel and conveyance		
	Directors*	28.23	45.83
	Others	5,941.61	6,681.61
	Printing, stationery and general Office supplies	409.75	418.64
	Newspapers and periodicals	29.11	29.67
	Postage and telecommunications	482.67	517.80
	Courier, transportation and handling	163.49	37.97
	Commission to foreign agents	186.97	237.95
	Allowance for expected credit losses - trade receivables and advances (net)	2,474.44	1,300.90
	Bad debts written off	55.32	49.96

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Deposits written off	1.86	14.47
Dry well written off	1,961.77	193.59
Provision for contractual obligations (net)	6,403.51	(1,781.87)
Provision for expected losses (net)	(339.10)	(791.61)
(Reversal of impairment)/impairment in value of investments	2.23	(4.39)
Training Expenses		
Travel	-	0.23
Others	53.73	50.91
CSR Expenses (Refer note below)	1,474.29	1,099.69
Expenditure relating to oil and gas exploration blocks	681.37	255.88
Loss on modification of employee advances	6.68	105.83
Miscellaneous expenses	121.32	16.45
	20,158.94	**8,506.07**
Less: Inhouse expenditure relating to		
Capital works	(36.69)	(65.49)
Sub total (C)	**20,122.25**	**8,440.58**
Grand total (A+B+C)	**30,549.88**	**17,555.85**

**Includes recovery of ₹ 1.31 lakhs on account of use of car (previous year : ₹ 1.38 lakhs)*

Note:

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year 2017-18 - ₹ 916.03 lakhs (previous year: ₹ 1,030.08 lakhs)

(b) Amount spent during the financial year ended 31 March 2018 and 31 March 2017 on:

(₹ in Lakhs)

Particulars		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2018	609.94	27.04	636.98
	31 March 2017	106.81	47.39	154.20
(ii) On purposes other than (i) above	31 March 2018	773.80	63.51	837.31
	31 March 2017	902.79	42.70	945.49

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017

Note : 32

Income tax		
Tax expense comprises of:		
Current income tax	21,669.47	21,480.52
Earlier years tax adjustments (net)	532.86	(8.25)
Deferred tax	(3,179.42)	(3,957.89)
	19,022.91	**17,514.38**

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	56,810.15	50,018.07
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	19,660.86	17,310.26
Adjustments in respect of current income tax		
Tax expense on account of joint control operation	0.78	3.22
Tax impact of exempted income	(702.72)	(254.02)
Tax impact of expenses which will never be allowed	334.67	470.69
Earlier years current tax adjustments (net)	532.86	(8.25)
Earlier years deferred tax adjustments (net)	(803.80)	-
Others	0.26	(7.52)
	19,022.91	**17,514.38**

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.

Pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017. Post buyback the company's equity share capital as on 31 March 2018 is ₹ 31595.58 lakhs comprising of fully paid up 63,19,11,420 equity share having face value of ₹ 5/- each .

	31 March 2018	31 March 2017
Profit attributable to equity shareholders (Amount in ₹ lakhs)	37,787.24	32,503.69
Weighted average number of equity shares	64,76,61,458	67,38,73,200
Nominal value per share in ₹	5.00	5.00
Earnings per equity share in ₹		
Basic	5.83	4.82
Diluted	5.83	4.82

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 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Liquid plan of mutual funds	2,501.60	-	-	2,501.60
Total financial assets	**2,501.60**	**-**	**-**	**2,501.60**

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**

(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 2018		31 March 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	2,501.60	-	37,866.17	-
Trade receivables-	-	54,492.59	-	38,307.82
Loans (excluding security deposits)	-	4,118.95	-	3,820.35
Other financial assets	-	35,717.93	-	38,461.11
Cash and cash equivalents	-	2,456.37	-	15,745.08
Other bank balances	-	2,45,606.76	-	2,15,304.16
Security deposits	-	293.45	-	365.88
Total financial assets	**2,501.60**	**3,42,686.05**	**37,866.17**	**3,12,004.40**
Financial liabilities				
Trade payables	-	21,801.03	-	22,289.71
Security deposits and retentions	-	20,637.02	-	17,971.90
Other financial liabilities	-	19,860.82	-	9,817.15
Capital creditors	-	1,799.45	-	2,063.36
Total financial liabilities	**-**	**64,098.32**	**-**	**52,142.12**

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, loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Trade receivables	Life time expected credit lossfully 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 2018	31 March 2017
A: Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	3,42,686.05	3,12,004.40
B: Moderate credit risk	Trade receivables, loans and other financial assets	3,505.35	2,227.28
C: High credit risk	Trade receivables	7,194.75	6,000.85

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 2018	31 March 2017
Chemical Fertilizer	3,509.30	3,828.85
Hydro Carbon	56,360.98	39,244.69
Infrastructure	3,684.69	2,464.78
Mettallurgy	539.38	760.55
Power	739.37	21.56
Others	121.01	32.60
Total	**64,954.73**	**46,353.03**

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 2018 **(₹ in Lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	2,456.37	-	2,456.37
Other bank balances	2,45,606.76	-	2,45,606.76
Loans (excluding security deposits)	4,118.95	-	4,118.95
Security deposits	297.68	4.23	293.45
Other financial assets	35,951.66	233.73	35,717.93

31 March 2017 **(₹ in Lakhs)**

Particulars	Estimated grossc arrying 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	2,15,304.16	-	2,15,304.16
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

(ii) Expected credit loss for trade receivables under simplified approach

As at March 2018 **(₹ in Lakhs)**

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 -450 Days	450 - 540 Days
Gross carrying value	24,184.98	7,670.30	5,036.14	7,775.24	1,295.89	1,227.58
Expected credit loss (provision)	733.76	453.14	473.87	446.81	147.42	209.93
Carrying amount (net of impairment)	23,451.22	7,217.16	4,562.27	7,328.43	1,148.47	1,017.65

Particulars	540 - 630 days	630 - 720 days	720 - 1095 days	>1095 days
Gross carrying value	1,762.68	1,590.73	2,583.15	7,194.75
Expected credit loss (provision)	94.08	337.12	371.26	7,194.75
Carrying amount (net of impairment)	1,668.60	1,253.61	2,211.89	-

As at 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	-

Reconciliation of loss provision – lifetime expected credit losses **(₹ in Lakhs)**

Reconciliation of loss allowance	Security deposits	Other financial assets	Trade receivables
Loss allowance on 1 April 2016	**0.69**	**2.67**	**6932.13**
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**
Impairment loss recognised/reversed during the year	3.54	54.17	2,424.96
Amounts written off	-	(2.67)	(8.03)
Loss allowance on 31 March 2018	**4.23**	**233.73**	**10,462.14**

(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 2018	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	21,801.03	-	-	21,801.03
Security deposits and retentions	19,997.33	693.54	29.40	20,720.27
Capital creditors	1,799.45	-	-	1,799.45
Other financial liabilities	19,860.82	-	-	19,860.82
Total	**63,458.63**	**693.54**	**29.40**	**64,181.57**

(₹ 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**

(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 2018	31 March 2017
Trade payables,security deposits and retentions	AED	69.15	84.62
	USD	9,072.13	9,430.48
	EURO	28.44	173.18
	GBP	387.44	341.63
	Others	46.65	37.00
Trade receivables and security deposits	AED	302.27	439.89
	USD	13,220.83	8,478.23
	EURO	3,831.93	1,722.34
	GBP	1.38	1.21
	Others	96.14	150.45
Cash and bank balance	AED	231.49	261.85
	USD	-	-
	EURO	-	-
	GBP	8.23	1.73
	Others	89.70	117.98

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade payables,security deposits and retentions	AED	0.69	0.83	(0.69)	(0.83)
	USD	90.72	94.88	(90.72)	(94.88)
	EURO	0.28	1.72	(0.28)	(1.72)
	GBP	3.87	3.40	(3.87)	(3.40)
	Others	0.47	0.36	(0.47)	(0.36)
Trade receivables and deposits	AED	3.02	4.39	(3.02)	(4.39)
	USD	132.21	84.78	(132.21)	(84.78)
	EURO	38.32	17.22	(38.32)	(17.22)
	GBP	0.01	0.01	(0.01)	(0.01)
	Others	0.96	1.50	(0.96)	(1.50)
Cash and bank balance	AED	2.31	2.61	(2.31)	(2.61)
	USD	-	-	-	-
	EURO	-	-	-	-
	GBP	0.08	0.01	(0.08)	(0.01)
	Others	0.90	1.18	(0.90)	(1.18)

(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 2018	31 March 2017
Price sensitivity		
Price increase by (3 %)- FVTPL	75.05	1,135.99
Price decrease by (3 %)- FVTPL	(75.05)	(1135.99)

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 2018	31 March 2017
Equity share capital	31,595.58	33,693.67
Other equity	195,191.69	243,902.32

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 2018 and 31 March 2017.

Note : 37

Dividends **(₹ in Lakhs)**

Nature	31 March 2018	31 March 2017
Cash dividend on equity shares declared and paid		
Final dividend for 31 March 2017 (₹ 0 .50 per share) (previous year 31 March 2016:₹ 2.00 per share)	3,159.69	6,738.73
Dividend distribution tax on final dividend	571.99	1,310.77
Interim dividend for 31 March 2018 (₹ 2.50 per share) (previous year 31 March 2017: ₹ 2.50 per share)	15,797.95	16,846.83
Dividend distribution tax on Interim dividend	3,144.83	3,388.97
Total	**22,674.46**	**28,285.30**

(₹ in Lakhs)

Proposed dividend on equity shares	31 March 2018	31 March 2017
Proposed Final dividend for 31 March 2018 (₹ 1.50 per share) (previous year 31 March 2017: ₹ 0.50 per share)	9478.67	3,369.37
Dividend distribution tax on Proposed dividend	1876.43	614.67
Total	**11355.10**	**3,984.04**
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
Certification Engineers International Limited(“CEIL”)	India	100%	Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements’
TEIL Projects Limited(“TEIL”)	India	50%	
Jabal Eiliot Co. Ltd. (“JABAL”)	Saudi Arabia	33.33%	
Ramagundam Fertilizers and Chemicals Limited(“RFCL”)	India	36.3202%	

Sl No.	Name of the Related Party	Nature of Relationship
1.	Certification Engineers International Limited(“CEIL”)	Wholly owned subsidiary
2.	TEIL Projects Limited (“TEIL”)	Joint venture company
3.	Jabal Eiliot Company Limited (“JABAL”)	Joint venture company
4.	Ramagundam Fertilizers And Chemicals Limited (“RFCL”)	Joint venture company
5.	Petroleum India International (“PII”)*	Joint operation
6.	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8 *	Joint operation - Participating Interest 20%
7.	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 *	Joint operation - Participating Interest 20%
8.	**Directors/key management personnel(KMP) (31 March 2018)**	
	Mr. Jagdish Chander Nakra	Chairman & Managing Director with effect from 12 February 2018 and Additional Charges - Director (Projects), Director (Technical) and Director (Finance) with effect from 13 February 2018
	Mr. Sanjay Gupta	Chairman & Managing Director and Additional Charge- Director (Finance) upto 31 October 2017
	Mr. Sandeep Poundrik	Director (Government Nominee)
	Mr. Umesh Chandra Pandey	Non-Official Independent Director
	Mr. Vipin Chander Bhandari	Director (Human resource)
	Mr. Rakesh Kumar Sabharwal	Director (Commercial)
	Mr. Vikas Khushalaro Deshpande	Non-Official Independent Director
	Dr. (Prof.) Mukesh Khare	Non-Official Independent Director
	Mrs. Arusha Vasudev	Non-Official Independent Director
	Ms. Shazia Ilmi Malik	Non-Official Independent Director
	Mr. Chaman Kumar	Non-Official Independent Director with effect from 8 September 2017
	Mr. Rajesh Kumar Gogna	Non-Official Independent Director with effect from 20 September 2017
	Ms. Sushma Taishete	Director (Government Nominee) upto 23 November 2017
	Mr. Ajay N. Deshpande	Director (Technical) and Additional Charges- Chairman & Managing Director and Director (Finance) upto 31 January 2018
	Mr. Ram Singh	Director (Finance) upto 30 April 2017
	Mr. Rajan Kapur	Company Secretary

Sl No.	Name of the Related Party	Nature of Relationship
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. Shazia Ilmi 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

* These have been accounted for as joint operation in financial statements of the company.

<u>Related party transactions</u>

Transactions during the year **(₹ in Lakhs)**

Particulars	Year Ended	Wholly Owned Subsidiary	Joint Venture Companies			Joint Operation			Total
		CEIL	RFCL	TEIL	JABAL	PII	Block 2010-11	Block 2010-8	
Deputation of employees and reimbursement of expenses (at cost)	31 March 2018	-	363.30	0.91	-	-	-	-	364.21
	31 March 2017	-	359.33	29.39	-	-	-	-	388.72
Dividend	31 March 2018	700.00	-	-	-	-	-	-	700.00
	31 March 2017	500.00	-	-	-	-	-	-	500.00
Rendering of services and other transactions	31 March 2018	265.00	6,384.84	-	-	-	-	-	6,649.84
	31 March 2017	177.70	5,127.02	-	-	-	-	-	5,304.72
Bad debts written off	31 March 2018	-	-	-		-	-	-	-
	31 March 2017	-	-	36.00	-	-	-	-	36.00
Services and facilities received	31 March 2018	1,130.04	-	-	-	-	-	-	1,130.04
	31 March 2017	532.28	-	-	-	-	-	-	532.28

(₹ in Lakhs)

Particulars	Year Ended	Wholly Owned Subsidiary	Joint Venture Companies			Joint Operation			Total
		CEIL	RFCL	TEIL	JABAL	PII	Block 2010-11	Block 2010-8	
Equity contribution	31 March 2018	-	6,525.00	-	-	-	-	-	6,525.00
	31 March 2017	-	12,900.00	50.00	-	-	-	-	12,950.00
(Reversal of Impairment)/ impairment in value of investment	31 March 2018	-		2.23	-	-	-	-	2.23
	31 March 2017	-	-	(7.01)	2.62	-	-	-	(4.39)
Survey/ capital expenditure and other costs	31 March 2018	-	-	-	-	-	1,989.72	1,696.96	3,686.68
	31 March 2017	-	-	-	-	-	2,137.01	1,532.62	3,669.63
Share of Income / (Expenses)	31 March 2018	-				(2.00)	-	-	(2.00)
	31 March 2017	-	-	-	-	32.52	-	-	32.52

Balances during the year (₹ in Lakhs)

Particulars	Year Ended	Wholly Owned Subsidiary	Joint Venture Companies			Joint Operation			Total
		CEIL	RFCL	TEIL	JABAL	PII	Block 2010-11	Block 2010-8	
Outstanding receivables/ advances paid/prepaid / deposits and other assets	31 March 2018	25.02	73.61	19.56	-	146.56	543.69	249.36	1,057.80
	31 March 2017	34.47	40.70	35.84	-	148.57	332.55	227.43	819.56
Outstanding payable/ retentions	31 March 2018	309.22	-	2.19	-	0.15	218.47	134.01	664.04
	31 March 2017	161.19	-	8.46	-	0.17	116.75	-	286.57
Intangible assets under development & PPE	31 March 2018	-				0.03	1,372.40	1,478.70	2,851.13
	31 March 2017	-	-	-	-	0.03	1,893.44	1,875.88	3,769.35

Transactions and balances pertaining to KMP's (₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Transaction during the year		
Remuneration/sitting fees	269.16	234.81
Rent paid for residential accommodation	3.54	7.34
Interest income on loans given	0.22	0.26
Balance as at year end		
Outstanding loans, interest and other receivables	4.41	5.88

Funded **(₹ in Lakhs)**

Defined benefit obligation for key management personnel						
	Gratuity (funded)		**Leave encashment (funded)**		**Post-retirement medical benefits (funded)**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Total defined benefit obligation	58.95	87.09	55.10	83.63	21.82	51.88

Unfunded **(₹ in Lakhs)**

Defined benefit obligation for key management personnel				
	Long service award (unfunded)		**Other benefits on retirement (unfunded)**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Total defined benefit obligation	1.50	2.79	1.30	2.26

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 ₹ 1,055.97 Lakhs (previous year 31 March 2017: ₹ 1,092.96 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 ₹ 386.46 Lakhs has been paid (previous year 31 March 2017: ₹ 898.91 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 2018**	**31 March 2017**
Within one year	329.69	556.63
Later than one year but not later than five years	243.90	488.73
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 ₹ 2,102.31 Lakhs (previous year 31 March 2017: ₹ 554.75 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 ₹ 22,794.93 lakhs (previous year 31 March 2017: ₹ 11,778.07 lakhs).

b) Income tax/wealth tax assessments have been completed up to the assessment year 2015-16.

Income Tax Department is in appeal against tax demand of ₹ 893.71 Lakhs (including interest) (previous year 31 March 2017: ₹ 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 2018	Amount (₹ in lakhs) 31 March 2017
2002-03	596.33	204.22
2004-05	203.87	76.07
2011-12	93.51	50.82
2012-13	-	42.72
Total	**893.71**	**373.83**

The Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹0.66 Lakhs (including interest) (previous year 31 March 2017 : ₹ 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 ₹ 62.18 Lakhs (including interest) (previous year 31 March 2017: ₹ 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 2017: ₹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 ₹10,358.77 Lakhs (including interest) (previous year 31 March 2017: ₹ 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 ₹ 3,351.40 Lakhs (including interest) (previous year 31 March 2017: ₹ 2,955.19 Lakhs) for the financial year 2009-10.

The Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 26,149.08 Lakhs (including interest) (previous year 31 March 2017: ₹ 23,952.56 Lakhs) for the financial year 2010-11.

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 ₹ 1461.58 Lakhs (previous year 31 March 2017: ₹1,692.70 Lakhs).

b) The Company's estimated share in work programmes committed under production sharing contract and Field development plan in respect of oil & gas exploration blocks as on 31 March 2018 is ₹ 5,638.08 Lakhs (previous year 31 March 2017: ₹1,150.49 Lakhs)

Note : 41

a) Guarantees issued by the banks and outstanding as on 31 March, 2018: ₹88,033.98 Lakhs (previous year 31 March 2017: ₹ 79,518.82 Lakhs), against which a provision of ₹ 25,606.38 Lakhs (previous year 31 March 2017: ₹ 27,191.43 Lakhs) has been made in the books towards liability for performance guarantees/warranties.

b) Letter of credit outstanding as on 31 March, 2018: ₹ 1,296.85 Lakhs (previous year 31 March 2017: Nil).

c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2018: ` 15,009.04 Lakhs (previous year 31 March 2017: ₹17,473.54 Lakhs).

Note : 42

Land and buildings

i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2017: ₹ 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 2018		31 March 2017	
	Cost	WDV	Cost	WDV
(a) Four Flats at Naranpura, Ahemdabad	10.31	3.54	10.31	3.79
(b) Land at Memnagar, Ahemdabad	69.21	54.69	69.21	56.28
(c) Two Floors at Race course Road, Vadodara	-	-	204.02	158.75
(d) Two Flats at Viman Nagar, Pune	8.45	3.04	8.45	3.25
(e) Eighty Four Flats at Gokuldham Goregaon, Mumbai *	238.19	38.09	238.19	43.81
(f) Six Flats in Andheri East, Mumbai	9.93	0.40	9.93	0.64
(g) One Floor at CBD Belapur, Navi Mumbai	101.68	39.78	101.68	42.23

The fees for property card/mutation etc. for above properties, being not ascertainable has not been provided for.

* Out of above properties, one of the properties, at S. No. ii (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 s¬quare 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 :

(₹ in Lakhs)

Sl. No.	Particulars	Rates (%age)	Useful Life (Years)	Sl. No.	Particulars	Rates (%age)	Useful Life (Years)
1.	**Land Freehold**	Nil	Perpetual	4.	**Plant and Machinery**		
2.	**Land Leasehold**	Over a lease period except for perpetual lease Nil percentage	Over a lease period except for perpetual lease Nil percentage		Plant and Machinery	8.0	12
3.	**Building**				Laboratory Equipment	9.6	10
	Office Building	2.4	40		Storage Tank	6.0	16
	R&D Centre, Gurgaon	4.0	24	5.	**Furniture and Fixtures, Office and Construction Equipment**		
	Window/Split AC	15.84	6		Furniture and Fixtures	9.6	10
	AC Central Plant	6.5	15		Chairs	16.0	6
	Lifts	6.5	15		Office Equipment	19.2	5
	Electric Power Sub Station	9.6	10		Construction Equipment	12.0	8
	Invertors	19.2	5				
	Solar photovoltaic modules	9.6	10				
	Solar power conditioning system	9.6	10	6.	**Computer Software/ Hardware**		
	Tube well and 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.	**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 Property Plant and Equipment 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 2018	31 March 2017
Capital expenditure incurred/Capital Assets acquired, but not yet ready		
for use at balance sheet date	2,340.79	1,810.11
Total	**2,340.79**	**1,810.11**

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 2018	31 March 2017
Consultancy and Engineering Projects	137,929.23	116,506.75
Turnkey Projects	40,829.02	28,357.56
Total	**178,758.25**	**144,864.31**

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 2018:

a. The aggregate amount of cost incurred and recognized profit up to 31 March 2018: ₹ 863,547.86 Lakhs (previous year 31 March 2017: ₹ 756,339.98 Lakhs).

b. The amount of advances received ₹ 2,900.81 Lakhs (previous year: 31 March 2017: ₹ 4,410.71 Lakhs).

c. The amount of retention ₹ 594.64 Lakhs (previous year: 31 March 2017: ₹ 1,627.92 Lakhs).

d. Gross amount due to customers for contract work amounting to ₹ 88,410.93 Lakhs (previous year: 31 March 2017: ₹ 42,167.17 Lakhs)

e. Gross amount due from customers for contract work amounting to ₹ 31,640.83 Lakhs (previous year: 31 March 2017: ₹ 31,737.53 Lakhs).

f. The estimates with respect to total cost and total revenue in respect of construction contracts are reviewed and up dated periodically to ascertain the percentage completion for revenue recognition in accordance with 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) <u>TEIL Projects Limited ('TEIL')</u>

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 2017: ₹ 1,100 lakhs).

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00 lakhs (previous year: 31 March 2017 ₹ 550.00 lakhs) are held by the Company, being 50% of paid-up capital of TEIL.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

Till 31March 2017, the TEIL had negative 'other equity' to the tune of ₹ 1,075.64 Lakhs. The Company's share of negative 'other equity' ₹ 537.82 Lakhs has been accounted for as impairment in value of investment.

During the current financial year 2017-18, based on liquidator statement, TEIL had a net loss of ₹ 4.46 Lakhs. The Company's share of loss of ₹ 2.23 Lakhs has been recorded as impairment in value of investments.

b) <u>Jabal Eiliot Company Limited ('Jabal')</u>

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 March, 2017, Jabal had incurred losses to the tune of SR 5,388,789, of which the Company's share of SR 1,669,470 (equivalent Indian ₹ 202.62 Lakhs at historical conversion rate) which has been accounted for as impairment in value of investment in Company's financial statements till 31 March 2017.

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, the part capital of SR 3,308,713.33 (equivalent ₹ 549.85 Lakhs) has already been repatriated.

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%

State Government of Telangana: 11%

Others: 26% (untied as on 31 March 2018)

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. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to RFCL. However, pending compliance of conditions precedent of the Concession agreement, no shares were allotted to the FCIL in the previous year.

During the year, all the conditions precedent to the concession agreement has been completed. Pursuant to which, the company has received rights in leasehold land and certain other assets from the Fertilizer Corporation of India. As per terms of the concession agreement, the Company shall be issuing equity shares equal to 11% of the total equity portion of the capital expenditure of the project at the time of commencement of commercial production (presently ₹ 14,449.27 Lakhs) in phased manner. The Company has allotted 9,25,16,291 share (₹ 9,251.63 Lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

The paid up capital by Joint Venture Partners as on 31 March 2018 is as under:

(in Lakhs)

Shareholder	31 March 2018		31 March 2017	
	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	2,186.90	₹ 2,1869.00	1,254.40	₹ 12,544.00
NFL	2,186.90	₹ 2,1869.00	1,254.40	₹ 12,544.00
FCIL	925.26	₹ 9,252.63	0.10	₹ 1.00
State Government of Telangana	722.10	₹ 7,221.00	-	-
Total	**6,021.16**	**₹ 60,211.63**	**2,508.90**	**₹ 25,089.00**

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	277.09	1.69
Current assets	1,303.92	2,752.55
Current assets (A)	**1,581.01**	**2,754.24**
Non-current assets (B)	**191,915.42**	**31,648.75**
Current liabilities (excluding trade payables and provisions)	22,680.11	4,107.09
Trade payables and provisions	-	-
Current liabilities (C)	**22,680.11**	**4,107.09**
Non-current liabilities (D)	**111,045.56**	**-**
Net assets (A+B-C-D)	**59,770.76**	**30,295.90**

Summarised Statement of profit and loss

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Other income	192.05	30.98
Total revenue (A)	**192.05**	**30.98**
Other expense	195.61	79.44
Total expenses (B)	**195.61**	**79.44**
Profit before tax (C = A-B)	(3.56)	(48.46)
Tax expense (D)	**-**	**-**
Loss for the year (E = C-D)	**(3.56)**	**(48.46)**
Other comprehensive income (F)	-	-
Total comprehensive income (E-F)	**(3.56)**	**(48.46)**

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 2018	31 March 2017
Contributory Provident Fund and Employees' Pension Scheme, 1995	4,851.56	4,242.16
Employees Defined Contributory Superannuation Scheme	2,700.21	5,130.84

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, 2018 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 2018 and 31 March 2017.

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 variation 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	20,698.36	21,042.81	15,710.21	20,072.27	19,642.27	17,618.70
Fair value of plan assets as at the end of the year	11,887.44	11,590.58	1,3884.63	16,909.34	17,680.45	12,660.71
Funded status	(8,810.92)	(9,452.23)	(1,825.58)	(3,162.93)	(1,961.82)	(4,957.99)
Net (asset)/liability recognized in balance sheet	**8,810.92**	**9,452.23**	**1,825.58**	**3,162.93**	**1,961.82**	**4,957.99**

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	1,377.07	1,439.21	2,745.44	3,479.52	393.93	356.68
Past service cost	-	8,911.92	-	-	(318.54)	-
Interest cost on defined benefit obligation	1,557.17	905.23	1,485.35	1,321.12	1,303.78	1,022.59
Interest income on plan assets	(857.70)	(881.04)	(1,251.29)	(1,120.99)	(936.89)	(916.33)
Re-measurements	-	-	(1,154.20)	(516.93)	-	-
Expenses recognized in statement of profit and loss	**2076.54**	**10,375.32**	**1,825.30**	**3,162.72**	**442.28**	**462.94**

c) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Return on plan assets	(26.81)	(60.87)	-	-	(280.44)	(98.64)
Actuarial (gains)/loss	(2,135.36)	(860.52)	-	-	1,799.92	4,593.58
Expenses recognized in other comprehensive income	**(2,162.17)**	**(921.39)**	**-**	**-**	**1,519.48**	**4,494.94**

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	21,042.81	11,458.64	20,072.27	167,22.98	17,618.70	12,944.16
Interest cost	1,557.17	905.23	1,485.35	13,21.12	1,303.78	1,022.59
Current service cost	1,377.07	1,439.21	2,745.44	3,479.51	393.93	356.68
Actuarial (gains)/losses arising from						
Changes in demographic assumptions	-	-	-	-	-	-
Changes in financial assumptions	(482.93)	420.49	(231.81)	(498.32)	331.17	1,907.65
Experience adjustments	(1,652.43)	(1,281.00)	(904.79)	148.73	1,468.75	2,685.93
Past service cost	-	8,911.92	-	-	(318.54)	-
Benefits paid	(1,143.33)	(811.68)	(7,456.25)	(1,101.76)	(1155.52)	(1,298.31)
Present value of obligations as at end of year	**20,698.36**	**21,042.81**	**15,710.21**	**20,072.27**	**19,642.27**	**17,618.70**

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fair value of plan assets as on beginning of year	11,590.58	11,152.44	16,909.34	14,189.78	12,660.71	11,599.12
Interest income	857.70	881.04	1,251.29	1,120.99	936.89	916.33
Re-measurement gain/ (loss) – return on plan assets excluding amounts included in net interest expense	26.81	60.87	17.59	167.35	280.44	98.64
Contributions from the employer	555.68	307.91	3162.66	2,532.98	4957.93	1,344.93
Benefits paid	(1,143.33)	(811.68)	(7,456.25)	(1,101.76)	(1,155.52)	(1,298.31)
Fair value of plan assets at the end of year	11,887.44	11,590.58	13884.63	16,909.34	17,680.45	12,660.71

f) Actuarial Assumptions

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.70%	7.40%	7.70%	7.40%	7.70%	7.40%
Expected rate of future salary increase	9.00%	9.00%	9.00%	9.00%	-	-
Increase in compensation levels	-	-	-	-	8.50%	8.00%
Retirement age	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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation	14 years	15 years				
Duration of defined benefit obligation Duration (years)						
1	2,890.39	2,725.66	2,888.94	3,363.86	976.11	921.47
2	2,378.44	2,404.51	2,316.70	2,874.56	972.78	913.34
3	1,912.35	2,103.83	1,884.76	2,412.54	958.92	896.49
4	1,273.10	1,703.81	1,340.38	1,987.43	948.49	876.36
5	1,255.79	1,115.82	1,215.29	1,450.53	906.68	848.75
Above 5	10,988.29	10,989.18	6,064.14	7,983.35	14,879.29	13,162.29
Total	20,698.36	21,042.81	15,710.21	20,072.27	19,642.27	17,618.70
Duration of defined benefit payments Duration (years)						
1	2,999.61	2,824.71	2,998.10	3,486.10	1,013.00	954.95
2	2,658.37	2,676.29	2,589.37	3,199.47	1,087.27	1,016.58
3	2,302.01	2,514.90	2,268.80	2,883.93	1,154.31	1,071.66
4	1,650.51	2,187.44	1,737.73	2,551.57	1,229.66	1,125.11
5	1,753.43	1,538.56	1,696.88	2,000.08	1,265.98	1,170.31
Above 5	35,300.01	34,636.84	14,091.57	18,151.23	86,426.98	69,199.17
Total	**46,663.94**	**46,378.74**	**25,382.45**	**32,272.38**	**92,177.20**	**74,537.78**

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

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fund managed by insurer	100%	100%	100%	100%	100%	100%

i) Sensitivity analysis

(₹ in Lakhs)

Sensitivity analysis in respect of gratuity						
Particulars	Change in Assumption		Increase in defined benefit obligation		Decrease in defined benefit obligation	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	1,703.27	1,755.58	1,458.17	1,497.56
Expected rate of future salary increase	+/-1%	+/-1%	331.64	380.56	381.77	429.86

(₹ 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	802.76	1,066.73	722.27	957.67
Expected rate of future salary increase	+/-1%	+/-1%	785.07	1,040.12	720.36	952.62

(₹ 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	2,863.96	2,547.75	2,279.93	2,033.14
Expected rate of future salary increase	+/-1%	+/-1%	2,474.58	2,201.90	1,987.16	1,772.64

***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 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	601.67	626.31	268.85	279.68
Funded status	(601.67)	(626.31)	(268.85)	(279.68)
Net (asset)/liability recognized in balance sheet	601.67	626.31	268.85	279.68

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	38.30	39.37	13.43	14.21
Past Service Cost	-	-	-	-
Interest cost	46.35	48.38	20.70	21.42
Re-measurements	9.51	28.04	-	-
Expenses recognized in statement of profit and loss	**94.16**	**115.79**	**34.13**	**35.63**

c) Expenses recognized in other comprehensive income

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Return on plan assets	-	-	-	-
Actuarial (gains)/losses	-	-	(6.17)	0.09
Expenses recognized in other comprehensive income	-	-	(6.17)	0.09

d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	626.31	612.45	279.68	271.21
Interest cost	46.35	48.38	20.70	21.42
Current service cost	38.30	39.37	13.43	14.21
Actuarial (gains)/losses arising from				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	(10.29)	16.58	(5.88)	9.54
Experience adjustments	19.80	11.46	(0.29)	(9.45)
Past service cost, including losses/(gains) on Curtailments	-	-	-	-
Benefits paid	(118.80)	(101.94)	(38.79)	(27.25)
Present value of obligations as at end of year	**601.67**	**626.30**	**268.85**	**279.68**

e) Actuarial Assumptions

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.70%	7.40%	7.70%	7.40%
Increase in compensation levels	-	-	5.00%	5.00%

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 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation				
Duration of defined benefit obligation				
Duration (years)				
1	101.01	105.01	41.60	38.13
2	65.64	89.08	33.67	34.89
3	51.46	57.64	27.38	30.59
4	46.75	45.23	15.44	25.29
5	56.58	40.73	16.53	14.02
Above 5	280.23	288.61	134.23	136.76
Total	601.67	626.30	268.85	279.68
Duration of defined benefit payments				
Duration (years)				
1	104.82	108.83	43.18	39.51
2	73.37	99.15	37.63	38.83
3	61.94	68.90	32.95	36.56
4	60.61	58.07	20.01	32.46
5	79.00	56.16	23.08	19.33
Above 5	675.26	667.38	427.38	416.69
Total	1055.00	1,058.49	584.23	583.38

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	35.77	36.26	31.82	32.24

(₹ 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	20.75	21.46	17.79	18.41
Expected rate of future salary increase	+/-1%	+/-1%	21.11	21.76	18.37	18.97

***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 w.e.f. 01.01.2017. In terms of approval of Board of Directors of the company and Presidential Directive dated 01.02.2018 received from MoP&NG, the wage revision in respect of Board level and below Board level executives have been paid/provided for in the books of accounts. For unionized staff, wage revision liability has been provided for on estimated basis in the books of accounts.

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 2018 is as follows-:

(₹ in Lakhs)

Particular	31 March 2018	31 March 2017
Revenue expenditure	681.37	255.88
Drywell written off	1,961.77	193.59
Capital expenditure	1,043.54	3,220.17

In block No. CB-ONN-2010/08 one and CB-ONN-2010/11 two 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 ₹ 791.40 Lakhs (previous year: 31 March 2017 : ₹ 526.60 Lakhs) 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 2018	31 March 2017
Segment revenue		
Consultancy and engineering projects	137,929.23	116,506.75
Turnkey projects	40,829.02	28,357.56
Total	**178,758.25**	**144,864.31**
Segment profit		
Consultancy and engineering projects	43,026.97	35,919.83
Turnkey projects	7,536.97	10,355.12
Total (a)	**50,563.94**	**46,274.95**
Interest	57.21	317.15
Other un-allocable expenditure*	11,643.65	18,305.77
Total (b)	**11,700.86**	**18,622.92**
Other income (c)	**17,947.07**	**22,366.04**
Profit before tax (a-b+c)	**56,810.15**	**50,018.07**
Income tax expense	**19,022.91**	**17,514.38**
Profit for the year	**37,787.24**	**32,503.69**
Capital employed**	**2,26,787.27**	**2,77,595.99**

* Financial year 2017-18 includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹ 2,643.14 Lakhs (previous year : ₹ 449.47 Lakhs).

Financial year 2016-17 includes ₹ 9062.88 Lakhs on account of provisions 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 2018	31 March 2017	31 March 2018	31 March 2017
India	115,345.28	86,447.02	40,829.02	28,357.56
Nigeria	13,262.59	17,776.44	-	-
United Arab Emirates (UAE)	1,283.97	2,543.07	-	-
Algeria	3,653.28	4,104.64	-	-
Oman	1,783.48	2,064.76	-	-
Others	2,600.63	3,570.82	-	-
Total	**137,929.23**	**116,506.75**	**40,829.02**	**28,357.56**

Segment revenue with major customers

During the year 31 March 2018, ₹ 42,387.44 Lakhs (previous year 31 March 2017: ₹ 38,754.01 Lakhs) of the Company’s revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two (previous year 31 March 2017: two) customers.

During the year 31 March 2018, ₹ 37,959.27 Lakhs (previous year 31 March 2017: ₹ 28,109.56 Lakhs) of the Company’s revenues, each individually exceeding 10% in the turnkey projects segment was generated from three (previous year 31 March 2017: four) customers.

Note : 52

(a) In one of the turnkey project executed by the company in previous years, the client had levied the price reduction due to delay in completion of the project and accordingly reduced contract price was recognized as revenue in terms of accounting principles. During the year, the settlement in respect of time extension has been completed with the client and accordingly revenue from operations, segment revenue from turnkey projects and profits includes an amount of ₹ 3,756.98 lakhs towards settlement of price reduction.

(b) The company during the year has received change orders from two of its clients in Consultancy and engineering Projects. The cumulative impact of these change orders on turnover and operating profit during the year was ₹ 7,002.66 lakhs and ₹ 6,505.94 lakhs respectively.

Note : 53

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 years 2015-16 and 2016-17.

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. Arbitral Tribunal has been constituted. Contractor has filed its statement of claim amounting to ₹ 40,960.75 Lakhs. EIL has also filed its reply along with its counter claim and application to implead the parent company of contractor, arguments on which are being heard by arbitral tribunal. The Management does not consider any possible obligation on this account requiring future probable outflow of resources of the Company.

Note : 54

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.

Since, the dissolution of PII is not completed, 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 2017: ₹ 1,350.00 Lakhs) as its share out of total amount of ₹ 14,136.00 Lakhs (Previous Year 31 March 2017: ₹ 14,136.00 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 : 55

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, contingent liabilities and contingent assets", the requisite disclosures are as under:

The movement in provisions are as under

(₹ in Lakhs)

S No.	Particulars	Class of provision			
		Contractual obligations		Expected losses	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
1	Opening balance	27,057.38	28,839.25	713.28	1,504.89
2	Additional provision during the year	8,773.02	4,923.04	257.04	175.75
3	Provision used during the year	-	-	401.39	914.17
4	Provision reversed during the year	2,369.51	6,704.91	194.75	53.19
5	**Closing balance**	**33,460.89**	**27,057.38**	**374.18**	**713.28**

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 : 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.

Note : 57

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the company is given below:

(₹ in Lakhs)

S.No.	Particulars	31 March 2018	31 March 2017
i	Amount due and payable at the year end		
	- Principal	959.24	795.33
	- Interest on above Principal	-	-
ii	The amount of interest paid along with the amounts of the payment after the due date	-	-
iii	The amount of interest due and payable for principals already paid	-	-
iv	The amount of interest accrued and remaining unpaid at the year end	-	-
v	The amount of interest which is due and payable which is carried forward from last year	-	-

Note : 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 ₹ 1,323.22 Lakhs (previous year 31 March 2017: ` 1,267.04 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

Pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the company has bought back its 41,961,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017.

Further, President of India, acting through DIPAM and Ministry of Petroleum and Natural Gas, Government of India, has sold 1,35,88,409 equity shares of the company to BHARAT 22 ETF through a New Fund Offer (NFO) in terms of Scheme framed in this regard. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 57.02 % to 52.02%.

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

Previous year's figures have been regrouped/reclassified to make them comparable to the figures of the current year.

For Arun K Agarwal and Associates
Chartered accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V C Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR] & CFO**	**Chairman & Managing Director & CEO**
Membership No.082899	PAN: AAIPK0926B	PAN: AAIPJ4986E	DIN: 07550501	DIN: 07676468

Place: New Delhi
Date: 25 May, 2018

Comments of the Comptroller and Auditor General of India Under Section 143(6)(B) of the Companies Act, 2013 on the Financial Statements of Engineers India Limited for the year ended 31 March, 2018

The preparation of financial statements of Engineers India Limited for the year ended 31 March 2018 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are 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 25.05.18.

I, on 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 2018. 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: New Delhi
Date: 25.07.18

Directors' Report

To
The Shareholders,
Certification Engineers International Limited

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 23rd Annual Report on the performance of your Company for the Financial Year ended 31st March, 2018 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

PERFORMANCE DURING THE FINANCIAL YEAR 2017-18

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

The overall financial performance for the financial year 2017-18 is highlighted below:

(₹ in Lakhs)

RESULTS OF OPERATIONS	For the year ended 31.3.2018	For the year ended 31.3.2017
Income from services rendered (including adjustment of work-in-progress)	**5029.16**	**3818.26**
Expenditure	**3642.08**	**2625.26**
Operating profit	1387.08	1193.00
Other Income	409.89	377.35
Profit before Tax	**1796.97**	**1570.35**
Provision for Taxation (incl. earlier years)		
Current Tax	592.81	571.81
Deferred Tax	(-)40.89	(-) 22.40
Profit after Tax	**1245.05**	**1020.94**
Other Comprehensive Income (Net of Taxes)	6.52	15.46
Total Comprehensive Income	**1251.57**	**1036.40**

DIVIDEND

The Board of Directors of the Company has recommended for the financial year 2017-18, a final dividend of ₹ 350 per share (at face value of ₹ 100/- per share) in addition to ₹ 350/- per share interim dividend already paid during the year. With this, the total dividend for the financial year 2017-18 works out to ₹ 700 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 ₹ 700 Lakhs and dividend distribution tax of ₹143.19 Lakhs aggregating to total outflow of ₹ 843.19 Lakhs.

OPERATIONAL HIGHLIGHTS

During the year under review, your Company has provided its services on the following major assignments and achieved considerable progress :-

Offshore Certification

- Oil & Natural Gas Corporation Limited (ONGC) - Certification & Third party Inspection Services for Sagar Samrat Conversion Project (SSCP), Sagar Pragati Conversion Project (SPCON), Daman Development Project (DDP), MHNRD Pipeline Project, Life extension of well platform project (Tender I & II)

Infrastructure

Third Party Inspection Services for

- Vadodara & Surat Municipal Corporation (VMC & SMC) - Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation (RMC).
- Rajkot Urban Development Authority (RUDA) – Infrastructure Project of (RUDA)/ RMC.
- Pune, Delhi, Amritsar Cantonment Boards & Maharashtra Maritime Board - Third Party Quality Audits.
- MMRDA – Naigaon Railway cross over Bridge

Pipelines

Gujarat State Petronet Limited (GSPL) – TPI services for various Pipeline Project viz :

- Dahej – PCPIR Pipeline
- GITL : Barmer- Pali, Palanpur – Pali, Jalandhar – Amritsar Pipelines
- MBBVPL Phase I – RFCL Connectivity
- GAIL Connectivity : Multiple customer connectivity in Sanand GID Phase II
- Vendor Assessment services for GSPL / GGL
- GAIL – Third Party Inspection at steel source or mills for GITL
- GSPL – TPI for Gana Compressor Project

Refineries & Petrochemicals

- Reliance Industries Ltd – Site supervision and inspection services for Marketing Terminal at Bhopal, Rewari, Chennai, Kanpur & Haldia.
- BPCL – TPI and Expediting Services for BPCL-MR, BPCL-KR and NRL.

- Heurtey Petrochem – Third Party Inspection services at Ramagundam site
- Punj Lloyds – TPI of Sulphur Block of Residual upgradation project, CPCL.
- BPCL – LPG Import Terminal Haldia
- IOCL – TPI for Construction / Modernization of Marketing Terminal at Madurai & Tuticorin and also Automation Works to be carried out at Retail Outlets in Bihar and Jharkhand,
- HMEL – Expediting services for its projects in Bathinda
- Deepak Phenolic : Third Party quality Audits
- Opal : Construction Quality Supervision services for its units at Dahej

Safety Audits

Emergency Response Disaster Management Plan (ERDMP) Certification done for:

- Compressor Station and its associated pipeline of GAIL (India) Ltd. at Jhabua of HVJ Pipeline System.
- Natural gas pipeline network of GAIL (India) Limited in NCR Region, Agartala Region, Cauvery Basin Region, KG Basin Region, RPNHQ Vadodara and Visakhapatnam-Secunderabad LPG Pipe line.
- IOCL Marketing Division - Shahjhanpur POL Terminal and Malda LPG Bottling Plant.

Pipeline Integrity Management System (IMS) Certification Audit done for:

- Natural gas pipeline network of GAIL(India) Limited Dabhol –Bangalore Pipeline, KG Basin region
- Natural gas pipeline network of IOCL Dadri -Panipat Pipeline
- CGD Network in Ahmedabad and Vadodara of Adani Gas Limited

Safety Audit done for:

- Natural gas pipeline network of Gujarat State Petronet Limited in state of Gujarat (Approx 2500 KM) on quarterly basis on behalf of GSPL internal safety audit.
- Pandit Deendayal Urja Bhawan Corporate office Building of ONGCL and ONGC Videsh Limited, Vasant Kunj , New Delhi
- Natural gas pipeline network of GAIL(India) Limited Agartala region and Corporate office Building Jubilee Tower, Noida
- CGD Network in Agartala and Udeypur of Tripura Natural Gas Company Limited
- Fitness for Purpose Recertification of Vedanta Limited Cairn wellfluid pipeline from Bhagyam field to Mangala processing terminal.

Miscellaneous TPI

- Special Protection Group (SPG): Third Party Inspection of residential cum training complex for SPG at Dwarka, New Delhi
- Mazgaon Dock Ltd – Quality Control Services for P15A & P15B warship
- Jindal Saw: Third Party Inspection of Pipes

Railways

- Konkan Railway Corporation Limited (KRCL) – Quality Assurance Services for Udhampura- Shrinagar-Baramulla Rail Link (USBRL) Project

Steel

- Rashtriya Ispat Nigam Limited (RINL) - TPI and Capacity assessment.

Technical Services

- Technical Services were also provided to EIL for its various ongoing projects

  The following major TPI/ Certification/ Quality Assurance/ ERDMP/ Safety Audit etc. assignments were secured during the year:

- Konkan Railways Corporation limited – Quality Assurance Inspection at 16 major bridges on Katra – Dharam
- VMC, SMC & RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- Tamil Nadu Energy Development Authority - Third Party Inspection Services for SPV Home Lighting System.
- OPaL – Third Party Construction & Supervision of IU &O Packages.
- Rashtriya Ispat Nigam Limited – Pre dispatch inspection & supplier capacity assessment
- AFCONS – TPI for LEWPP –Tender –I, ONGC Project
- GSPL / GITL – Third Party Inspection of various pipeline projects
- GAIL – Inspection of plates and pipes at Overseas supplier works
- IMS Certification Audit for GAIL (India) Limited Natural Gas Pipeline Network Hazira – Vijaipur- Jagdishpur Pipeline (HVJ) , NCR region, Ramgarh region, Cauvery Basin region, Maharashtra region
- Deepak Phenolics – Third Party Quality Audit Inspection at Deepak Phenolics Dahej
- MMRDA – Quality Control Supervision of Railway Over Bridge at Naigaon
- Special Protection Group (SPG) – Third Party Quality Control evaluation for construction of Residential cum training complex for Special Protection Group (SPG)

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company do not have any subsidiary, joint ventures or associate company. Further the names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year are NIL.

DIRECTORS

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company:

- Shri Ajay Narayan Deshpande, Director (Technical) and Addl. Charge-CMD, EIL was inducted as Part-time Chairman of the Company in place of Shri Sanjay Gupta w.e.f. 01.11.2017.
- Shri Ajay Narayan Deshpande ceased to be Part-time Chairman w.e.f. 01.02.2018 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of

superannuation on 31st January 2018.

- Shri Jagdish Chander Nakra, Chairman & Managing Director, EIL was appointed as additional Director & Part-time Chairman of the Company w.e.f. 12th February 2018.
- Shri Amitabh Budhiraja, Executive Director (CSBD), EIL, was appointed as additional (Part-time) Director of the Company w.e.f. 04.06.2018 in place of Shri L. K. Vijh.

Pursuant to the provisions of the Companies Act, 2013, Shri Jagdish Chander Nakra and Shri Amitabh Budhiraja, will hold office upto the date of ensuing Annual General Meeting. Further, the Board recommends that Shri Jagdish Chander Nakra and Shri Amitabh Budhiraja may be appointed as Director(s) liable to retire by rotation.

In accordance with the provisions of the Companies Act, 2013, Shri S.K.Handa, Part-time Director shall retire by rotation, at the ensuing Annual General Meeting of the Company, and being eligible, has offered himself for reappointment. Brief resume of the Directors seeking appointment/reappointment together with the nature of their expertise in specific functional areas, disclosures of relationships between Directors inter-se, names of companies in which they hold directorships and the memberships / chairmanships of Committees of the Board along with their shareholding in the Company etc. pursuant to the statutory requirements are given in the Annexure to Notice of 23rd Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Shri Sanjay Gupta, Shri Ajay Narayan Deshpande and Shri L. K. Vijh during their tenure as Director(s) of the Company.

NUMBER OF MEETINGS OF THE BOARD

The Board met 8 times during the financial year 2017-18, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013 and DPE Guidelines on Corporate Governance. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

Management Discussion & Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under DPE Guidelines, is annexed to this Report.

RISK MANAGEMENT

CEIL's Risk management policy with a robust supporting risk management structure and framework facilitates identification and assessment of new risks and review of already identified risks. The process is based on identified risks and risk events or factors which require regular assessment and quick response. Based on the probability and impact of risk, the requisite controls and mitigation action plans have been designed and implemented for risk treatment.

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

Risk compliance verifications are conducted regularly to test the compliance of controls & mitigation action plans and the summary is reported to the Risk Management Committee (RMC) of the Board.

INTERNAL AUDIT

Internal audit of the Company is done by Internal Audit Department of Engineers India Ltd., the holding Company. Internal audit for the financial year 2017-18 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 holding Company, with focused objective of ensuring conformity to the company procedures and Govt. guidelines. System improvements are suggested to management and actions are undertaken for improvement. Vigilance reports are sent to Vigilance Department of EIL.

CEIL observed the Vigilance Awareness Week w.e.f. 30th October, 2017 to 4th November 2017 as per the directives for spreading vigilance awareness and encouraging “participative vigilance” amongst the employees of the Company.

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

HUMAN RESOURCE

As on 31st March 2018, your Company had total manpower of 72. Regular employees were 69 and number of employees on deputation from EIL stood at 3.

TRAINING AND DEVELOPMENT

Employees were nominated for various training programs in the field like NDT, Offshore, Risk Management, functional & behavioral trainings from time to time. Training program on Managerial Leadership, Team Building and personal growth were organized at IIM Kolkata for Senior level personnel. Technical training on SSPC (painting) was organized at IIT Mumbai for engineers.

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 14.09.2017 and 'Hindi Fortnight' was organized from 14.09.2017 to 28.09.2017 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, TECHNOLOGY ABSORPTION & FOREIGN-EXCHANGE EARNINGS AND OUTGO

As the Company's operations do not involve any manufacturing or processing activities, the particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not applicable.

The particulars regarding foreign exchange earnings and outgo are as under:

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings: ₹ 56.09 Lakhs (Accrual basis)

(b) Total Foreign Exchange Outgo : ₹ 144.61 Lakhs (Accrual basis)

The Company does not own any manufacturing facilities hence the other particulars required under Section 134 (3) (m) of the Companies Act, 2013 relating to Foreign Exchange Earnings & Outgo are not applicable.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are annexed to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is also available on the website of the Company i.e. http://www.ceil.co.in.

PARTICULARS OF LOANS/GUARANTEES/INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year 2017-18.

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 holding 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 2017-18, there were no material RPTs. Further, suitable disclosure as per statutory requirements has been given in the Notes to Financial Statements.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of 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.

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 has been 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://www.ceil.co.in.

CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance as per the requirements/Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, Government of India. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic issues, CEIL lays strong emphasis on transparency, accountability and integrity.

Further, Quarterly Compliance Report on Corporate Governance is also submitted to the Ministry of Petroleum and Natural Gas as per the requirements of Guidelines on Corporate Governance issued by DPE. Certificate of the Statutory Auditors regarding compliance of the conditions of the Corporate Governance as stipulated in DPE Guidelines on Corporate Governance along with the Management's Reply on the comments of the Auditors is enclosed.

A Report on Corporate Governance as stipulated under the DPE Guidelines is also annexed.

TRAINING OF BOARD MEMBERS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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, 2018, 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 had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;

(c) 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 31.3.2018, no application is pending under RTI Act, 2005.

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 is open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

Quality Management System

Quality is inbuilt into the processes, deliverables and services of CEIL. 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 confirms to the requirements of ISO 9001:2015 standard. The certificate of approval is valid up to 03.09.2019. Important ingredients of our quality initiatives are effective & Internal Quality Audit process, planned customer perception surveys, analysis of feedbacks/suggestion from stakeholders and its reviews & directions from the Management Review Meeting (MRM) and System Committee Meeting (SCM). Regular monitoring is done to analyze the data & feedback from stakeholders to improve the Quality Management System.

INSPECTION BODY ACCREDITATION- TYPE “A”

CEIL is accredited as a Type “A” (Third Party Inspection Agency) Inspection body as per the requirements of ISO 17020:2012 by NABCB. It is an international ISO standard for conformity assessment of inspection bodies. The scope sector for accreditation includes Fabricated metal products (IAF scope 17b), Machine and Equipment (IAF scope 18), Electrical Equipment (IAF Scope 19a), Gas Supply (IAF Scope 26), Water Supply (IAF scope 27), Engineering Services (IAF scope 34, ERDMP Certification).

Quality Management System and ISO 17020 accreditation of CEIL provides the competitive edge in securing and executing the projects with focus on full customer satisfaction.

APPROVALS

Petroleum and Natural Gas Regulatory Board (PNGRB) approvals for following categories:

Emergency Response & Disaster Management Plan (ERDMP):

CEIL continues as an approved Third Party Inspection body under PNGRB for review and verification of Emergency Response & Disaster Management Plan (ERDMP). During the year, CEIL carried out ERDMP Audits ranging from Cross country Natural Gas and crude Pipelines to Petrochemical Complex, LPG Recovery Units and Compressor Stations.

Technical Standards and Specifications including Safety Standards (T4S):

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

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. Renewal is under progress.

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 VK Verma & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for the Financial Year 2017-18 by the Office of the Comptroller & Auditor General of India.

There are no adverse comments, observation or reservation in the Auditor's Report on the financial statements of the Company.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) OF INDIA

Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Certification Engineers International Limited for the year ended 31st March, 2018.

Further, C&AG vide their letter dated 28.06.2018 mentioned that on the basis of audit, nothing significant has come to their knowledge which would give rise to any comment or supplement to Statutory Auditor's Report. The comments of C&AG are presented in a separate section forming part of the Annual Report.

COMPOSITION OF AUDIT COMMITTEE

The recommendations made by the Audit Committee during the financial year 2017-18 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.

DISCLOSURE ON THE SEXUAL HARRASEMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

During the financial year 2017-18, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

OTHER DISCLOSURES

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2017-18 :-

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

Further, the Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

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

Your directors are also greatful to the bankers, statutory auditors, Comptroller and Auditor General of India for their continued patronage and confidence in the Company.

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

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

For & on behalf of the Board of Directors

(J.C. Nakra)
Chairman
DIN: 07676468

Place: New Delhi
Date: 20th July, 2018

Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the Company for the year 2017-18 and the future outlook.

BUSINESS OVERVIEW

During the financial year 2017-18, your Company was able to secure business worth ₹ 54.87 Crores.

The order book as on 31.03.2018 was ₹ 36.28 Crores.

During the year, the Company has secured major orders from ONGC, Konkan Railway (KRCL), Maharashtra Municipal and Rural Development Authority (MMRDA), Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC), Rajkot Municipal Corporation (RMC), Special Protection Group (SPG), Opal, Deepak Phenolic, Tamil Nadu Energy Development Authority (TEDA), GAIL, GSPL, GITL, Rashtriya Ispat Nigam Limited (RINL), other esteemed clients, besides securing sizable business from various state government organizations and cantonment boards. Technical services to parent company EIL for their ongoing projects is also being offered.

BUSINESS ENVIRONMENT AND FUTURE OUTLOOK

With positive outlook in Oil and Gas sector projects as well as a good response to diversification in other sectors like Infrastructure and railways, the unexecuted portion of order book comprises of orders from ONGC, Vadodara Mahanagar Seva Sadan, Surat Municipal, GSPL, Vizag Steel Plant, BPCL, AFCONS, EIL, CIDCO, IOCL, GSPL, TEDA, PLL, SPG, MMRDA, 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. Technical services to parent company EIL will also continue and is expected to increase earnings.

Your company is aligning its growth strategy with GOI initiatives and is continuously exploring the possibility of scaling its domestic business and securing certification and TPI jobs in high growth sectors like Nuclear, Fertilizers, Power, Infrastructure, Affordable Housing, Railways etc.

FINANCIAL PERFORMANCE

During the financial year, the income from services rendered by the Company has increased to ₹ 50.29 Crores from ₹ 38.18 Crores in the previous year, which is 31.71% more than the previous year.

Profit before tax has increased to ₹ 17.97 Crores from ₹ 15.70 Crores in previous year, which is 14.43% higher. Similarly, Profit after tax has increased by 21.95 % from ₹ 10.21 Crores in previous year to ₹ 12.45 Crores in the current year.

Higher level of activity due to improved pace of order execution, and better operating margins through effective cost management are main reasons for improved turnover and profitability. Your company is continuously adopting suitable measures to reduce average man-day cost through increased outsourcing to effectively counter the pressure of reduced average realizations and higher operating expenses. Further your company is aggressively targeting business proposals in overseas markets and exploring opportunities in new areas .

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 of CEIL Board. The Management periodically reviews the status of identified risks and probable new risks and uses Enterprise Risk Management as an effective tool to foresee and take prompt actions for optimizing its business model.

INTERNAL CONTROL SYSTEMS

Your company has in place adequate systems of internal control. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. Your company continued its efforts to align all its process and control with best practices and is also controlling its operating process through well-defined international standard certification of ISO 9001:2015 and ISO 17020 accreditation.

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

Memorandum of Understanding (MoU) with Engineers India Limited

Your company has signed MOU with EIL for the year 2018-19, with target for Turnover, Operating profit, Return on Investment, Production efficiency, R&D, Innovation, Trade Receivables (Net)' 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, Defence, Infrastructure, Nuclear, Fertilizer etc. Number of initiatives have also been taken for improvement in systems and processes, HR and for training & recruitment.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION FRONT

Strength of regular employees, including employees on deputation from EIL, was 72 during the year. 84 Man days training was imparted to employees during the year through 30 nos. training programs.

Your Company intends to pursue domain specific training of CSWIP 3.1 and CSWIP 3.2 Inspection of weld joints by Phased Array Ultrasonic Testing (PAUT) and other managerial training programs for the employees in future too, to retain the knowledge edge in its area of business.

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights.

MARKETING

The company is successfully expanding its Clients' base with addition of new clients in existing and diversified business areas. Company's commitment to quality and timely execution of certification and third party inspection activities, coupled with proper marketing initiatives has helped the company to achieve significant order book. Executive Staff in the Marketing Department has been 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 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 2017–18, contribution was made to "Swachh Bharat Kosh" a part of "Swachh Bharat and Ganga Rejuvenation" program.

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 environment practices.

MANAGEMENT INFORMATION SYSTEM (MIS)

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

DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL

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

CAUTIONARY STATEMENT

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may get affected by actual results, resulting in future performance and outlook different from what the Management envisages.

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2017-18

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 following thrust areas:

   i) Education
   ii) Health Care
   iii) Renewable Energy
   iv) Drinking Water/ Sanitation Facility
   v) Environment Protection.

The web link for CSR project or programme and policy is given at Website : www.ceil.co.in

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 ₹ 14.41 Crores
4) Prescribed CSR Expenditure (2% of the amount as in item 3 above) is ₹ 28.82 Lakhs
5) Details of amount spent towards CSR during the financial year 2017-18
   a) Total amount to be spent for the financial year 2017-18 was ₹ 28.82 Lakhs
   b) Amount unspent, if any - NIL
   c) Manner in which the amount spent towards CSR during the financial year 2017-18, is detailed below:

S. 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 the reporting period	Amount spent : Direct or through implementing agency
1	To support/ sponcer Navi Mumbai Municipal Corporation, for purchase of various therapy equipments for Navi Mumbai Municipal Corporation, education, training & Service Centre (NMMC) for the treatment of person with disability (PWP's and children with disability (CWD's)	Medical	Local Area	₹25.60 Lakhs	Direct on project	₹ 2552620/- [Amount spent this FY is ₹ 97062/-]	Through NMMC
2	Contribution to Swachh Bharat Kosh	Environment Protection	Swachh Bharat and Ganga Rejuvenation	₹ 30 Lakhs	Direct on project	₹ 30,00,000/- [Amount spent this FY is ₹ 30 Lakhs]	Through Swachh Bharat Mission GOI

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	Umesh Chandra Pandey Chairman, CSR Committee

Form No. MGT-9

Extract of Annual Return
as on the Financial Year ended on 31st March, 2018

[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, 1, Bhikaiji Cama Place, New Delhi-110066 Tel: 011-26762121, Fax: 011-26164868, 26186245 Email: ceil.del@eil.co.in, Website: www.ceil.co.in
vi)	Whether shares listed on recognized Stock Exchange(s)	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N. A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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 Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066.	L74899DL1965GOI004352	Holding Company	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

The shareholding pattern of the Company as on 31.03.2018 is as follows:

Sl. No.	Name of Shareholder	Number of Equity Shares of ₹ 100 each	% of issued Capital
1.	Shri Jagdish Chander Nakra, Part-time Chairman (C&MD, Engineers India Ltd, Holding Company)	5*	0.005%
2.	Shri V.C.Bhandari, Director (HR), Engineers India Ltd.	5*	0.005%
3.	Shri Rakesh Kumar Sabharwal, Director (Commercial), Engineers India Ltd.	5*	0.005%
4.	Shri S.K.Handa, Part-time Director ED (Projects), Engineers India Ltd.	5*	0.005%
5.	Shri L.K.Vijh, Director (Technical), Engineers India Ltd.	8*	0.008%
6.	Shri R.Mahajan, Part-time Director ED (Projects), Engineers India Ltd.	5*	0.005%
7.	Shri S.D.Kherdekar, CEO, CEIL	5*	0.005%
8.	Engineers India Ltd., Holding Company	99962	99.962%

* 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 DIRECTOR AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Director and/or Manager: NIL

B. Remuneration to other directors:

Name of Directors	Particulars of remuneration-Sitting Fees
Dr. (Prof.) Mukesh Khare	₹ 190000
Shri Umesh Chandra Pandey	₹ 220000

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:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

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 (CEIL) is a public sector undertaking. The Articles of Association of the Company stipulates that the number of Directors shall not be less than three and more than nine.

As on March 31, 2018, CEIL is having 6 Directors on its Board comprising of 4(four) Part-time Directors including Chairman and 2 (two) Non-official Part-time Independent Directors nominated by Holding Company, Engineers India Limited (EIL).

b) Number of Board Meetings

The Board of Directors met 8 times during the financial year 2017-18. The details of the Board Meetings are as under:

SI. No.	Date of Meeting	Place	Board Strength	No. of Directors Present
1	April 25, 2017	New Delhi	7	5
2	May 19, 2017	New Delhi	7	7
3	August 8, 2017	New Delhi	6	6
4	November 4, 2017	New Delhi	6	5
5	November 20, 2017	New Delhi	6	6
6	January 19, 2018	Mumbai	6	5
7	January 29, 2018	New Delhi	6	5
8	March 26, 2018	New Delhi	6	6

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

Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the financial year 2017-2018 and number of other Directorships/Committee Memberships/Chairmanships of each director is given below:

Name of the Director	Attendance Particulars		Number of other Directorships/ Committee Membership/Chairmanship		
	Board Meetings	Last AGM held on 28.08.2017	Other Directorships	Other Committee Memberships##	Other Committee Chairmanships##
A) Part time Directors –From Holding Company, EIL					
I) Present Directors					
Shri Jagdish Chandra Nakra, Chairman*	1	No	2	—	—
Shri S.K. Handa	6	Yes	—	—	—
Shri L.K. Vijh	7	Yes	1	1	—

Shri R. Mahajan	7	Yes	__	__	__
II) Past Directors					
Shri Sanjay Gupta**	3	No	3	__	__
Shri Ajay Narayan Deshpande***	4	Yes	2	__	__
Shri R.K. Garg****	2	N.A.	1	1	__
B) Non-Official Part-time Independent Director					
I) Present Directors					
Dr. (Prof.) Mukesh Khare	7	Yes	2	1	__
Shri Umesh Chandra Pandey	8	Yes	2	__	1

Remarks:

* Shri Jagdish Chander Nakra, CMD, EIL was appointed as Part-time Chairman of the Company w.e.f.12.02.2018 (A.N.)

** Shri Sanjay Gupta ceased to be Part-time Chairman of the Company w.e.f.1.11.2017 due to his retirement from EIL, the holding Company on attaining the age of superannuation on 31.10.2017.

*** Shri Ajay Narayan Deshpande, Director (Technical) and Addl. Charge-CMD, EIL was appointed as Part-time Chairman w.e.f 1.11.2017 and ceased to be Part-time Chairman w.e.f 1.02.2018 due to his retirement from EIL, the holding Company on attaining the age of superannuation on 31.01.2018.

**** Shri R.K. Garg ceased to be Part-time Director w.e.f. 1.07.2017.

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) The Company has not issued any convertible instruments.

d) Board Procedure

The meeting of the Board of Directors are generally held at the Company's Registered Office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials and sponsored by CEO of the Company. The Agenda Notes along with necessary papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarifications as and when required.

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

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

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, 2018.

Place: New Delhi
Date : 23.05.2018

(S.D. Kherdekar)
Chief Executive Officer

f) Separate Meetings of Independent Directors

A separate Meeting of the Independent Directors was held on 19.01.2018 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) Appointment / Reappointment of Directors

The brief resumes of the Director(s) seeking appointment/re-appointment together with the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships/chairmanships of Committees of the Board alongwith their shareholding in the Company etc. pursuant to the statutory requirements are annexed to the notice calling the 23rd Annual General Meeting.

3. Audit Committee

As on March 31, 2018, 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 S.K. Handa as member. The Audit Committee was reconstituted during the year due to the following:

Shri R.K. Garg ceased to be member w.e.f. 01.07.2017

Shri S.K. Handa was inducted as member w.e.f. 01.07.2017

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Government for CPSEs. The details of meetings held during the financial year 2017-18 and the attendance of the Members is given below:

S. No.	Date of Meeting	Name	Chairman/Member	Attendance
1	19/05/2017	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri R.K. Garg	Chairman Member Member	Present Present Present
2	08/08/2017	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S. K. Handa	Chairman Member Member	Present Present Present
3	04/11/2017	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K. Handa	Chairman Member Member	Present Present --------
4	29/01/2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K. Handa	Chairman Member Member	Present -------- Present
5	26/03/2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K. Handa	Chairman Member Member	Present Present 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. As on March 31, 2018, 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.Mahajan as members. The Remuneration Committee was reconstituted during the year due to the following:

Shri R.K.Garg ceased to be member w.e.f. 01.07.2017.

Shri R. Mahajan was inducted as member w.e.f. 01.07.2017.

The details of meeting held during the financial year 2017-18 and the attendance of the Members is given below:

S. No.	Date of Meeting	Name	Chairman/Member	Attendance
1	26/03/2018	Dr. (Prof.) Mukesh Khare Shri Umesh Chandra Pandey Shri L.K.Vijh Shri R.Mahajan	Chairman Member Member Member	Present Present Present 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 Director's fees. There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The part-time official Directors other that 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. Further, the Board of Directors in their 105th Meeting held on 20th November, 2017 has reviewed and keeping in view the inflation and the prevailing sitting fees in other CPSE's, increased the sitting fees for Non-official Independent Directors on the Board from ₹ 10,000/- to ₹ 15,000/- for attending each meeting of the Board of Directors and Committee(s) thereof. The details of payments towards sitting fees to Non-official Part-time Independent Directors during the Financial Year 2017-18 are given below:-

Name of Non-offical Part-time Independent Director	Sitting Fees		Total
Shri Umesh Chandra Pandey	100000	120000	220000
Dr. (Prof.) Mukesh Khare	85000	105000	190000

6. CSR and SD Committee of the Board

The CSR and SD Committee of the Board has been constituted to deliberate and decide on the matters as per defined scope of the Committee. As on March 31, 2018, 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 2017-18 and the attendance of the Members is given below:

SI. No.	Date of Meeting	Name	Chairman/Member	Attendance
1	19/01/2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K. Handa Shri R. Mahajan	Chairman Member Member Member	Present Present -------- Present
2	26/03/2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K.Handa Shri R. Mahajan	Chairman Member Member Member	Present Present Present 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.

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
20th	2014-15	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	20.08.2015	3.30 p.m
21st	2015-16	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	22.08.2016	3.00 p.m.
22nd	2016-17	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	28.08.2017	3.00 p.m.

ii) Details of Special resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
20th	Nil
21st	Nil
22nd	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 2017-18.

11. Disclosures

(i) Details of transactions between the company and its holding Company, associates, key managerial personnel during the financial year 2017-18 are given in Note 35 of the Notes to Accounts for the year ended 31st March, 2018. 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 in 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 2017-18 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 20.85% of the total expenses in the Financial Year 2017-18 as against 23.74% during the Financial Year 2016-17. The decrease in the administrative and office expenses are mainly due to higher level of activity, partially negated by higher provision for doubtful debts.

(viii) None of the Directors of the Company are inter-se related as on 31st March, 2018.

(ix) None of the Non-offical Part-time Independent Directors hold any equity shares of the Company as on 31st March, 2018.

12. Means of Communication

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

13. Audit Qualifications

The company has ensured to remain in the regime of unqualified 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://www.ceil.co.in. Detailed presentations are made by senior executives/professionals/consultants on business related issues and the Directors have attended seminars/conferences/programmes from time to time.

15. Vigil Mechanism/Whistle blower Policy

The scope of Vigil Mechanism/Whistle Blower Policy of holding Company i.e. EIL covers the subsidiary company also.

16. General Information

(i) Annual General Meeting

Day & Date	Tuesday, 28th August, 2018
Time	3:00 p.m.
Venue	EI Bhawan, 1, Bhikaiji Cama Place, New Delhi - 110 066

(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, 2018 subject to approval of Shareholders in the forthcoming Annual General Meeting. This was in addition to the Interim Dividend of ₹350/- 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://www.ceil.co.in

(v) Auditors

M/s V K Verma & Co.
Chartered Accountants
C-37 Connaught Place, New Delhi - 110 001.
Tel. : 011-23415811
Fax : 011-23417925
Email : vkverma@vkvermaco.com
Website : www.vkvermaco.com

Place : New Delhi
Date : May 23, 2018

Chief Executive Officer (CEO) and Chief Financial Officer (CFO)Certification

We, S.D. Kherdekar, Chief Executive Officer and G.D. Goswami, Asstt. 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, 2018.
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
Chief Executive Officer

GD Goswami
AGM (F&A)

Place : New Delhi

Date : May 23, 2018

Independent Auditor's Report on Compliance with Corporate Governance Requirements under Guidelines Issued by Ministry of Heavy Industries and Public Enterprises

To,
The Members of
Certification Engineers International Limited

1. This certificate is issued in accordance with the terms of our engagement letter with the company.

2. This report contains details of compliance of conditions of corporate governance by Certification Engineers International Ltd. ('the Company') for the year ended 31st March, 2018 as stipulated in guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

Management's Responsibility for Compliance with the conditions of Corporate Governance

3. The compliance with the terms and conditions for Corporate Governance contained in the aforesaid guidelines of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance mentioned in the aforesaid guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the aforesaid guidelines issued by the Ministry of Heavy Industries and Public Enterprises, it is our responsibility to provide a reasonable assurance as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid guidelines for the year ended 31st March 2018.

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 compiled 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 the below mentioned clause, 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:

   Composition of Board w.r.t number of Full-time Functional Directors does not exist.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of guidelines vide O. M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other 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 V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

CA VIVEK KUMAR
Partner
Membership No.503826

Place: New Delhi
Dated: 23.05.2018

Management's Reply to Auditor's Report on Corporate Governance (2017-18)

Auditor's Comment	Management's Reply
Composition of Board w.r.t. number of Full-time Functional Directors does not exist.	Being a wholly owned subsidiary of Engineers India Limited (EIL) and given the nature and scale of operations and in line with Articles of Association of the Company, requirement of full time Functional Director was not envisaged at the time of formation of the Company and the present scenario is status quo.

Independent Auditor's Report

TO
THE MEMBERS OF
CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Certification Engineers International Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (Including other comprehensive income), the Cash Flow Statement for the year, the statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information for the year ended (hereinafter referred to as standalone Ind AS financial statements).

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance 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 there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 have 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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, 2018, 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 in terms of sub-section (11) of section 143 of the Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 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, 2013 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 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 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 dated 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".

   g) With respect to other matters to be included in Auditors' 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 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.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

CA VIVEK KUMAR
Partner
Membership No.503826

Place: New Delhi
Dated: 23.05.2018

Annexure- A to the Auditor’s Report

i. The Annexure referred to in Independent Auditor’s Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2018, we report that:

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 by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us on the basis of our examination of the records of the Company, the lease deed in respect of leasehold building is held in the name of the Company.

ii. (a) The Company being a service company does not have inventory of raw material or finished goods, the work in progress is on account of “continuing service projects” for which bills have not been raised. Inventory 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 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 & 186 of the Companies Act 2013, with respect to the loans & investments made.

v. The Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the companies Act 2013 and rules framed thereunder.

vi. According to information and explanation given to us, the Central Government has not prescribed the 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, Goods and Services Tax (GST), sales tax, Value added tax, duty of customs, service tax, cess and other material statutory dues except for some delays in deposition of profession tax and Provident fund. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, goods and services tax and other material statutory dues were in arrears as at 31st March 2018 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 lakhs)	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)

* Excluding interest

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

ix. The Company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V of the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

CA VIVEK KUMAR
Partner
Membership No.503826

Place: New Delhi
Dated: 23.05.2018

ANNEXURE A-1

Supplementary - Directions to the Statutory Auditors

S. 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 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 debtors amounting to ₹ 29.46 Lakhs were written off during the year, as management is of the view that the amount is no longer realizable. Further an amount of ₹ 138.78 Lakhs have been provided during the year.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gifts from Govt. or other authorities.	This clause is not applicable to the company as no inventory is held with third parties and no assets received as gift.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

CA VIVEK KUMAR
Partner
Membership No. 503826

Place: New Delhi
Dated: 23.05.2018

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 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation 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 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

Place: New Delhi
Dated: 23.05.2018

CA VIVEK KUMAR
Partner
Membership No.503826

Compliance Certificate

We have conducted the audit of accounts of M/s Certification Engineers International Ltd, for the year ended 31st March 2018 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 V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

Place: New Delhi
Dated: 23.05.2018

CA VIVEK KUMAR
Partner
Membership No.503826

Balance Sheet

As At 31 March 2018

(₹ In Lakhs)

PARTICULARS	Note No.	AS AT 31 March 2018	AS AT 31 March 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	215.89	221.79
Other Intangible Assets	5	0.94	0.14
Financial Assets			
Loans	6 A	10.01	13.29
Other Financial Assets	7 A	60.11	44.32
Deferred Tax Assets (Net)	8	198.60	160.39
Non-Current Tax Assets (Net)	9	218.55	312.67
Other Non-Current Assets	10A	0.41	3.57
Total Non-Current Assets		**704.51**	**756.17**
Current Assets			
Inventories	11	2.53	3.48
Financial Assets			
Investments	12	-	257.04
Loans	6B	267.99	263.44
Trade Receivables	13	1,802.12	1,723.95
Cash and Cash Equivalents	14	575.06	139.80
Other Bank Balances	15	5,075.81	4,592.33
Other Financial Assets	7B	397.23	340.57
Other Current Assets	10B	82.42	68.70
Total Current Assets		**8,203.16**	**7,389.31**
Total Assets		**8,907.67**	**8,145.48**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	100.00	100.00
Other Equity	17	7,415.11	7,006.04
Total Equity		**7,515.11**	**7,106.04**
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	18A	0.88	13.34
Other Non-Current Liabilities	19A	0.03	0.04
Long-Term Provisions	20A	488.11	408.33
Total Non-Current Liabilities		**489.02**	**421.71**

(₹ In Lakhs)

PARTICULARS	Note No.	AS AT 31 March 2018	AS AT 31 March 2017
Current Liabilities			
Financial Liabilities			
Trade Payables	21	246.32	199.92
Other Financial Liabilities	18B	317.81	86.10
Other Current Liabilities	19B	191.30	200.06
Short-Term Provisions	20B	34.23	35.39
Current Tax Liabilities (Net)	22	113.88	96.26
Total Current Liabilities		**903.54**	**617.73**
Total Equity and Liabilities		**8,907.67**	**8,145.48**

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 **V.K.VERMA & CO.**	**(J. TOTLANI)**	**(S D KHERDEKAR)**	**(S.K. HANDA)**	**(J.C. NAKRA)**
Chartered Accountants	Company Secretary	Chief Executive Officer	Director	Chairman
Firm Regn. No. 000386N	PAN : BGIPK9258H	PAN : ADQPK1440B	DIN : 07223761	DIN : 07676468

Vivek Kumar
Partner
Membership No. 503826
FRN No. 000386N

Place : New Delhi
Date : May 23, 2018

Statement of Profit and Loss

For The Year Ended 31 March 2018

(₹ In Lakhs)

PARTICULARS	NOTE NO.	31 March 2018	31 March 2017
REVENUE			
Income From Services	23	5,029.16	3,818.26
Other Income	24	409.89	377.35
Total Revenue		**5,439.05**	**4,195.61**
EXPENSES			
Manpower Services	25	1,044.80	888.43
Employee Benefits Expenses	26	1,493.30	929.25
Finance Costs	27	1.26	1.25
Depreciation and Amortisation Expenses	28	16.81	19.55
Other Expenses			
Facilities	29 A	148.10	155.97
Corporate Costs	29 B	53.07	37.59
Other Costs	29 C	884.74	593.22
Total Expenses		**3,642.08**	**2,625.26**
Profit Before Tax		**1,796.97**	**1,570.35**
Tax Expense			
Current Tax (Including Earlier Years)	30	592.81	571.81
Deferred Tax		(40.89)	(22.40)
Profit For The Year		**1,245.05**	**1,020.94**
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses) on defined benefit plans		9.20	23.64
Income tax relating to items that will not be reclassified to profit and loss		(2.68)	(8.18)
Total Comprehensive Income For The Year		**1,251.57**	**1,036.40**
Earnings Per Equity Share (Face Value ₹ 100 Per Share)	31		
Basic (₹)		1,245.05	1,020.94
Diluted (₹)		1,245.05	1,020.94

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 45

This is the statement of profit and loss referred to in our report of even date.

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**	**(J. TOTLANI)**	**(S D KHERDEKAR)**	**(S.K. HANDA)**	**(J.C. NAKRA)**
Chartered Accountants	Company Secretary	Chief Executive Officer	Director	Chairman
Firm Regn. No. 000386N	PAN : BGIPK9258H	PAN : ADQPK1440B	DIN : 07223761	DIN : 07676468

Vivek Kumar
Partner
Membership No. 503826
FRN No. 000386N

Place : New Delhi
Date : May 23, 2018

Statement of Changes In Equity as at 31 March 2018

A Equity Share Capital*

(₹ In Lakhs)

Particulars	Opening Balance As At 1 April 2016	Issue Of Equity Share Capital During The Year	Redemption Of Equity Share Capital During The Year	Balance As At 31 March 2017	Issue Of Equity Share Capital During The Year	Redemption Of Equity Share Capital During The Year	Balance As At 31 March 2018
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 (Net of Taxes)	
Balance as at 1 April 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**
Profit for the year	-	1,245.05	-	-	1,245.05
Other comprehensive income	-	-	-	6.52	6.52
Dividend (including tax impact)	-	(842.50)	-	-	(842.50)
Transfer from statement of profit and loss	-	-	-	-	-
Transfer from retained earnings	726.31	(755.13)	28.82	-	-
Transfer to retained earnings	-	30.97	(30.97)	-	-
Balance as at 31 March 2018	**6,542.64**	**825.95**	**34.19**	**12.33**	**7,415.11**

** Refer Note 16 for details*
*** Refer Note 17 for details*

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**
Chartered Accountants
Firm Regn. No. 000386N

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(S D KHERDEKAR)
Chief Executive Officer
PAN : ADQPK1440B

(S.K. HANDA)
Director
DIN : 07223761

(J.C. NAKRA)
Chairman
DIN : 07676468

Vivek Kumar
Partner
Membership No. 503826

Place : New Delhi
Date : May 23, 2018

Cash Flow Statement

For The Year Ended 31 March 2018

(₹ In Lakhs)

PARTICULARS	31 March 2018	31 March 2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,796.97	1,570.35
Adjustments for:		
Depreciation and Amortisation Expenses	16.81	19.55
Provision For Employee Benefits	87.82	18.88
Provision For Doubtful Receivables	138.78	64.57
Interest Income and Amortised Income On Security Deposit	(391.39)	(362.40)
Interest Expense	1.26	1.25
Dividend Income	(18.08)	(14.09)
Capital (Gain) / Loss On Sale Of Mutual Funds	0.09	(0.86)
Operating Profit Before Working Capital Changes	**1,632.26**	**1,297.25**
Movement In Working Capital		
Increase In Trade Receivables	(216.95)	(229.97)
Decrease/(Increase) In Inventories	0.95	1.18
Decrease/(Increase) In Other Current and Non-Current Assets	(10.56)	(2.40)
Increase In Loans	(1.27)	(4.70)
Decrease/(Increase) In Other Current Financial Assets	(56.66)	169.15
(Decrease)/Increase In Other Current and Non-Current Liabilities	(8.77)	(39.47)
(Decrease)/Increase In Other Current Financial and Non-Financial Liabilities	265.65	(82.90)
Cash Flow From Operating Activities Post Working Capital Changes	1604.65	1,108.14
Income Tax Paid (Net)	(481.07)	(579.99)
Net Cash Flow From Operating Activities (A)	**1123.58**	**528.15**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Property, Plants, Equipments and Intangible Assets (Net)	(11.71)	(11.20)
Movement In Current Investments (Net)	256.95	(97.06)
Investment In Bank Deposits (Net)	(499.27)	(108.27)
Interest Received	391.39	362.40
Dividend Received	18.08	14.09
Net Cash Flows Used In Investing Activities (B)	**155.44**	**159.96**

(₹ In Lakhs)

PARTICULARS	31 March 2018	31 March 2017
C CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (Including Tax)	(842.50)	(601.79)
Interest Paid	(1.26)	(1.25)
Net Cash Used In Financing Activities (C)	**(843.76)**	**(603.04)**
Increase in cash and cash equivalents (A+B+C)	435.26	85.07
Cash and cash equivalents at the beginning of the year	139.80	54.73
Cash and cash equivalents at the end of the year	**575.06**	**139.80**

This is the cash flow statement as referred to in our report of even date.

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**	**(J. TOTLANI)**	**(S D KHERDEKAR)**	**(S.K. HANDA)**	**(J.C. NAKRA)**
Chartered Accountants	Company Secretary	Chief Executive Officer	Director	Chairman
Firm Regn. No. 000386N	PAN : BGIPK9258H	PAN : ADQPK1440B	DIN : 07223761	DIN : 07676468

Vivek Kumar
Partner
Membership No. 503826
FRN No. : 000386N

Place : New Delhi
Date : May 23, 2018

Significant Accounting Policies and Notes to Accounts for the year ended 31 March 2018

1. NATURE OF PRINCIPAL ACTIVITIES

Certification Engineers International Limited and (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 has its registered office situated at EI Bhavan, 1 Bhikaiji 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.

The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 23 May 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONCEPTS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

B. REVENUE RECOGNITION

REVENUE RECOGNITION

Revenue 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 direct cost 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 expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

L. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for 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) are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method).

Short-term employee benefits

Short term benefits comprise of employee costs such as salaries, bonus etc. 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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018.

The company is evaluating the impact, if any, of this amendment on its financial statements.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

i. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

ii. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be not material.

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 2018

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 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**
Additions	-	0.07	-	-	10.41	-	0.10	**10.58**
Disposals/assets written off	-	-	-	-	-	(0.14)	-	**(0.14)**
Balance as at 31 March 2018	**3.24**	**5.67**	**202.08**	**6.98**	**27.65**	**22.82**	**0.29**	**268.73**
Accumulated Depreciation								
At 1 April 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**
Charge For The Year	0.65	0.50	3.87	1.73	4.70	4.92	0.10	**16.47**
Adjustments For Disposals	-	-	-	-	-	(0.13)	-	**(0.13)**
Balance as at 31 March 2018	**1.95**	**4.07**	**11.63**	**5.76**	**13.43**	**15.71**	**0.29**	**52.84**
Net Book Value as at 31 March 2017	**1.94**	**2.03**	**194.32**	**2.95**	**8.51**	**12.04**	**-**	**221.79**
Net Book Value as at 31 March 2018	**1.29**	**1.60**	**190.45**	**1.22**	**14.22**	**7.11**	**-**	**215.89**

*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.

Note - 5
Intangible Assets

(₹ In Lakhs)

Particulars	Computer Software	Total
Gross Carrying Amount		
At 1 April 2016	**1.99**	**1.99**
Additions	-	-
Disposals/Assets Written Off	-	-
Balance as at 31 March 2017	**1.99**	**1.99**
Additions	1.14	1.14
Disposals/Assets Written Off	-	-
Balance as at 31 March 2018	**3.13**	**3.13**
Accumulated Amortisation		
At 1 April 2016	**1.10**	1.10
Amortisation Charge For The Year	**0.75**	0.75
Adjustments For Disposals	**-**	-
Balance as at 31 March 2017	**1.85**	**1.85**
Amortisation Charge For The Year	0.34	0.34
Adjustments For Disposals	-	-
Balance as at 31 March 2018	**2.19**	**2.19**
Net Book Value as at 31 March 2017	**0.14**	**0.14**
Net Book Value as at 31 March 2018	**0.94**	**0.94**

(₹ In Lakhs)

Particulars	31 March 2018	31 March 2017
Note -6		
A **Loans - Non-Current**		
Unsecured, Considered Good Unless Otherwise Stated		
Security Deposit	10.01	13.29
	10.01	**13.29**
B **Loans - Current**		
Unsecured, Considered Good Unless Otherwise Stated		
Loans To Employees	12.46	9.18
Security Deposit	255.53	254.27
	267.99	**263.44**
Note - 7		
A **Other Financial Assets - Non-Current**		
Term Deposits With Maturity Exceeding One Year*	60.11	44.32
	60.11	**44.32**

**Includes bank deposits held under lien against bank guarantees of ₹ 53.90 Lakhs (previous year 31 March 2017: ₹ 40.66 lakhs)*
The above also includes interest accrued on bank deposits of ₹ 6.20 Lakhs (previous year 31 March 2017 ₹ 3.66 lakhs)

B **Other Financial Assets - Current**		
Unbilled Income	392.93	339.87
Work In Progress*	4.30	0.70
	397.23	**340.57**

*As taken, valued and certified by Management

Note - 8		
Deferred Tax Assets (Net)		
Deferred Tax Assets Arising On:		
Employee Benefits:		
Provision for leave encashment	113.81	112.82
Provision for long service awards	5.23	6.56
Provision for compensatory off - offshore	–	2.49
Provision for gratuity	33.06	34.19
Provision for employee related expenses allowed on payment basis	3.89	0.92
Provision for doubtful receivables	68.76	33.65
Others:		
Amortised cost financial instruments	0.33	0.88
Deferred Tax Liabilities Arising On:		
Depreciation	(26.48)	(31.11)
	198.60	**160.39**

Movement In Deferred Tax Assets And Liabilities

(₹ In Lakhs)

Particulars	1 April 2016	Recognised In Other Comprehensive Income	Recognised In Statement Of Profit And Loss	31 March 2017	Recognised In Other Comprehensive Income	Recognised In Statement Of Profit And Loss	31 March 2018
Assets							
Employee Benefits	163.96	(8.18)	1.19	156.97	(2.68)	1.70	155.99
Trade Receivables	11.34	-	22.31	33.65	-	35.11	68.76
Others	1.11	-	(0.23)	0.88	-	(0.55)	0.33
Liabilities							
Depreciation	(30.24)	-	(0.87)	(31.11)	-	4.63	(26.48)
	146.17	**(8.18)**	**22.40**	**160.39**	**(2.68)**	**40.89**	**198.60**

	Particulars	31 March 2018	31 March 2017
	Note - 9		
	Non-Current Tax Assets (Net)		
	Advance Income Tax (net of provision for taxation		
	amounting to ₹ 1111.06 lakhs (previous year 31 March 2017: ₹ 1326.08 lakhs)	206.72	300.84
	Advance Fringe Benefit Tax	11.83	11.83
		218.55	**312.67**
	Note - 10		
A	Other Non-Current Assets		
	Prepaid Expenses	0.41	3.57
		0.41	**3.57**
B	**Other Current Assets**		
	Balance With Government Authorities	76.75	52.83
	Prepaid Expense	5.67	15.87
		82.42	**68.70**
	Note - 11		
	Inventories (Lower Of Cost Or Net Realizable Value)		
	Stores, Spares And Chemicals In Hand	2.53	3.48
		2.53	**3.48**
	Note - 12		
	Investments		
	UTI Treasury Advantage Fund (face value ₹ 1000 per unit)*	-	257.04
		-	**257.04**

* At 31 March 2018 Zero units (previous year :31 March 2017: 25,609.07 units)

(₹ In Lakhs)

Particulars	31 March 2018	31 March 2017
Note - 13		
Trade Receivables (Unsecured)		
Trade Receivable		
Considered Good	1,802.12	1,723.95
Considered Doubtful	236.11	97.33
	2,038.23	1,821.28
Less: Provision For Doubtful Receivables	(236.11)	(97.33)
	1,802.12	**1,723.95**
Note - 14		
Cash And Cash Equivalents		
Balances With Banks In Current Account	242.05	139.76
Bank Deposits having maturity of less than three months	333.00	-
Cash On Hand	0.01	0.03
	575.06	**139.80**
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*	5,075.81	4,592.33
	5,075.81	**4,592.33**

*Includes ₹ 120.82 Lakhs (previous year 31 March 2017: ₹ 154.28 Lakhs) held under lien against bank guarantees.

*Includes interest accrued on bank deposits ₹ 240.09 lakhs (previous year 31 March 2017: ₹ 208.79 lakhs)

(₹ In Lakhs)

Particulars	31 March 2018 Amount	31 March 2017 Amount
Note - 16		
Share Capital		
Authorised Share Capital		
200,000 (previous year 31 March 2017 : 200,000) equity shares of par value of ₹ 100 each	200.00	200.00
	200.00	**200.00**
Issued Share Capital		
100,000 (previous year 31 March 2017 : 100,000) equity shares of par value of ₹ 100 each	100.00	100.00
	100.00	**100.00**
Subscribed And Paid Up*		
100,000 (previous year 31 March 2017 : 100,000) equity shares of par value of ₹ 100 each	100.00	100.00
	100.00	**100.00**

***All shares are held by Holding Company- Engineers India Ltd. and its Nominees**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity Shares	**Number**	**Number**
Shares Outstanding At The Beginning Of The Year	100,000	100,000
Add : Shares Issued During The Year	-	-
Shares Outstanding At The End Of The Year	**100,000**	**100,000**

b) Details Of Shareholders Holding More Than 5% Equity Shares In The Company

Name Of Shareholders	**Number**	**Number**
Engineers India Limited	100,000	100,000
Shareholding (%)	100%	100%

Note - 17

Reserves And Surplus

Nature And Purpose Of Other Reserves

CSR Activity Reserve

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of Companies Act, 2013 and rules made thereunder.

General Reserve

The Company is required to create a general reserve out of the profits, when the Company declares dividend to shareholders.

Other Comprehensive Income

Other comprehensive income represents balance arising on account of re-measurement of defined benefit plans.

(₹ In Lakhs)

	Particulars	31 March 2018 Amount	31 March 2017 Amount
	Note - 18		
A	**Other Financial Liabilities - Non-Current**		
	Security Deposits And Retentions	0.88	13.34
		0.88	**13.34**
B	**Other Financial Liabilities - Current**		
	Security Deposits And Retentions	51.87	28.39
	Accrued Employee Benefits	265.94	57.71
		317.81	**86.10**
	Note - 19		
A	**Other Non-Current Liabilities**		
	Deferred Income	0.03	0.04
		0.03	**0.04**
B	**Other Current Liabilities**		
	Advances Received From Clients	14.51	14.26
	Deferred Income	0.20	1.29
	Unearned Income Billed To Clients	16.52	93.51
	Service Tax /GST Payable	81.98	-
	Withholding For Income Taxes	18.37	16.63
	Withholding For Employees Including Employers Contribution	22.87	11.22
	Other Liabilities	36.85	63.16
		191.30	**200.06**
	Note - 20		
A	**Long-Term Provisions**		
	Employees' Post Retirement/Long-Term Benefits	488.11	408.33
		488.11	408.33
B	**Short-Term Provisions**		
	Employees' Post Retirement/Long-Term Benefits	34.23	35.39
		34.23	**35.39**
	Note - 21		
	Trade Payables		
	Trade And Other Payables (refer note 44)	246.32	199.92
		246.32	**199.92**
	Note - 22		
	Current Tax Liabilities (Net)		
	Provision for taxation (net of advance tax amounting to ₹ 478.12 lakhs (previous year 31 March 2017 : ₹ 457.56 lakhs)	113.88	96.26
		113.88	**96.26**

(₹ In Lakhs)

Particulars	31 March 2018	31 March 2017
Note - 23		
Revenue From Operations		
Income From Services	5,025.56	3,819.81
	5,025.56	**3,819.81**
Increase/(Decrease) In Work-In-Progress		
Closing Work-In-Progress	4.30	0.70
Less : Opening Work-In-Progress	0.70	2.26
	3.60	**(1.56)**
	5,029.16	**3,818.26**
Note - 24		
Other Income		
Interest Income		
Bank Deposits	353.79	345.01
Income-Tax Refunds	23.18	-
Others - Misc	0.02	-
Amortization of Deferred Income	14.40	17.39
Capital Gain On Sale Of Mutual Fund Units	-	0.86
Dividend From Current Investments	18.08	14.09
Foreign Exchange Difference (Net)	0.38	-
Income From Sale of Assets	0.04	-
	409.89	**377.35**
Note - 25		
Manpower Services		
Manpower Services	1,044.80	888.43
	1,044.80	**888.43**
Note - 26		
Employee Benefits Expenses		
Salaries And Allowances	1,361.70	746.05
Contribution towards employees pension and provident fund and administration charges thereon	93.91	66.84
Staff Welfare	6.95	7.22
Contribution to Gratuity Fund (Net of contribution received from others)	30.74	109.14
	1,493.30	**929.25**
Note - 27		
Finance Cost		
Interest Expenses	1.26	1.25
	1.26	**1.25**

(₹ In Lakhs)

	Particulars	31 March 2018	31 March 2017
	Note - 28		
	Depreciation And Amortisation Expenses		
	Depreciation On Property, Plant And Equipment	16.47	18.80
	Amortisation Of Intangible Assets	0.34	0.75
		16.81	**19.55**
	Note - 29		
	Other Expenses		
A	**Facilities Cost**		
	Rent - Residential Accommodation (Net Of Recovery of ₹ 5.14 lakhs (previous year: ₹ 4.87 lakhs)	44.86	48.96
	Rental Expense	14.28	15.39
	Rent - Office	27.38	30.72
	Electricity And Water	18.79	22.94
	Repairs To Building	8.22	3.32
	Other Repairs And Maintenance	26.18	27.52
	Hire Charges - Office Equipment	3.06	3.75
	Insurance	5.33	3.37
		148.10	**155.97**
B	**Corporate Cost**		
	Bank Charges	1.13	3.94
	Sitting Fees To Independent Directors	4.10	3.00
	Publicity	16.69	4.16
	Entertainment	12.93	10.09
	Remuneration To Auditors:		
	For Audit	2.50	2.50
	For Tax Audit	0.50	0.50
	Certification	0.40	0.10
	Out of Pocket	1.69	2.31
	Filing Fee	0.06	0.69
	Legal And Professional Charges	2.25	2.98
	Licences And Taxes	10.82	7.32
		53.07	**37.59**
C	**Other Cost**		
	Travel And Conveyance	642.26	444.89
	Printing, Stationery And General Office Supplies	9.28	11.07
	Newspapers And Periodicals	0.10	0.12
	Postage And Telecommunications	19.15	20.25
	Capital Loss on sale of MF Units	0.09	-
	Courier, Transportation And Handling	2.51	3.11
	Provision For Doubtful Receivables	138.78	64.57
	Amounts Written Off	29.46	5.95
	Foreign Exchange Difference (Net)	-	1.26
	Corporate Social Responsibility Expenditure	30.97	26.66
	Miscellaneous Expenses	7.51	9.22
	Training Expenses	4.63	6.11
		884.74	**593.22**

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year ended 2017-18 - ₹ 28.82 lakhs (previous year: ₹ 24.74 lakhs)

(b) Amount spent during the financial year ended 31 March 2018 and 31 March 2017 on:

Particulars	In cash ₹ in Lakhs	Yet to be paid ₹ in Lakhs	Total ₹ in Lakhs
Construction/acquisition of any asset	-	-	-
On purposes other than (i) above	30.97	-	30.97
	26.66	-	26.66

(₹ In Lakhs)

Particulars	31 March 2018	31 March 2017
Note - 30		
Income Tax		
Tax Expense Comprises Of:		
Current Income Tax (Including Earlier Years Impact)	592.81	571.81
Deferred Tax	(40.89)	(22.40)
Income Tax Expense Reported In The Statement Of Profit Or Loss	**551.92**	**549.41**

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 28.84% and the reported tax expense in profit or loss are as follows:

Statement Of Profit And Loss		
Accounting Profit Before Tax	1,796.97	1,570.35
Accounting Profit Before Income Tax	**1,796.97**	**1,570.35**
At India's Statutory Income Tax Rate of 28.840 % (31 March 2017: 34.608%)	518.25	543.47
Adjustments In Respect Of Current Income Tax		
Tax Impact Of Exempted Income	(5.21)	(4.88)
Tax Impact Of Expenses Which Will Never Be Allowed	9.82	9.60
Earlier Years Tax Impact	0.81	1.81
Others	28.25	(0.59)
	551.92	**549.41**

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	1,245.05	1,020.94
Weighted Average Number Of Equity Shares	100,000	100,000
Nominal Value Per Share	**100.00**	**100.00**
Earnings Per Equity Share		
Basic	1,245.05	1,020.94
Diluted	1,245.05	1,020.94

Note - 32

(i) Financial asset - fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

(₹ In Lakhs)

(ii) Financial assets measured at fair value – recurring fair value measurements

31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	-	-	-	-
Total financial assets	**-**	**-**	**-**	**-**

Financial assets measured at fair value – recurring fair value measurements

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**

(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 2018		31 March 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	-	-	257.04	-
Trade receivables	-	1,802.12	-	1,723.95
Loans	-	12.46	-	9.18
Other financial assets	-	397.23	-	340.57
Cash and cash equivalents	-	575.06	-	139.80
Other bank balances	-	5,135.92	-	4,636.65
Security deposits	-	265.54	-	267.56
Total financial assets	**-**	**8,188.33**	**257.04**	**7,117.70**
Financial liabilities				
Trade payables	-	246.32	-	199.92
Security deposits and retentions	-	52.75	-	41.73
Other financial liabilities	-	265.94	-	57.71
Total financial liabilities	**-**	**565.01**	**-**	**299.36**

(ii) **Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

(iii) **Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) **Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(a) **Credit risk management**

(i) *Credit risk rating*

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset Group	Basis Of Categorisation	Provision for Expected Credit Loss
Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	12 month expected credit loss and Life time expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or fully provided for
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 2018	31 March 2017
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	7,952.22	7,374.73
B: Moderate credit risk	Trade receivable	143.36	29.00
C: High credit risk	Trade receivables	92.75	68.33

ii) *Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is as follows -

(₹ In Lakhs)

Particulars	31 March 2018	31 March 2017
Hydrocarbon	616.84	937.90
Infrastructure	849.43	735.02
Railways	272.06	65.59
Others	299.90	82.77
Total	**2,038.23**	**1,821.28**

(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 2018 **(₹ In Lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit Loss	Carrying amount net of impairment provision
Cash and cash equivalents	575.06	-	575.06
Other bank balances	5,135.92	-	5,135.92
Loans	12.46	-	12.46
Other financial assets	662.77	-	662.77

31 March 2017 **(₹ In Lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit Loss	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

(ii) **Expected credit loss for trade receivables under simplified approach**

31 March 2018 **(₹ In Lakhs)**

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	1,185.57	171.52	131.53	115.06	59.45	72.41
Expected credit loss (provision)	23.34	7.88	1.72	9.34	11.11	30.92
Carrying amount (net of impairment)	1,162.23	163.64	129.81	105.72	48.34	41.49

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 days
Gross carrying value	39.89	78.65	91.40	92.75
Expected credit loss (provision)	21.64	0.94	36.47	92.75
Carrying amount (net of impairment)	18.25	77.71	54.93	-

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	844.73	246.63	113.71	196.26	151.26	47.90
Expected credit loss (provision)	4.50	3.58	1.37	11.23	-	-
Carrying amount (net of impairment)	840.23	243.05	112.34	185.03	151.26	47.90

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 days
Gross carrying value	14.79	69.19	68.48	68.33
Expected credit loss (provision)	-	2.91	5.41	68.33
Carrying amount (net of impairment)	14.79	66.28	63.07	-

Reconciliation of loss provision – lifetime expected credit losses **(₹ In Lakhs)**

Reconciliation of loss allowance	Trade receivables
Loss allowance as on 1 April 2016	32.76
Impairment loss recognised/reversed during the year	64.57
Loss allowance on 31 March 2017	**97.33**
Impairment loss recognised/reversed during the year	138.78
Loss allowance on 31 March 2018	**236.11**

(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 2018	Less than 1 Year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	246.32	-	-	246.32
Security deposits and retentions	51.87	0.88	-	52.75
Other financial liabilities	265.94	-	-	265.94
Total	**564.13**	**0.88**	**-**	**565.0**

(₹ In Lakhs)

31 March 2017	Less than 1 Year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	199.92	-	-	199.92
Security deposits and retentions	28.39	1.39	11.95	41.73
Other financial liabilities	57.71	-	-	57.71
Total	**286.02**	**1.39**	**11.95**	**299.36**

(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 2018			31 March 2017		
	USD	**EURO**	**GBP**	**USD**	**EURO**	**GBP**
Trade receivable	0.38	0.00	0.02	3.23	12.09	-

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2018			31 March 2017		
Currency sensitivity	**USD**	**EURO**	**GBP**	**USD**	**EURO**	**GBP**
Currency increase by 1%	-	-	-	0.03	0.12	-
Currency decrease by 1%	-	-	-	(0.03)	(0.12)	-

(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 2018	31 March 2017
Price sensitivity		
Price increase by (3 %)- FVTPL	-	6.74
Price decrease by (3 %)- FVTPL	-	(8.63)

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 2018	31 March 2017
Equity share capital	100.00	100.00
Other equity	7,415.11	7,006.04

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 2018 and 31 March 2017.

Note – 35

Related Party

(a) The names of related parties as identified in accordance with provisions of the Indian Accounting Standard – 24 “Related Party Disclosure”:

<table>
<tr><th>Sl No.</th><th colspan="2">Name of the Related Party</th><th>Nature of Relationship</th></tr>
<tr><td>1</td><td colspan="2">Engineers India Limited ('EIL')</td><td>Holding company</td></tr>
<tr><td rowspan="6">2</td><td colspan="2">Directors/Key Management Personnel (31 March 2018)</td><td></td></tr>
<tr><td>Mr. J.C. Nakra</td><td>Chairman
(From 12th February'2018)</td><td>Chairman and Managing Director in Engineers India Limited</td></tr>
<tr><td>Mr. A.N. Deshpande</td><td>Chairman (From 01st November'2017 to 31st January'2018)</td><td>Director (Technical) and Addl. Charge of Chairman and Managing Director in Engineers India Limited</td></tr>
<tr><td>Mr. Sanjay Gupta</td><td>Chairman
(Upto 31st October' 2017)</td><td>Chairman and Managing Director in Engineers India Limited</td></tr>
<tr><td>Dr. (Prof.) Mukesh Khare</td><td>Director</td><td>Director (Government Nominee) in Engineers India Limited</td></tr>
<tr><td>Mr. Umesh Chandra Pandey</td><td>Director</td><td>Director (Government Nominee) in Engineers India Limited</td></tr>
</table>

Sl No.	Name of the Related Party		Nature of Relationship
	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 (Upto 30th June'2017)	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 2017)**		
	Mr. Sanjay Gupta	Chairman	Chairman and Managing Director in Engineers India Limited
	Dr. (Prof.) Mukesh Khare	Director	Director (Government Nominee) in Engineers India Limited
	Mr. Umesh Chandra Pandey	Director	Director (Government Nominee) 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 01 October 2016)	Executive 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 2018, the Company had following transactions and outstanding balances with related parties:

(₹ In Lakhs)

Particulars	Relationship	Year	Amount	(Payable)/ Receivable
Professional and technical services and facilities	Holding Company	31 March 2018	265.00	(24.91)
		31 March 2017	177.70	(35.05)
Execution of contract for Services	Holding Company	31 March 2018	1130.04	309.90*
		31 March 2017	532.28	161.19*
Dividend (interim and final)	Holding Company	31 March 2018	700.00	-
		31 March 2017	500.00	-

*includes security deposit of ₹ 26.68 Lakhs and ₹ 21.77 Lakhs as on 31.03.2018 and 31.03.2017 respectively.

(c) Director's remuneration:

Sitting fees paid to part time Directors for 31 March 2018 is ₹ 4.10 Lakhs (Previous year 31 March 2017: ₹ 3.00 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 2015-2016. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2017-18 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 (Previous Year ₹ 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 (Previous Year ₹ 1.22 Lakhs) dated 30 March 2017 pertaining to the assessment year 2011-12 in abeyance, since an appeal (u/s 254) is pending with CIT (Appeals).

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 (Previous Year ₹ 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 (Previous Year ₹ 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 (Previous Year ₹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 ₹ 66.29 Lakhs (inclusive of interest) (Previous Year ₹ 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 ₹ 976.73 Lakhs (inclusive of interest and penalty) (Previous Year ₹ 486.57 Lakhs (inclusive of penalty of ₹ 230.62 Lakhs) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai.

ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹1.92 Lakhs (Previous Year – 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 2018	31 March 2017
Contributory Provident Fund and Employees' Pension Scheme, 1995	93.91	66.84

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, 2018 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 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Present value of obligations as at the end of year	296.35	270.09	390.83	325.98	17.97	18.94
Fair value of plan assets as at the end of the year	182.81	171.30	–	--	--	--
Funded status	(113.54)	(98.79)	(390.83)	(325.98)	(17.97)	(18.94)
Net (asset)/liability recognized in balance sheet	**113.54**	**98.79**	**390.83**	**325.98**	**17.97**	**18.94**

b) Expenses recognized in statement of profit and loss						**(₹ In Lakhs)**
	Gratuity (Funded)		**Leave encashment (Unfunded)**		**Long service awards (Unfunded)**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Current service cost	23.70	11.53	85.21	95.25	2.53	2.33
Past service cost	--	96.99	(22.65)	--	--	--
Interest on net benefit asset/liability	7.04	0.62	23.33	29.35	1.21	1.14
Re-measurements gains/losses	--	--	53.85	(106.12)	(0.42)	2.32
Expenses recognized in statement of profit and loss	**30.74**	**109.14**	**139.75**	**18.44**	**3.32**	**5.79**

c) Expenses recognized in Other comprehensive income						**(₹ In Lakhs)**
	Gratuity (Funded)		**Leave encashment (Unfunded)**		**Long service awards (Unfunded)**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Actuarial (gains)/loss		--	--	--	--	--
Change in financial assumption	(13.15)	(19.61)	--	--	--	--
Change in demographic assumption	(0.70)	--	--	--	--	--
Experience adjustments	5.37	(2.90)	--	--	--	--
Actual return on plan assets	(0.72)	(1.11)	--	--		
Expenses recognized in other comprehensive income	**(9.20)**	**(23.62)**	--	--	--	--

d) Reconciliation of opening and closing balances of defined benefit obligation **(₹ In Lakhs)**

	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	270.09	173.10	325.98	419.59	18.94	15.60
Interest cost	19.84	12.66	23.33	29.35	1.21	1.14
Current service cost	23.70	11.52	85.21	95.21	2.53	2.33
Past service cost	--	96.99	(22.65)	--	--	--
Actuarial (gain)/loss on obligations	(8.48)	(22.51)	53.85	(106.12)	(0.42)	2.32
Benefit paid	(8.81)	(1.66)	(74.89)	(112.06)	(4.30)	(2.45)
Present value of obligations as at end of year	**296.35**	**270.09**	**390.83**	**325.98**	**17.97**	**18.94**

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fair value of plan assets as on beginning of year	171.30	159.81	--	--	--	--
Interest on plan assets	12.81	12.03	--	--	--	--
Re-measurements due to actual return on plan assets less interest on plan assets	0.72	1..11	--	--	--	--
Contributions	6.79	--	--	--	--	--
Benefits paid	(8.81)	(1.66)	--	--		--
Fair value of plan assets at the end of year	**182.81**	**171.30**	--	--	--	--

f) Actuarial Assumptions

	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.80%	7.50%	7.80%	7.50%	7.80%	7.50%
Expected rate of future salary increase	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Retirement age	60 years	60 years	60 years	60 years	60 years	60 years

4) Mortality rates inclusive of provision for disability -100% of IALM (2006 –08)

5) Rates of leaving service at specimen ages are as shown below-:

Age (Years)	Rates (p.a.)
21 – 30	0%
31 – 40	2.3%
41 – 50	1.4%
51 – 59	0%

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

g) Maturity profile of defined benefit obligation (₹ In Lakhs)

	Gratuity (Funded)		Leave Encashment (Earned Leave) (Unfunded)		Leave Encashment (Half Pay Leave) (Unfunded)		Long Service Awards (Unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation	14.38 Years	12.87 years	9.51 Years	9.10 years	7.82 years	7.47 years	5.46 Years	4.46 years
Duration of defined benefit obligation								
Duration (years)								
1	6.06	11.12	22.06	18.92	9.17	10.97	3.00	5.50
2	6.35	11.10	22.00	18.64	9.31	10.88	0.66	2.76
3	25.94	11.17	34.87	18.43	9.46	10.82	2.35	0.57
4	6.64	29.04	21.30	27.45	8.97	10.77	0.75	2.04
5	6.38	10.95	21.20	17.23	9.12	9.99	4.40	0.63
6	6.08	10.87	21.16	16.99	9.30	9.96	2.04	3.38
7	6.39	10.62	21.52	16.79	9.48	9.95	0.55	1.68
8	6.57	10.95	21.84	16.76	9.68	9.95	1.79	0.43
9	6.89	11.32	22.21	16.78	9.88	9.97	0.64	1.40
Above 10	1023.18	741.40	534.60	352.81	114.35	109.31	13.20	9.40

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

	Gratuity (funded)		Leave Encashment (Unfunded)		Long Service Awards (Unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fund managed by insurer	**100%**	**100%**	--	--	--	--

i) Sensitivity Analysis Gratuity (Funded)				(₹ In Lakhs)
Particulars	**Discount rate**		**Salary escalation rate**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Impact of increase in 50 bps on defined benefit obligation	**-6.87%**	**-6.16%**	**2.53%**	**3.95%**
Impact of decrease in 50 bps on defined benefit obligation	**7.54%**	**6.73%**	**-3.20%**	**-4.25%**

Leave Encashment (Earned Leave) (Unfunded)				
Particulars	**Discount rate**		**Salary escalation rate**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Impact of increase in 50 bps on defined benefit obligation	**-4.58%**	**-4.39%**	**4.86%**	**4.63%**
Impact of decrease in 50 bps on defined benefit obligation	**4.94%**	**4.72%**	**-4.56%**	**-4.35%**

Leave Encashment (Half Pay Leave) (Unfunded)				
Particulars	**Discount rate**		**Salary escalation rate**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Impact of increase in 50 bps on defined benefit obligation	**-3.79%**	**-3.62%**	**3.97%**	**3.78%**
Impact of decrease in 50 bps on defined benefit obligation	**4.04%**	**3.86%**	**-3.77%**	**-3.59%**

Long Service Awards (Unfunded)				
Particulars	**Discount rate**		**Salary escalation rate**	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
Impact of increase in 50 bps on defined benefit obligation	**-2.56%**	**-2.00%**	**-2.81%**	**-2.24%**
Impact of decrease in 50 bps on defined benefit obligation	**2.68%**	**2.10%**	**2.57%**	**2.34%**

Note – 38

Proposed Dividend **(₹ In Lakhs)**

Proposed dividend on equity shares	31 March 2018	31 March 2017
Proposed Final dividend for 31 March 2018 (₹ 350 per share) (previous year 31 March 2017: ₹ 350 per share)	350.00	350.00
Dividend distribution tax on Proposed dividend	71.94	71.25
Total	**421.94**	**421.25**
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 ₹34.18 Lakhs for 31 March 2018 (Previous year 31 March 2017: ₹ 36.34 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”.

Note – 41

Liability in respect of 'Performance Related Pay', amounting to ₹71.32 Lakhs (previous year 31 March 2017: ₹ 49.33 Lakhs) for the employees for the year ended on 31 March 2018 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 2018 ₹ 477.09 Lakhs (previous years 31 March 2017 ₹ 467.73 Lakhs).

Note – 43

The Company has a Memorandum of Understanding with Engineers India Limited (The Holding Company) for utilizing their facilities like providing manpower, office space and other facilities etc. The MOU provides level based fixed man hour/ man-day rates for EIL employees on cost plus overhead basis and fixed annual cost towards space, infrastructure and facilities etc.

The Company also has entered into Memorandum of Understandings with Engineers India Limited for providing Technical services to EIL at actual cost plus margin.

Note – 44

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, ₹ 61.32 Lakhs (previous year 31 March 2017: ₹ 73.93 Lakhs 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 "Operating Segments" is not applicable.

For and on behalf of Certification Engineers International Limited

For **V.K.VERMA & CO.**	**(J. TOTLANI)**	**(S D KHERDEKAR)**	**(S.K. HANDA)**	**(J.C. NAKRA)**
Chartered Accountants	Company Secretary	Chief Executive Officer	Director	Chairman
Firm Regn. No. 000386N	PAN : BGIPK9258H	PAN : ADQPK1440B	DIN : 07223761	DIN : 07676468

Vivek Kumar
Partner
Membership No. 503826
FRN No. 000386N

Place : New Delhi
Date : May 23, 2018

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 2018.

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2018 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 23 May 2018.

I, on 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 Certification Engineers International Limited for the year ended 31 March 2018. 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 behalf of the
Comptroller and Auditor General of India

N. Munshi

(Nandana Munshi)
Director General of Commercial Audit
& ex-officio Member, Audit Board — II,
New Delhi

Place: New Delhi
Date: 28.06.2018

Independent Auditor's Report

TO

THE MEMBERS OF
ENGINEERS INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ENGINEERS INDIA LIMITED** ("the Holding Company") and its subsidiary company (the Holding Company and its subsidiary company together referred to as "the Group") and joint ventures, comprising the consolidated Balance Sheet as at 31 March 2018, 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 Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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 of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 2018, 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. 53 to the consolidated financial statements of 31 March 2018, regarding claim of the contractor for ₹ 40,960.75 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 subsidiary company, whose financial statements reflect total assets of ₹ 8907.67 lakhs as of 31 March 2018, total revenues of ₹ 5439.05 lakhs, total net profit after tax of ₹ 1245.05 and total comprehensive income of ₹ 1251.57 lakhs for the year ended on that date, and financial statements of 3 joint ventures in which Group's share of net loss is ₹ 3.52 lakhs for the year ended 31 March, 2018, as considered in the consolidated financial statements. Joint Venture entities M/s Jabal Eiliot Co. Ltd. and M/s TEIL projects Ltd. are under process of wind up. These financial statements (except M/s Jabal Eiliot Co. Ltd. and M/s TEIL projects Ltd. which are unaudited) have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary company and 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 subsidiary company and joint ventures, is based solely on the reports of the other auditors and unaudited information/Liquidator's Statement provided by the management in respect of unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of 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 financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding company as on 31 March 2018 taken on record by the Board of Directors of the Holding company, the reports of the statutory auditors of its subsidiary company and joint venture companies incorporated in India and certification of management regarding unaudited joint venture incorporated in India, none of the directors of the Group companies, and joint venture companies incorporated in India is disqualified as on 31 March 2018 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"** which is based on the auditor's reports of the Company, its subsidiary company and joint ventures, incorporated in India and certification of management regarding unaudited joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

(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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. the consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group and joint ventures. -refer note no. 40 to the consolidated financial statements of 31 March 2018;

   ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. -refer note no. 55 to the consolidated financial statements of 31 March 2018;

   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.

   iv. the reporting on disclosure relating to Specified Bank Notes is not applicable for the year ended 31 March 2018.

For Arun K Agarwal & Associates
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
Arun Agarwal
(Partner)
M. No. 082899

Place: New Delhi
Date: 25 May 2018

Annexure - A to the Auditors' Report

Referred to Paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **ENGINEERS INDIA LIMITED** ("the Holding Company"), its subsidiary company (the Holding Company and its subsidiary company 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 company 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 these entities 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 Holding Company, its subsidiary company and its joint venture companies incorporated in India, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiary company and joint ventures companies incorporated in India, 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 and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company 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 2018, 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 its subsidiary company and joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and certification of management regarding unaudited joint venture incorporated in India.

For Arun K Agarwal & Associates
Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-
Arun Agarwal
(Partner)
M. No. 082899

Place: New Delhi
Date: 25 May 2018

Consolidated Balance Sheet

AS AT 31 MARCH, 2018

(₹ in Lakhs)

	Note		31 March 2018	31 March 2017
Assets				
Non-current assets				
Property, plant and equipment	4		22,259.68	22,763.86
Capital work-in-progress	4		2,340.79	1,810.11
Investment property	5		2,882.21	3,707.16
Other intangibles assets	6	A	588.58	741.95
Intangible assets under development	6	B	2,844.04	3,762.27
Investments accounted using equity method	7	A	21,718.83	15,159.67
Financial assets				
Loans	8	A	3,388.55	3,123.10
Other financial assets	9	A	145.71	132.27
Deferred tax assets (net)	10		30,488.24	26,732.38
Non-current tax assets (net)	11		319.94	736.75
Other non-current assets	12	A	973.02	789.36
Total non-current assets			**87,949.59**	**79,458.88**
Current assets				
Inventories	13		112.72	108.92
Financial assets				
Investments	7	B	2,501.60	38,123.21
Trade receivables	14		56,191.27	39,861.29
Cash and cash equivalents	15		3,031.43	15,884.87
Other bank balances	16		2,50,682.57	2,19,896.49
Loans	8	B	1,275.17	1,339.87
Other financial assets	9	B	35,825.44	38,688.55
Other current assets	12	B	13,823.71	6,231.37
Total current assets			**3,63,443.91**	**3,60,134.57**
Total assets			**4,51,393.50**	**4,39,593.45**
Equity and liabilities				
Equity				
Equity share capital	17		31,595.58	33,693.67
Other equity	18		2,02,526.67	2,50,791.84
Equity attributable to the owners of the parent company			**2,34,122.25**	**2,84,485.51**
Non-controlling interests			-	-
Total equity			**2,34,122.25**	**2,84,485.51**
Liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	19	A	651.26	132.57
Provisions	20	A	1,216.02	1,171.19
Other non-current liabilities	21	A	861.02	1,222.95
Total non-current liabilities			**2,728.30**	**2,526.71**
Current liabilities				
Financial liabilities				
Trade payables	22		21,708.41	22,294.00
Other financial liabilities	19	B	41,938.04	29,819.28
Other current liabilities	21	B	1,02,957.41	48,743.20
Provisions	20	B	46,700.78	45,612.42
Current tax liabilities (net)	23		1,238.31	6,112.33
Total current liabilities			**2,14,542.95**	**1,52,581.23**
Total equity and liabilities			**4,51,393.50**	**4,39,593.45**

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 68

This is the consolidated balance sheet referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Consolidated statement of profit and loss

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

	Note	31 March 2018	31 March 2017
Revenue			
Revenue from operations	24	1,82,431.33	1,47,972.59
Other income	25	17,617.91	22,243.40
Total revenue		**2,00,049.24**	**1,70,215.99**
Expenses			
Techincal assistance/sub-contracts	26	21,058.79	16,694.08
Construction materials and equipments	27	9,979.83	6,300.80
Employee benefits expenses	28	77,103.51	75,259.02
Finance costs	29	58.47	318.40
Depreciation and amortisation expense	30	2,399.50	2,270.44
Other expenses	31	31,539.79	18,289.15
Total expenses		**1,42,139.89**	**1,19,131.89**
Profit before tax		**57,909.35**	**51,084.10**
Less: Tax expense	32		
Current tax		22,261.47	22,050.52
Earlier years tax adjustments (net)		533.67	(6.44)
Deferred tax		(3,220.31)	(3,980.29)
Profit after tax		**38,334.52**	**33,020.31**
Less: share of (loss) in joint venture entities		(3.52)	(19.83)
Profit for the year		**38,331.00**	**33,000.48**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses) on defined benefit plans		658.07	(3,550.00)
Income tax relating to items that will not be reclassified to profit and loss		(206.78)	1,228.58
Items that will be reclassified to profit and loss			
Exchange differences on translation of foreign operations		22.65	21.14
Income tax relating to items that will be reclassified to profit and loss		(7.81)	(7.32)
Total comprehensive income for the year		**38,797.13**	**30,692.88**
Profit for the year attributable to			
Owners of the Parent Company		38,331.00	33,000.48
Non-controlling interests		-	-
		38,331.00	**33,000.48**
Other comprehensive income attributable to			
Owners of the Parent Company		466.13	(2,307.60)
Non-controlling interests		-	-
		466.13	**(2,307.60)**
Total comprehensive Income for the year attributable to			
Owners of the Parent Company		38,797.13	30,692.88
Non-controlling interest		-	-
		38,797.13	**30,692.88**
Earnings per equity share (Face value ₹ 5 per share)	33		
Basic (₹)		5.92	4.90
Diluted (₹)		5.92	4.90
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.	1 to 68		

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
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Consolidated Statement of Changes in Equity

AS AT 31 MARCH, 2018

A Equity share capital*

(₹ in Lakhs)

Particulars	Opening balance as at 1 April 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	Changes in equity share capital during the year	Redemption of equity share capital during the year (Buy Back of Shares)	Balance as at 31 March 2018
Equity share capital	16,846.84	16,846.83	-	33,693.67	-	(2,098.09)	31,595.58

During the year, pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the Parent company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017. Post buyback the parent company equity share capital as on 31 March 2018 is ₹ 31595.58 lakhs comprising of fully paid up 63,19,11,420 equity share having face value of ₹ 5/- each . The parent company has funded the buyback from its General Reserve. In accordance with section 69 of the Companies Act, 2013, the parent company has created 'Capital Redemption Reserve' of ₹ 2098.09 lakhs equal to the nominal value of the shares bought back as an appropriation from general reserve.

B Other equity**

(₹ in Lakhs)

Description	Reserves and surplus						Other comprehensive income			Total
	General reserve	Capital Redemption reserve	Capital Reserve on Consolidation	Retained earnings	CSR activity reserve	Corpus for Medical Benefits for Employees retired prior to 01.01.2007	Exchange difference on translation of foreign operation	Remeasurement of defined benefit plans	Attributable to Non Controlling Interest	
Balance as at 1 April 2016	**2,52,870.51**	**-**	**80.00**	**9,839.33**	**2,791.29**	**-**	**9.57**	**(244.76)**	**-**	**2,65,345.96**
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)
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	**2,36,023.68**	**-**	**80.00**	**14,511.19**	**2,719.75**	**-**	**23.39**	**(2,566.18)**	**-**	**2,50,791.84**
Profit for the year	-	-	-	38,331.00	-	-	-	-	-	38,331.00
Other comprehensive income	-	-	-	-	-	-	22.65	658.07	-	680.72

(₹ in Lakhs)

Description	Reserves and surplus						Other comprehensive income			Total
	General reserve	Capital Redemption reserve	Capital Reserve on Consoli dation	Retained earnings	CSR activity reserve	Corpus for Medical Benefits for Employees retired prior to 01.01.2007	Exchange difference on translation of foreign operation	Remea sure ment of defined benefit plans	Attributable to Non Controlling Interest	
Income tax related to items of other comprehensive income	-	-	-	-	-	-	(7.81)	(206.78)	-	(214.59)
Buy Back of equity shares	(65,879.99)	2,098.09	-	-	-	-	-	-	-	(63,781.90)
Transaction Cost of Buy Back	-	-	-	(501.12)	-	-	-	-	-	(501.12)
Dividend ncluding tax impact (refer note 37)	-	-	-	(22,816.96)	-	-	-	-	-	(22,816.96)
Share Issue Expenses	-	-	-	(16.06)	-	-	-	-	-	(16.06)
Change in Ownership interest in Joint Venture	-	-	-	53.74	-	-	-	-	-	53.74
Transfer from retained earnings	10,907.16	-	-	(13,569.16)	944.85	1,717.15	-	-	-	-
Transfer to retained earnings	-	-	-	2,216.07	(1,505.26)	(710.81)	-	-	-	-
Balance as at 31 March 2018	**1,81,050.85**	**2,098.09**	**80.00**	**18,208.70**	**2,159.34**	**1,006.34**	**38.24**	**(2,114.89)**	**-**	**2,02,526.67**

**Refer note 17 for details*
***Refer note 18 for details*

This is the consolidated statement of changes in equity referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

		31 March 2018	31 March 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	57,909.35	51,084.10
	Adjustments for:		
	Depreciation and amortisation expense	2,399.50	2,270.44
	Fixed assets written off	5.74	3.33
	Deposits written off	1.86	14.47
	Bad debts written off	84.78	55.91
	Dry well written off	1,961.77	193.59
	Allowance for expected credit losses - trade receivables and advances (net)	2,613.22	1,365.47
	(Reversal of provision)/provision for contractual obligations (net)	6,403.51	(1,781.87)
	(Reversal of provision)/provision for expected losses (net)	(339.10)	(791.61)
	Interest expense	58.47	318.40
	(Profit)/loss on sale of fixed assets	(4.93)	(9.77)
	Interest income	(13,182.28)	(20,912.80)
	Loss/(gain) on modification of employee advances	6.68	105.83
	Amortization of deferred income	(60.13)	(40.08)
	Capital gain on redemption of investments in mutual funds	(27.73)	(0.86)
	Dividend income	(1,348.59)	(248.08)
	Operating profit before working capital changes	**56,482.12**	**31,626.47**
	Movement in working capital		
	(Increase)/decrease in current and non-current loans	(228.61)	(161.92)
	(Increase)/decrease in inventories	(3.80)	(3.41)
	(Increase)/decrease in other current and non current financial assets	2,814.01	(347.09)
	(Increase)/decrease in other current and non-current assets	(7,614.57)	(1,463.96)
	(Increase)/decrease in trade receivables	(18,970.47)	(3,450.95)
	Increase/(decrease) in other current and non-current financial liabilites	6,338.10	1,368.79
	Increase/(decrease) in current and non-current provisions	(4,273.15)	9,737.27
	Increase/(decrease) in other current and non-current liabilites	53,912.41	930.01
	Increase/(decrease) in trade payables	(585.59)	2,025.28
	Cash flow from operating activities post working capital changes	**87,870.45**	**40,260.49**
	Income tax paid (net)	(27,991.62)	(16,619.95)
	Net cash flow from operating activities (A)	**59,878.83**	**23,640.54**

Consolidated Cash Flow Statement (Cont.)

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lakhs)

		31 March 2018	31 March 2017
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and investment property (including capital work-in-progress)	(2,907.59)	(4,549.08)
	Sale of fixed assets	10.40	27.96
	Interest received	14,157.31	21,461.10
	Dividend received	1,348.59	248.08
	Investment in liquid plans of mutual funds (net)	35,649.34	(36,741.68)
	Fixed deposit placed with banks having original maturity of more than three months	(2,36,096.11)	(1,98,792.01)
	Fixed deposit with banks matured having original maturity of more than three months	2,10,828.86	2,51,000.81
	Investment in joint ventures (net of equity pick up impact)	(6,525.00)	(12,950.00)
	Net cash flows from investing activities (B)	**16,465.80**	**19,705.18**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividend paid (including tax)	(22,816.96)	(28,388.36)
	Buy Back of Shares (including transaction cost)	(66,381.11)	-
	Net cash used in financing activities (c)	**(89,198.07)**	**(28,388.36)**
	Increase/(decrease) in cash and cash equivalents (A+B+C)	(12,853.44)	14,957.36
	Cash and cash equivalents at the begining of the year (refer note 15)	15,884.87	927.51
	Cash and cash equivalents at the end of the year (refer note 15)	**3,031.43**	**15,884.87**

This is the consolidated cash flow statement referred to in our report of even date.

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

Summary of significant accounting policies to the Consolidated financial statements for the year ended 31 March 2018

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') and relevant amended rules issued thereafter. The Group has uniformly applied the accounting policies during the period presented.

Effective from 1 April 2016, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The consolidated financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 25 May 2018.

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 2018 and are summarised as below.

B. BASIS OF CONSOLIDATION

The Group financial statements comprise those of the Parent Company, its subsidiary and joint venture entities as at 31 March 2018. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies –

(a) power over the investee;

(b) exposure, or rights to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect the amount of the investors' returns.

The particulars of subsidiaries considered in the consolidated financial statements are as under:

S.No.	Name of the Entity	Country of Incorporation	Relationship	31 March 2018	31 March 2017
1	Certification Engineers International Limited	India	Subsidiary	100%	100%

All of its group entities have a reporting date of 31 March except for Jabal Eiliot Co. Ltd. (Foreign Joint Venture Company) which had 31 December as their reporting date.

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 Company is in the process of dissolution and part capital had already been repatriated in earlier years and there had been no transaction during the current financial year.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

C. INVESTMENT IN JOINT VENTURES AND JOINT OPERATIONS

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

The particulars of joint venture considered in the consolidated financial statements are as under:

S.No.	Name of the Entity	Country of Incorporation	Relationship	31 March 2018	31 March 2017
1	TEIL Projects Limited (Under Liquidation)	India	Joint Venture	50%	50%
2	Jabal Eiliot Co. Ltd. (Under Dissolution)	Saudi Arabia	Joint Venture	33.33%	33.33%
3	Ramagundam Fertilizers & Chemicals Limited	India	Joint Venture	36.3202%	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:

S.No.	Name of the Entity	Country of Incorporation	Relationship	31 March 2018	31 March 2017
1	Petroleum India International (Association of Person (AOP))	India	Joint Operation	9.50%	9.51%
2	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11	India	Joint Operation	20%	20%
3	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8	India	Joint Operation	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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

The Group is evaluating the impact of this amendment on its financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

  The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be not material.

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 2018

Note: 4 Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building	Plant and machinery	Computer hardware	Furniture, fxtures and office construction equipments	Vehicles	Library books	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 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**	-
Reclassification to investment property due to change in use	-	-	(4.42)	-	-	-	-	-	**(4.42)**	-
Exchange difference on translation of foreign operation	-	-	(0.77)	-	(4.75)	(10.38)	-	-	**(15.90)**	-
Disposals/assets written off	-	-	(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**	**-**
Additions	-	-	208.63	39.36	388.76	58.36	0.14	0.34	**695.59**	-
Reclassification from investment property due to change in use	0.18	-	762.92	-	-	20.93	-	-	**784.03**	
Exchange difference on translation of foreign operation	-	-	0.01	-	(12.60)	(13.73)	-	-	**(26.32)**	-
Disposals/assets written off/ Adjustment	-	-	(11.54)	-	(4.79)	(9.08)	-	(0.09)	**(25.50)**	-
Balance as at 31 March 2018	**297.91**	**1,489.33**	**20,797.29**	**86.88**	**3,385.61**	**1,835.18**	**3.68**	**5.89**	**27,901.77**	**-**
Accumulated depreciation										
At 1 April 2016	-	21.45	838.15	-	731.50	267.31	0.70	2.44	**1,861.54**	-
Charge for the year	-	21.46	854.11	0.03	743.55	241.43	0.72	3.20	**1,864.50**	-
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	**-**	**42.91**	**1,687.71**	**0.03**	**1,468.11**	**504.30**	**1.42**	**5.64**	**3,710.11**	-

(₹ in Lakhs)

Particulars	Freehold land	Leasehold land*	Building	Plant and machinery	Computer hardware	Furniture, fxtures and office construction equipments	Vehicles	Library books	Total	Capital work-in-progress
Charge for the year	-	21.44	881.65	3.35	729.93	240.73	0.65	0.34	**1,878.09**	-
Reclassification from investment property due to change in use	-	-	78.63	-	-	6.26	-	-	**84.89**	-
Exchange difference on translation of foreign operation	-	-	(0.07)	-	(13.70)	(13.31)	-	-	**(27.08)**	-
Adjustments for disposals	-	-	(0.86)	-	(0.80)	(2.18)	-	(0.09)	**(3.93)**	-
Balance as at 31 March 2018	**-**	**64.35**	**2,647.06**	**3.38**	**2,183.54**	**735.80**	**2.07**	**5.89**	**5,642.09**	**-**
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**
Net book value as at 31 March 2018	**297.91**	**1,424.98**	**18,150.23**	**83.50**	**1,202.07**	**1,099.38**	**1.61**	**-**	**22,259.68**	**2,340.79**

**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 2017: ₹ 0.44 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).

Note : 5 Investment property

(₹ in Lakhs)

	Freehold land	Leasehold land*	Building and related fixtures /assets	Total
Gross carrying amount				
At 1 April 2016	0.35	264.53	3,773.68	**4,038.56**
Additions	-	-	7.15	**7.15**
Reclassification from property, plant and equipment due to change in use	-	-	4.42	**4.42**
Disposals/assets written off	-	-	(16.75)	**(16.75)**
Balance as at 31 March 2017	**0.35**	**264.53**	**3,768.50**	**4,033.38**
Additions	-	-	10.16	**10.16**
Reclassification to property, plant and equipment due to change in use	(0.18)	-	(783.85)	**(784.03)**
Disposals/assets written off	-	-	(6.65)	**(6.65)**
Balance as at 31 March 2018	**0.17**	**264.53**	**2,988.16**	**3,252.86**
Accumulated depreciation				
At 1 April 2016	-	0.71	160.60	**161.31**
Charge for the year	-	0.71	163.83	**164.54**
Reclassification from property, plant and equipment due to change in use	-	-	0.65	**0.65**
Adjustments for disposals	-	-	(0.28)	**(0.28)**
Balance as at 31 March 2017	-	**1.42**	**324.80**	**326.22**
Charge for the year	-	0.71	129.13	**129.84**
Reclassification to property, plant and equipment due to change in use	-	-	(84.89)	**(84.89)**
Adjustments for disposals	-	-	(0.52)	**(0.52)**
Balance as at 31 March 2018	**-**	**2.13**	**368.52**	**370.65**
Net book value as at 31 March 2017	**0.35**	**263.11**	**3,443.70**	**3,707.16**
Net book value as at 31 March 2018	**0.17**	**262.40**	**2,619.64**	**2,882.21**

**Refer note 39A for details*

(i) Amounts recognised in statement of profit and loss for investment properties

(₹ in lakhs)

	31 March 2018	31 March 2017
Rental income	2,102.31	554.75
Less:		
Direct operating expenses generating rental income	482.90	72.57
Direct operating expenses that did not generate rental income	146.69	503.29
Profit/(Loss) from leasing of investment properties	**1,472.72**	**(21.11)**

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 39B(C) for details.

(iii) Fair value of investment property

Description	Fair Value (₹ in Lakhs)	
	31 March 2018	31 March 2017
Residential flats	6,601.89	6,144.56
Land and building	31,766.08	36,004.59
Office premises	706.42	693.00

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuations for its investment properties annually and fair value measurement has been categorised as Level 3. The fair valuation has been carried out using current prices in an active market for similar properties (market approach) and under replacement cost method (cost approach).

Note : 6A Other intagible assets

(₹ in Lakhs)

	Computer software	Total
Gross carrying amount		
At 1 April 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**
Additions	236.18	**236.18**
Exchange difference on translation of foreign operation	0.08	**0.08**
Disposals/assets written off	-	**-**
Balance as at 31 March 2018	**1,742.46**	**1,742.46**
Accumulated amortisation		
At 1 April 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**
Amortisation charge for the year	391.57	**391.57**
Exchange difference on translation of foreign operation	(1.94)	**(1.94)**
Adjustments for disposals	-	**-**
Balance as at 31 March 2018	**1,153.88**	**1,153.88**
Net book value as at 31 March 2017	**741.95**	**741.95**
Net book value as at 31 March 2018	**588.58**	**588.58**

Note : 6B Intangible assets under development

(₹ in Lakhs)

	Exploration and evaluation assets	Total
Gross carrying amount		
At 1 April 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**
Additions	1,043.54	**1,043.54**
Disposals/assets written off	(1,961.77)	**(1,961.77)**
Balance as at 31 March 2018	**2,844.04**	**2,844.04**

(₹ in Lakhs)

	31 March 2018	31 March 2017
Note : 7		
A Investments accounted using equity method		
Equity instruments		
Investment in joint venture companies (unquoted)		
TEIL Projects Limited	9.95	12.18
5,500,000 (previous year 31 March 2017: 5,500,000) equity shares of ₹ 10 each fully paid up		
Jabal Eiliot Co. Ltd.	-	-
500,000 (previous year 31 March 2017: 500,000) shares of SR 10 each fully paid up		
Ramagundam Fertilizers and Chemicals Limited*	21,708.88	15,147.49
218,690,002 (previous year 31 March 2017: 125,440,004) equity shares of ₹ 10 each fully paid up		
Grand total	**21,718.83**	**15,159.67**
Aggregate book value of unquoted investments	21,718.83	15,159.67

** Includes share application money for Nil shares of ₹ 10 each fully paid (Previous Year 31 March 2017 : 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)*

	31 March 2018	31 March 2017
B Investments - current		
Liquid plan of mutual funds (quoted)		
BOI AXA Liquid Fund - Direct Plan Nil units (Previous year 31 March 2017: 1,067,606.675 units)	-	10,704.34
Daily dividend re-investment of ₹1,000 each (31 March 2017: NAV - ₹1,002.6483)		
UTI - Liquid Cash Plan - Institutional - Direct Plan Nil units (Previous year 31 March 2017: 2,664,372.376 units)	-	27,161.83
Daily dividend re-investment of ₹ 1,000 each (31 March 2017: NAV - 1,019.4457)		
UTI Treasury Advantage Fund - Nil units (Previous Year 31 March 2017: 25,609.07 units)	-	257.04
Daily dividend re-investment of ₹ 1,000 each		
IDBI Liquid Fund - Direct Plan 249,572.165 units(Previous year 31 March 2017: Nil units)	2501.60	-
Daily dividend re-investment of ₹1,000 each (31 March 2018: NAV - ₹1,002.3548)		
	2,501.60	**38,123.21**
Aggregate book value of quoted investments	2,501.60	38,123.21
Aggregate market value of quoted investments	2,501.60	38,123.21

(₹ in Lakhs)

	31 March 2018	31 March 2017
Note : 8		
A Loans - non-current		
(Considered good unless otherwise stated)		
Secured		
Loans to employees	1,340.54	1,207.34
Unsecured		
Security deposits	115.25	110.74
Loans to related parties:		
Loans to key managerial personnel	3.66	4.29
Loans to employees	1,929.10	1,800.73
	3,388.55	**3,123.10**
B Loans - current		
(Considered good unless otherwise stated)		
Secured		
Loans to employees	236.81	233.22
Unsecured		
Loans to related parties:		
Loans to other key managerial personnel	0.75	0.75
Loans to employees	620.55	583.20
Security deposits		
Considered good	417.06	522.70
Considered doubtful	4.23	0.69
	1,279.40	**1,340.56**
Less: Allowance for expected credit losses	(4.23)	(0.69)
	1,275.17	**1,339.87**

Note :9

	31 March 2018	31 March 2017
A Other financial asset - non-current		
Bank deposits with maturity more than 12 months	145.71	129.87
Others	-	2.40
	145.71	**132.27**

(i) The above includes bank deposits ₹ 139.50 lakhs (previous year 31 March 2017: ₹ 126.21 lakhs) held as margin money/security against bank guarantees.

(ii) The above also includes interest accrued on bank deposits of ₹ 6.20 lakhs (previous year 31 March 2017: ₹ 3.66 lakhs)

(₹ in Lakhs)

		31 March 2018	31 March 2017
B	**Other financial assets - current**		
	(Unsecured, considered good unless otherwise stated)		
	Retention against contracts	596.65	1,636.56
	Work-in-progress*		
	Considered good	218.63	787.07
	Considered doubtful	179.56	179.56
	Unbilled revenue**		
	Considered good	31,777.87	32,052.22
	Considered doubtful	51.77	-
	Balances against joint venture entities	833.00	833.00
	Others		
	Considered good	2,399.29	3,379.70
	Considered doubtful	2.40	2.67
		36,059.17	**38,870.78**
	Less: Allowance for expected credit losses	(233.73)	(182.23)
		35,825.44	**38,688.55**

*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 2018	31 March 2017
Deferred tax assets (net)		
Deferred tax assets arising on:		
Employee benefits:		
Provision for leave encashment	5,603.59	7,059.44
Provision for post retirement medical benefits	6,863.81	6,097.48
Provision for other benefits on retirement	93.95	99.29
Provision for long service awards	215.48	223.31
Provision for employee related expenses allowed on payment basis	4,195.69	3,258.36
Provision for contractual obligations	11,641.27	9,313.21
Provision for estimated losses	130.75	246.85
Provision for doubtful debts and advances	3,809.83	2,883.22
Others:		
Provision for loss in joint venture	173.01	170.83
Amortised cost financial instruments	46.71	35.53
Foreign currency translation reserve	3.28	9.24
Deferred tax liabilities arising on:		
Depreciation	(2,289.13)	(2,131.33)
Others		
Income under service export of India scheme	-	(533.05)
	30,488.24	**26,732.38**

Movement in abovementoned deferred tax assets and liabilites (₹ in lakhs)

Partculars	1 April 2016	Recognised in other comprehensive income	Recognised in statement of proft and loss	31 March 2017	Recognised in other comprehensive income	Recognised in statement of proft and loss	31 March 2018
Assets							
Employee benefits	10,736.99	1,228.45	4,772.44	16,737.88	541.50	(306.86)	16,972.52
Provision for contractual obligations	9,929.89	-	(616.68)	9,313.21	-	2,328.06	11,641.27
Provision for estimated losses	520.82	-	(273.97)	246.85	-	(116.10)	130.75
Trade receivables	2,413.55	-	469.67	2,883.22	-	926.61	3,809.83
Others	171.84	-	43.76	215.60	(5.95)	13.35	223.00
Deferred tax liabilities arising on:							
Depreciation	(1,725.67)	-	(405.66)	(2,131.33)	-	(157.80)	(2,289.13)
Others	(533.88)	10.10	(9.27)	(533.05)	-	533.05	-
Total	**21,513.54**	**1,238.55**	**3,980.29**	**26,732.38**	**535.55**	**3,220.31**	**30,488.24**

(₹ in Lakhs)

	31 March 2018	31 March 2017
Note :11		
Non-current tax assets (net)		
Advance income tax (net of provision for taxation amounting to ₹ 1111.06 lakhs (previous year 31 March 2017: ₹ 29,798.02 lakhs)	308.11	724.92
Advance fringe benefit tax	11.83	11.83
	319.94	**736.75**
Note :12		
A Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	189.93	40.53
Prepaid expense and rent advance	783.09	748.83
	973.02	**789.36**
B Other current assets		
(Unsecured, considered good unless otherwise stated)		
Advances to vendors/contractors		
Considered good	10,441.50	4,701.34
Considered doubtful	5.05	2.58
Prepaid expenses	507.34	576.88
Deposit with statutory authorities	2,545.67	653.33
Assets held for sale (refer note 65)	0.44	0.44
Claims receivable		
Considered good	0.60	12.93
Considered doubtful	10.05	10.05
Advances to employees		
Considered good	323.61	282.06
Considered doubtful	1.36	1.36
Other advances	4.55	4.39
	13,840.17	**6,245.36**
Less: Impairment of non-financial assets	(16.46)	(13.99)
	13,823.71	**6,231.37**

(₹ in Lakhs)

	31 March 2018	31 March 2017
Note :13		
Inventories		
(lower of cost or net realizable value)		
Stores, spares and chemicals in hand	112.72	108.92
	112.72	**108.92**
Note - 14		
Trade receivables		
Trade receivable		
Considered good	56,191.27	39,861.29
Considered doubtful	10,698.25	8,142.54
	66,889.52	**48,003.83**
Less: Allowance for expected credit loss	(10,698.25)	(8,142.54)
	56,191.27	**39,861.29**
Note - 15		
Cash and cash equivalents		
Balances with banks in current account*	1,137.03	1,991.21
Banks deposits having maturity of less than three months**	1,889.60	13,885.28
Cash and stamps on hand*	4.80	8.38
	3,031.43	**15,884.87**

** Includes ₹ 65.12 lakhs(previous year 31 March 2017: ₹ 102.99 lakhs) in currencies which are not repatriable.*

*** Includes interest accrued on bank deposits ₹0.88 lakhs (previous year 31 March 2017: ₹ 1.28 lakhs)*

	31 March 2018	31 March 2017
Note - 16		
Other bank balances		
Unpaid dividend account	78.56	139.12
Amount held on behalf of clients	11,608.99	5,031.33
Banks deposits having maturity of more than three months but are due for maturity within twelve months from balance sheet date (refer notes below)	2,38,995.02	2,14,726.04
	2,50,682.57	**2,19,896.49**

Notes:

(i) Includes bank deposits having more than twelve months original maturity of ₹ 23028.41 Lakhs (previous year 31 March 2017: ₹ 52,920.64 lakhs)

(ii) Includes bank deposits ₹ 8557.28 Lakhs (previous year 31 March 2017: ₹ 12471.75 lakhs) held as margin money/security against bank guarantees.

(iii) Includes interest accrued on bank deposits ₹ 3208.63 lakhs (previous year 31 March 2017: ₹ 4,159.76 lakhs)

(₹ in Lakhs)

	31 March 2018	31 March 2017

Note - 17

	31 March 2018	31 March 2017
Equity share capital		
Authorised share capital		
800,000,000 (previous year 31 March 2017: 800,000,000) equity shares of par value of ₹ 5 each	40,000.00	40,000.00
	40,000.00	**40,000.00**
Issued share capital		
631,992,420 (previous year 31 March 2017: 673,954,200) equity shares of par value of ₹ 5 each	31,599.62	33,697.71
	31,599.62	**33,697.71**
Subscribed and paid up		
631,911,420 (previous year 31 March 2017: 673,873,200) equity shares of par value of ₹ 5 each	31,595.57	33,693.66
Add: Forfeited shares	0.01	0.01
Amount originally paid up on 2,600 equity shares of par value of ₹ 5 each (previous year 31 March 2017: 2,600 equity shares of par value of ₹ 5 each)		
	31,595.58	**33,693.67**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares	**Number**	**Number**
Shares outstanding at the beginning of the year	67,38,73,200	33,69,36,600
Add : bonus shares issued during the year	-	33,69,36,600
Less : buy back of shares during the year	4,19,61,780	-
Shares outstanding at the end of the year	**63,19,11,420**	**67,38,73,200**

b) Details of shareholders holding more than 5% equity shares in the Parent Company

Name of shareholders	**Number**	**Number**
President of India	32,86,89,731	38,42,24,594
	52.02%	57.02%
ICICI Prudential Value Fund - Series -1	3,81,02,586	1,00,11,345
	6.03%	1.49%

c) Other disclosures

Aggregate number of equity shares having par value of ₹ 5 each allotted as fully paid up by way of bonus share during the period of five years immediately preceding the Balance sheet date	33,69,36,600	33,69,36,600
Aggregate number of equity shares having par value of ₹ 5 each has been bought back by way of buy back during the period of five years immediately preceding the Balance sheet date	4,19,61,780	-

d) Terms and rights attached to equity shares

The Parent Company is having only one class of equity shares having par value of ₹ 5 each. Each Shareholder is eligible for one vote per share held. The Dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation, Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

Note :18

Nature and purpose of other reserves

General Reserve

General reserve is created out of the accumulated profits as per the provisions of Companies Act.

Capital Reserve on Consolidation

On acquisition of investments in subsidiaries by the Parent Company at different point in time, it has resulted in capital reserve on consolidation.

Capital Redemption Reserve

The Company has created Capital Redemption Reserve out of free reserves, a sum equal to the nominal value of the shares purchased,transferred to the capital redemption reserve account and details of such transfer disclosed in the balance sheet as per the provisions of the Companies Act.

Retained Earnings

All the profits made by the Group are transferred to retained earnings from the statement of profit and loss.

CSR Activity Reserve

The Group is required to create the CSR Activity Reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility and provisions of the Companies Act, 2013 and rules made thereunder.

Corpus for Medical Benefits for Employees retired prior to 01.01.2007

The Company has created separate corpus of medical benefits to retired employees who have retired prior to 01.01.2007 in terms of DPE guidelines

Other Comprehensive Income

Other comprehensive income represents balance arising on account of translation of foreign operation and gain/(loss) booked on re measurement of defined benefit plans.

		31 March 2018	31 March 2017
Note - 19			
A	**Other financial liabilities - non-current**		
	Security deposits and retentions	651.26	132.57
		651.26	**132.57**
B	**Other financial liabilities - Current**		
	Security deposits and retentions	20,011.83	17,881.06
	Capital creditors	1,799.45	2,063.36
	Accrued employees benefits	7,606.21	3,871.41
	Unpaid dividend*	78.56	139.12
	Amount held on behalf of clients	11,608.99	5,031.33
	Other liabilities against joint venture entities	833.00	833.00
		41,938.04	**29,819.28**

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

		31 March 2018	31 March 2017
Note - 20			
A	**Provisions - non-current**		
	Employees' post retirement/long-term benefits	1,216.02	1,171.19
		1,216.02	**1,171.19**
B	**Provisions - current**		
	Employees' post retirement/long-term benefits	12,775.16	17,751.67
	Provision for contractual obligations	33,460.89	27,057.38
	Provision for expected losses	374.18	713.28
	Provision for corporate social responsibility	90.55	90.09
		46,700.78	**45,612.42**

(₹ in Lakhs)

		31 March 2018	31 March 2017

Note - 21

		31 March 2018	31 March 2017
A	**Other non-current liabilities**		
	Advances received from clients	845.35	1,213.74
	Deferred income	15.67	9.21
		861.02	**1,222.95**
B	**Other current liabilities**		
	Advances received from clients	3,016.68	3,714.21
	Income received in advance*	88,427.45	42,260.68
	Service tax / GST payable	4,073.73	18.83
	Withholding for employees including employers contribution	2,773.97	1,228.56
	Withholding for income taxes	4,415.06	1,296.90
	Deferred income	65.93	16.18
	Other liabilities	184.59	207.84
		102,957.41	**48,743.20**

**Represents Gross amount due to Customer for Contract Work in terms of Ind AS 11 "Construction Contracts"*

Note - 22

	31 March 2018	31 March 2017
Trade payables		
Due to Micro and Small Enterprises (refer Note 57)	1,020.56	869.26
Due to others	20,687.85	21,424.74
	21,708.41	**22,294.00**

Note - 23

	31 March 2018	31 March 2017
Current tax liabilities (net)		
Provision for taxation (net of advance tax amounting to ₹ 56799.09 lakhs (previous year 31 March 2017: ₹ 16,211.32 lakhs)	1,238.31	6,112.33
	1,238.31	**6,112.33**

(₹ in Lakhs)

		31 March 2018	31 March 2017

Note - 24

		31 March 2018	31 March 2017
I	**Revenue from operations**		
	Consultancy and engineering services	**141,044.85**	**118,162.67**
	Increase/(decrease) in work-in-progress		
	Closing work-in-progress	398.19	966.63
	Less: Opening work-in-progress	966.63	330.25
		(568.44)	**636.38**
	Other operating income		
	Income under service export from India scheme	1,125.90	815.98
	Sub-total (A)	**141,602.31**	**119,615.03**
II	**Turnkey projects**	40,829.02	28,357.56
	Increase/(decrease) in work-in-progress		
	Closing work-in-progress	-	-
	Less: Opening work-in-progress	-	-
		-	-
	Sub-total (B)	**40,829.02**	**28,357.56**
	Grand total (A+B)	**182,431.33**	**147,972.59**

Note - 25

	31 March 2018	31 March 2017
Other income		
Interest income		
Bank deposits	12,666.98	20,198.68
Loan to employees	298.58	311.48
Income-tax refunds	23.18	71.86
Others	193.54	330.78
Amortization of deferred income	60.13	40.08
Dividend income from current investments	1,348.59	248.08
Capital gain on redemption of investments in mutual funds	27.73	0.86
Funds received against research and development (netting off the utilisation)	-	-
(31 March 2018: Received ₹ 744.01 lakhs and utilised ₹ 744.01 lakhs) and 31 March 2017: Received ₹ 80.66 lakhs and utilised ₹ 80.66 lakhs)		
Profit on sale of assets	5.51	10.41
Foreign exchange difference (net)	631.18	-
Rental income	2,099.34	554.91
Miscellaneous income	263.15	476.26
	17,617.91	**22,243.40**

Note - 26

	31 March 2018	31 March 2017
Technical assistance/sub contracts	**21,058.79**	**16,694.08**

(₹ in Lakhs)

	31 March 2018	31 March 2017
Note - 27		
Construction materials and equipments	**9,979.83**	**6,300.80**
Note - 28		
Employee benefits expense		
Salaries and allowances@		
Staff	63,278.35	51,737.43
Directors	182.77	190.56
Contribution towards employees pension and provident fund and administration charges thereon		
Staff	4,930.96	4,295.41
Directors	14.51	13.59
Contribution towards employees defined contributory superannuation scheme		
Staff	2,693.46	5,114.15
Directors	6.75	16.69
Staff Welfare #		
Staff	2,981.29	3,228.27
Directors	6.02	5.23
Contribution to gratuity fund (net of contribution received from others)*	3,009.40	10,657.69
	77,103.51	**75,259.02**

@ Salaries and Allowances Includes :

a) Provision for bonus of ₹ 0.32 lakhs (previous year : ₹ 0.33 lakhs).

b) ₹ 1,825.30 lakhs (previous year : ₹3,162.72 lakhs) on account of Leave Encashment Funded Scheme with LIC of India."

 # Includes expenditure for medical benefits of ₹710.81 lakhs (previous year : ₹ 1579.74 lakhs) for employees retired prior to 01.1.2007.

**Includes Term Insurance Premium paid to LIC of India.*

	31 March 2018	31 March 2017
Note - 29		
Finance cost		
Interest expenses	12.31	294.56
Unwinding of discount on security deposit	46.16	23.84
	58.47	**318.40**
Note - 30		
Depreciation and amortization		
Depreciation on property, plant and equipment	1,878.09	1,864.50
Depreciation of investment property	129.84	164.54
Amortization of other intangible assets	391.57	241.40
	2,399.50	**2,270.44**

(₹ in Lakhs)

		31 March 2018	31 March 2017
Note - 31			
	Other expenses		
A	**Facilities**		
	Rent expense - office	565.32	579.88
	Rent - residential accommodation		
	Staff (net of recovery of ₹ 158.60 lakhs (previous year: ₹ 210.50 lakhs))	673.46	1,177.40
	Directors (net of recovery of ₹ 0.77 lakhs (previous year: ₹1.05 lakhs))	3.54	7.56
	Light, water and power	1,338.60	1,243.06
	Insurance	387.55	291.99
	Miscellaneous repair and maintenance	3,840.31	3,049.26
	Repair and maintenance of own building	283.83	97.10
	Repair and maintenance of plant and machinery	348.86	436.23
	Hire charges of office equipment	17.00	44.86
	Sub total (A)	**7,458.47**	**6,927.34**
B	**Corporate costs**		
	Bank charges	137.77	201.57
	Sitting fees to independent directors	23.47	11.74
	Advertisement for tender and recruitment	1,072.41	584.73
	Publicity	373.32	346.74
	Subscription	127.84	93.45
	Entertainment	198.75	157.28
	Remuneration to auditors*:		
	For Audit	12.54	12.54
	For Tax Audit	2.35	2.35
	Others	9.42	10.84
	Filing fee	7.85	24.51
	Legal and professional charges	685.07	429.99
	Licences and taxes	473.27	444.19
	Loss on sale of assets	0.58	0.64
	Foreign exchange difference (net)	-	20.93
	Fixed assets written off	5.74	3.33
	Sub total (B)	**3,130.38**	**2,344.83**

* Excluding remuneration for buy back amounting to ₹ 1.90 lakhs (previous year : Nil)

		31 March 2018	31 March 2017
C	**Other costs**		
	Consumables/stores/equipment - R&D Centre	19.69	26.56
	Travel and conveyance		
	Directors*	28.23	45.83
	Others	6,530.87	7,107.03
	Printing, stationery and general Office supplies	419.01	429.71
	Newspapers and periodicals	29.20	29.79
	Postage and telecommunications	501.21	537.83
	Courier, transportation and handling	165.91	40.84
	Commission to foreign agents	186.97	237.95

(₹ in Lakhs)

	31 March 2018	31 March 2017
Allowance for expected credit losses - trade receivables and advances (net)	2,613.22	1,365.47
Bad debts written off	84.78	55.91
Deposits written off	1.86	14.47
Dry well written off	1,961.77	193.59
Provision for contractual obligations (net)	6,403.51	(1,781.87)
Provision for expected losses (net)	(339.10)	(791.61)
Training Expenses		
Travel	-	6.34
Others	58.36	50.91
CSR Expenses (Refer note below)	1,505.26	1,126.35
Expenditure relating to oil and gas exploration blocks	681.37	255.88
Loss on modification of employee advances	6.68	105.83
Miscellaneous expenses	128.83	25.66
	20,987.63	**9,082.47**
Less: Inhouse expenditure relating to		
Capital works	(36.69)	(65.49)
Sub total (c)	**20,950.94**	**9,016.98**
Grand total (A+B+C)	**31,539.79**	**18,289.15**

**Includes recovery of ₹ 1.31 lakhs on account of use of car (previous year : ₹ 1.38 lakhs)*

Note:

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

(a) Gross amount required to be spent during financial year 2017-18 - ₹ 944.85 lakhs (previous year: ₹ 1,054.82 lakhs)

(b) Amount spent during the financial year ended 31 March 2018 and 31 March 2017 on:(previous year: ₹ 1,054.82 lakhs)

(₹ in Lakhs)

Particulars		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2018	609.94	27.04	636.98
	31 March 2017	106.81	47.39	154.20
(ii) On purposes other than (i) above	31 March 2018	804.77	63.51	868.28
	31 March 2017	929.45	42.70	972.15

	31 March 2018	31 March 2017
	(₹ in Lakhs)	

Note - 32

Income tax

	31 March 2018	31 March 2017
Tax expense comprises of:		
Current income tax	22,261.47	22,050.52
Earlier years tax adjustments (net)	533.67	(6.44)
Deferred tax	(3,220.31)	(3,980.29)
	19,574.83	**18,063.79**

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:

	31 March 2018	31 March 2017
Statement of profit and loss		
Accounting profit before tax	57,909.35	51,084.10
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	20,041.27	17,679.19
Adjustments in respect of current income tax		
Tax expense on account of joint control operation	0.78	3.22
Tax impact of exempted income	(465.67)	(85.85)
Tax impact of expenses which will never be allowed	344.49	480.28
Earlier years tax adjustments (net)	533.67	(6.44)
Earlier years deferred tax adjustments (net)	(803.80)	-
Effect of Differential Tax rate Subsidiary	(103.65)	-
Others	27.74	(6.61)
	19,574.83	**18,063.79**

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 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.

Pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the Parent company has bought back its 4,19,61,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017. Post buyback the Parent company's equity share capital as on 31 March 2018 is ₹ 31595.58 lakhs comprising of fully paid up 63,19,11,420 equity share having face value of ₹ 5/- each .

	31 March 2018	31 March 2017
Profit attributable to equity shareholders (Amount in ₹ lakhs)	38,331.00	33,000.48
Weighted average number of equity shares	647,661,458	673,873,200
Nominal value per share in ₹	5.00	5.00
Earnings per equity share in ₹		
Basic	5.92	4.90
Diluted	5.92	4.90

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 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Liquid plan of mutual funds	2,501.60	-	-	2,501.60
Total financial assets	**2,501.60**	**-**	**-**	**2,501.60**

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**

(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 2018		31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments - mutual funds	2,501.60	-	38,123.21	-
Trade receivables	-	56,191.27	-	39,861.29
Loans (excluding security deposits)	-	4,131.41	-	3,829.53
Other financial assets	-	35,971.15	-	38,820.82
Cash and cash equivalents	-	3,031.43	-	15,884.87
Other bank balances	-	250,682.57	-	219,896.49
Security deposits	-	532.31	-	633.44
Total financial assets	**2,501.60**	**350,540.14**	**38,123.21**	**318,926.44**

(₹in lakhs)

Particulars	31 March 2018		31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities				
Trade payables	-	21,708.41	-	22,294.00
Security deposits and retentions	-	20,663.09	-	18,013.63
Other financial liabilities	-	20,126.76	-	9,874.86
Capital creditors	-	1,799.45	-	2,063.36
Total financial liabilities	**-**	**64,297.71**	**-**	**52,245.85**

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
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables, loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

In respect of trade receivables, the Group recognises a provision for lifetime expected credit loss.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in lakhs)

Credit rating	Particulars	31 March 2018	31 March 2017
A: Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	350,540.14	318,926.44
B: Moderate credit risk	Trade receivables,loans and other financial assets	3,648.71	2,270.27
C: High credit risk	Trade receivables	7,287.50	6,069.18

ii) Concentration of trade receivables

The Group's exposure to credit risk for trade receivables is as follows -

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Chemical Fertilizer	3,509.30	3,828.85
Hydro Carbon	56,874.38	40,182.59
Infrastructure	4,534.12	3,199.80
Mettallurgy	539.38	760.55
Power	739.37	21.56
Others	692.97	10.48
Total	**66,889.52**	**48,003.83**

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 2018

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,031.43	-	3,031.43
Other bank balances	250,682.57	-	250,682.57
Loans (excluding security deposits)	4,131.41	-	4,131.41
Security deposits	536.54	4.23	532.31
Other financial assets	36,204.88	233.73	35,971.15

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

(ii) Expected credit loss for trade receivables under simplified approach

As at March 2018

(₹ in lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 -450 Days	450 - 540 Days
Gross carrying value	25,267.11	7,841.82	5,167.67	7,890.30	1,355.34	1,299.99
Expected credit loss (provision)	757.10	461.02	475.59	456.15	158.53	240.85
Carrying amount (net of impairment)	24,510.01	7,380.80	4,692.08	7,434.15	1,196.81	1,059.14

Particulars	540 - 630 Days	630-720 Days	720-1095 Days	>1095 Days
Gross carrying value	1,802.57	1,669.38	2,674.55	7,287.50
Expected credit loss (provision)	115.72	338.06	407.73	7,287.50
Carrying amount (net of impairment)	1,686.85	1,331.32	2,266.82	-

As at 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	-

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 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**
Impairment loss recognised/reversed during the year	3.54	54.17	2,563.74
Amounts written off	-	(2.67)	(8.03)
Loss allowance on 31 March 2018	**4.23**	**233.73**	**10,698.25**

(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 2018	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	21,708.41	-	-	21,708.41
Security deposits and retentions	20,022.52	694.42	29.40	20,746.34
Capital creditors	1,799.45	-	-	1,799.45
Other financial liabilities	20,126.76	-	-	20,126.76
Total	**63,657.14**	**694.42**	**29.40**	**64,380.96**

(₹ 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**

(C) Market risk

(i) Foreign exchange risk

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency. The Group does not hedge its foreign exchange receivables/payables.

Foreign currency risk exposure: **(₹ in Lakhs)**

Particulars	Currency	31 March 2018	31 March 2017
Trade payables, security deposits and retentions	AED	69.15	84.62
	USD	9,072.13	9,430.48
	EURO	28.44	173.18
	GBP	387.44	341.63
	Others	46.65	37.00
Trade receivables and security deposits			
	AED	302.27	439.89
	USD	13,221.21	8,481.46
	EURO	3,831.93	1,734.44
	GBP	1.40	1.21
	Others	96.14	150.45

(₹ in Lakhs)

Particulars	Currency	31 March 2018	31 March 2017
Cash and bank balance	AED	231.49	261.85
	USD	-	-
	EURO	-	-
	GBP	8.23	1.73
	Others	89.70	117.98

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade payables, security deposits and retentions	AED	0.69	0.83	(0.69)	(0.83)
	USD	90.72	94.88	(90.72)	(94.88)
	EURO	0.28	1.72	(0.28)	(1.72)
	GBP	3.87	3.40	(3.87)	(3.40)
	Others	0.47	0.36	(0.47)	(0.36)
Trade receivables and deposits					
	AED	3.02	4.39	(3.02)	(4.39)
	USD	132.21	84.81	(132.21)	(84.81)
	EURO	38.32	17.34	(38.32)	(17.34)
	GBP	0.01	0.01	(0.01)	(0.01)
	Others	0.96	1.50	(0.96)	(1.50)
Cash and bank balance	AED	2.31	2.61	(2.31)	(2.61)
	USD	-	-	-	-
	EURO	-	-	-	-
	GBP	0.08	0.01	(0.08)	(0.01)
	Others	0.90	1.18	(0.90)	(1.18)

(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 2018	31 March 2017
Price sensitivity		
Price increase by (3 %)- FVTPL	75.05	1,142.73
Price decrease by (3 %)- FVTPL	(75.05)	(1,142.73)

Note : 36

Capital management

The Group's objectives when managing capital are:

- To ensure Group's ability to continue as a going concern, and
- To provide adequate return to shareholder

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group are summarised as follows:

(₹ in Lakhs)

	31 March 2018	31 March 2017
Equity share capital	31,595.58	33,693.67
Other equity	2,02,526.67	250,791.84

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 2018 and 31 March 2017.

Note : 37

Dividends

(₹ in Lakhs)

Nature	31 March 2018	31 March 2017
Cash dividend on equity shares declared and paid		
Final dividend for 31 March 2017 (₹ 0 .50 per share) (previous year 31 March 2016: ₹ 2.00 per share)	3,159.69	6,738.73
Dividend distribution tax on final dividend	643.24	1,371.84
Interim dividend for 31 March 2018 (₹ 2.50 per share) (previous year 31 March 2017: ₹ 2.50 per share)	15,797.95	16,846.83
Dividend distribution tax on Interim dividend	3,216.08	3,430.96
Total	**22,816.96**	**28,388.36**

(₹ in Lakhs)

Proposed dividend on equity shares	31 March 2018	31 March 2017
Proposed Final dividend for 31 March 2018 (₹ 1.50 per share) – (previous year 31 March 2017: ₹ 0.50 per share)	9478.67	3,369.37
Dividend distribution tax on Proposed dividend	1948.37	685.92
Total	**11427.04**	**4,055.29**
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
Certification Engineers International Limited("CEIL")	India	100%	Stated at cost as per the provisions of Ind AS 27 'Separate Financial Statements'
TEIL Projects Limited("TEIL")	India	50%	
Jabal Eiliot Co. Ltd. ("JABAL")	Saudi Arabia	33.33%	
Ramagundam Fertilizers and Chemicals Limited("RFCL")	India	36.3202%	

Sl No.	Name of the Related Party	Nature of Relationship
1.	Certification Engineers International Limited(“CEIL”)	Wholly owned subsidiary
2.	TEIL Projects Limited (“TEIL”)	Joint venture company
3.	Jabal Eiliot Company Limited (“JABAL”)	Joint venture company
4.	Ramagundam Fertilizers And Chemicals Limited (“RFCL”)	Joint venture company
5.	Petroleum India International (“PII”)*	Joint operation
6.	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/8 *	Joint operation - Participating Interest 20%
7.	Oil And Gas Exploration And Production Block No. Cb-Onn-2010/11 *	Joint operation - Participating Interest 20%
8.	**Directors/key management personnel(KMP) (31 March 2018)**	
	Mr. Jagdish Chander Nakra	Chairman & Managing Director with effect from 12 February 2018 and Additional Charges - Director (Projects), Director (Technical) and Director (Finance) with effect from 13 February 2018
	Mr. Sanjay Gupta	Chairman & Managing Director and Additional Charge- Director (Finance) upto 31 October 2017
	Mr. Sandeep Poundrik	Director (Government Nominee)
	Mr. Umesh Chandra Pandey	Non-Official Independent Director
	Mr. Vipin Chander Bhandari	Director (Human resource)
	Mr. Rakesh Kumar Sabharwal	Director (Commercial)
	Mr. Vikas Khushalaro Deshpande	Non-Official Independent Director
	Dr. (Prof.) Mukesh Khare	Non-Official Independent Director
	Mrs. Arusha Vasudev	Non-Official Independent Director
	Ms. Shazia Ilmi Malik	Non-Official Independent Director
	Mr. Chaman Kumar	Non-Official Independent Director with effect from 8 September 2017
	Mr. Rajesh Kumar Gogna	Non-Official Independent Director with effect from 20 September 2017
	Ms. Sushma Taishete	Director (Government Nominee) upto 23 November 2017
	Mr. Ajay N. Deshpande	Director (Technical) and Additional Charges- Chairman & Managing Director and Director (Finance) upto 31 January 2018
	Mr. Ram Singh	Director (Finance) upto 30 April 2017
	Mr. L.K. Vijh	Director - CEIL and Ramagundam Fertilizers and Chemicals Ltd.
	Mr. S.K. Handa	Director (CEIL)
	Mr. R. Mahajan	Director (CEIL)
	Mr. R.K. Garg	Director (CEIL) upto 30 June 2017

Sl No.	Name of the Related Party	Nature of Relationship
	Mr. S.D. Kherdekar	CEO, CEIL
	Mr. Vivek Malhotra	CEO, Ramagundam Fertilizers and Chemicals Ltd. (EIL Representative)
	Mr. Rajan Kapur	Company Secretary
	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
9.	Ms. Shazia Ilmi 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

* 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 2018	363.30	0.91	-	-	-	-	364.21
	31 March 2017	359.33	29.39	-	-	-	-	388.72
Rendering of services and other transactions	31 March 2018	6,384.84	-	-	-	-	-	6,384.84
	31 March 2017	5,127.02	-	-	-	-	-	5,127.02
Bad debts written off	31 March 2018	-	-	-	-	-	-	-
	31 March 2017	-	36.00	-	-	-	-	36.00
Equity contribution	31 March 2018	6,525.00		-	-	-	-	6,525.00
	31 March 2017	12,900.0	50.00	-	-	-	-	12,950.00
(Reversal of Impairment)/impairment in value of investment	31 March 2018	-	2.23		-	-	-	2.23
	31 March 2017	-	(7.01)	2.62	-	-	-	(4.39)
Survey/ capital expenditure and other costs	31 March 2018	-	-	-	-	1,989.72	1,696.96	3,686.68
	31 March 2017	-	-	-	-	2137.01	1532.62	3,669.63
Share of Income/(Expenses)	31 March 2018	-	-	-	(2.00)	-	-	(2.00)
	31 March 2017	-	-	-	32.52	-	-	32.52

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 2018	73.61	19.56	-	146.56	543.69	249.36	1,032.78
	31 March 2017	40.70	35.84	-	148.57	332.55	227.43	785.09
Outstanding payable/retentions	31 March 2018	-	2.19	-	0.15	218.47	134.01	354.82
	31 March 2017	-	8.46	-	0.17	116.75	-	125.38
Intangible assets under development & PPE	31 March 2018	-	-	-	0.03	1,372.40	1,478.70	2,851.13
	31 March 2017	-	-	-	0.03	1,893.44	1,875.88	3,769.35

Transactions and balances pertaining to KMP's **(₹ in Lakhs)**

Particulars	31 March 2018	31 March 2017
Transaction during the year		
Remuneration/sitting fees	273.26	237.81
Rent paid for residential accommodation	3.54	7.34
Interest income on loans given	0.22	0.26
Balance as at year end		
Outstanding loans, interest and other receivables	4.41	5.88

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Total defined benefit obligation	58.95	87.09	55.10	83.63	21.82	51.88

Unfunded

(₹ in Lakhs)

Defined benefit obligation for key management personnel				
	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Total defined benefit obligation	1.50	2.79	1.30	2.26

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 ₹ 1,055.97 Lakhs (previous year 31 March 2017: ₹ 1,092.96 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 ₹ 386.46 Lakhs has been paid (previous year 31 March 2017: ₹ 898.91 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 2018	31 March 2017
Within one year	329.69	556.63
Later than one year but not later than five years	243.90	488.73
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 ₹ 2,102.31 Lakhs (previous year 31 March 2017: ₹ 554.75 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 ₹ 22,794.93 lakhs (previous year 31 March 2017: ₹ 11,778.07 lakhs).

b) Income tax/wealth tax assessments have been completed up to the assessment year 2015-16.

Income Tax Department is in appeal against tax demand of ₹ 893.71 Lakhs (including interest) (previous year 31 March 2017: ₹ 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 2018	Amount (₹ in lakhs) 31 March 2017
2002-03	596.33	204.22
2004-05	203.87	76.07
2011-12	93.51	50.82
2012-13	-	42.72
Total	**893.71**	**373.83**

Parent Company has filed an appeal with Commissioner of Income Tax (Appeals) for an amount of ₹ 0.66 Lakhs (including interest) (previous year 31 March 2017 : ₹ 0.32 Lakhs) against the order of Assistant Commissioner of Income Tax (TDS) u/s 201(1) for the Assessment Year 2009-10.

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 ₹ 62.18 Lakhs (including interest) (previous year 31 March 2017: ₹ 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 2017: ₹ 5.01 Lakhs).

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 ₹ 10,358.77 Lakhs (including interest) (previous year 31 March 2017: ₹ 6,999.17 Lakhs) for the period July 2011 to March 2014.

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 ₹ 3,351.40 Lakhs (including interest) (previous year 31 March 2017: ₹ 2,955.19 Lakhs) for the financial year 2009-10.

Parent Company has filed writ petition before Hon'ble Karnataka High Court against the VAT Assessment Order of Deputy Commissioner of commercial Tax dated 14 March 2017 levying tax of ₹ 26,149.08 Lakhs (including interest) (previous year 31 March 2017: ₹ 23,952.56 Lakhs) for the financial year 2010-11.

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 ₹ 1461.58 Lakhs (previous year 31 March 2017: ₹ 1,692.70 Lakhs).

b) The Parents Company's estimated share in work programmes committed under production sharing contract and Field development plan in respect of oil & gas exploration blocks as on 31 March 2018 is ₹ 5,638.08 Lakhs (previous year 31 March 2017: ₹ 1,150.49 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 2015-2016. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2017-18 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 (Previous Year ₹ 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 (Previous Year ₹ 1.22 Lakhs) dated 30 March 2017 pertaining to the assessment year 2011-12 in abeyance, since an appeal (u/s 254) is pending with CIT (Appeals).

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 (Previous Year ₹ 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 (Previous Year ₹ 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 (Previous Year ₹ 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 ₹ 66.29 Lakhs (inclusive of interest) (Previous Year ₹ 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 ₹ 976.73 Lakhs (inclusive of interest and penalty) (Previous Year ₹ 486.57 Lakhs (inclusive of penalty of ₹ 230.62 Lakhs) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai.

B. Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹ 1.92 Lakhs (previous year 31 March 2017: Nil).

Note – 41

a) Guarantees issued by the banks and outstanding as on 31 March, 2018: ₹ 88511.07 Lakhs (previous year 31 March 2017: ₹ 79,986.55 Lakhs), against which a provision of ₹ 25,606.38 Lakhs (previous year 31 March 2017: ₹ 27,191.43 Lakhs) has been made in the books towards liability for performance guarantees/warranties.

b) Letter of credit outstanding as on 31 March, 2018: ₹ 1,296.85 Lakhs (previous year 31 March 2017: Nil)

c) Corporate Guarantees issued by the Company on its behalf for contractual performance and outstanding as on 31 March, 2018: ₹ 15,009.04 Lakhs (previous year 31 March 2017: ₹ 17,473.54 Lakhs).

Note – 42

Land and buildings

i) Land and Buildings includes ₹ 0.07 Lakhs (previous years: 31 March 2017: ₹ 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 Parent Company:

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Cost	WDV	Cost	WDV
(a) Four Flats at Naranpura, Ahemdabad	10.31	3.54	10.31	3.79
(b) Land at Memnagar, Ahemdabad	69.21	54.69	69.21	56.28
(c) Two Floors at Race course Road, Vadodara	-	-	204.02	158.75
(d) Two Flats at Viman Nagar, Pune	8.45	3.04	8.45	3.25
(e) Eighty Four Flats at Gokuldham Goregaon, Mumbai *	238.19	38.09	238.19	43.81
(f) Six Flats in Andheri East, Mumbai	9.93	0.40	9.93	0.64
(g) One Floor at CBD Belapur, Navi Mumbai	101.68	39.78	101.68	42.23

The fees for property card/mutation etc. for above properties, being not ascertainable has not been provided for.

* Out of above properties, one of the properties, at S. No. ii (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 s-quare 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 :

(₹ in Lakhs)

Sl. No.	Particulars	Rates (%age)	Useful Life (Years)	Sl. No.	Particulars	Rates (%age)	Useful Life (Years)
1.	**Land Freehold**	Nil	Perpetual	4.	**Plant and Machinery**		
2.	**Land Leasehold**	Over a lease period except for perpetual lease Nil percentage	Over a lease period except for perpetual lease Nil percentage		Plant and Machinery	8.0	12
3.	**Building**				Laboratory Equipment	9.6	10
	Office Building	2.4	40		Storage Tank	6.0	16
	R&D Centre, Gurgaon	4.0	24	5.	**Furniture and Fixtures, Office and Construction Equipment**		
	Window/Split AC	15.84	6		Furniture and Fixtures	9.6	10
	AC Central Plant	6.5	15		Chairs	16.0	6
	Lifts	6.5	15		Office Equipment	19.2	5
	Electric Power Sub Station	9.6	10		Construction Equipment	12.0	8
	Invertors	19.2	5				
	Solar photovoltaic modules	9.6	10				
	Solar power conditioning system	9.6	10	6.	**Computer Software/ Hardware**		
	Tube well and 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.	**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 Property Plant and Equipment 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 2018	31 March 2017
Capital expenditure incurred/Capital Assets acquired, but not yet ready for use at balance sheet date	2,340.79	1,810.11
Total	**2,340.79**	**1,810.11**

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 2018	31 March 2017
Consultancy and Engineering Projects		141,602.31	119,615.03
Turnkey Projects		40,829.02	28,357.56
	Total	**182,431.33**	**147,972.59**

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 2018:

a. The aggregate amount of cost incurred and recognized profit up to 31 March 2018: ₹ 863,547.86 Lakhs (previous year 31 March 2017: ₹ 756,339.98 Lakhs).

b. The amount of advances received ₹ 2,900.81 Lakhs (previous year: 31 March 2017: ₹ 4,410.71 Lakhs).

c. The amount of retention ₹ 594.64 Lakhs (previous year: 31 March 2017: ₹ 1,627.92 Lakhs).

d. Gross amount due to customers for contract work amounting to ₹ 88,427.45 Lakhs (previous years: 31 March 2017: ₹ 42,260.68 Lakhs)

e. Gross amount due from customers for contract work amounting to ₹ 31,829.64 Lakhs (previous years: 31 March 2017: ₹ 32,052.22 Lakhs).

f. The estimates with respect to total cost and total revenue in respect of construction contracts are reviewed and up dated periodically to ascertain the percentage completion for revenue recognition in accordance with 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) <u>TEIL Projects Limited ('TEIL')</u>

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 2017: ₹ 1,100 lakhs) .

Of the issued, subscribed and paid-up capital, 5,500,000 shares of ₹ 10 each fully paid-up amounting ₹ 550.00 lakhs (previous years: 31 March 2017 ₹ 550.00 lakhs) are held by the Group, being 50% of paid-up capital of TEIL.

In the financial year 2015-16, it was decided to wind up TEIL and in this regard liquidator has already been appointed on 29 July 2016 and liquidation proceedings are in progress as per provisions of Companies act.

Till 31March 2017, the TEIL had negative 'other equity' to the tune of ₹ 1,075.64 Lakhs. The Group's share of negative 'other equity' ₹ 537.82 Lakhs has been accounted for in investments using equity method.

During the current financial year 2017-18, based on liquidator statement, TEIL had a net loss of ₹ 4.46 Lakhs. The Group's share of loss of ₹ 2.23 Lakhs has been accounted as share of loss in joint venture entities.

b) <u>Jabal Eiliot Company Limited ('Jabal')</u>

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 March, 2017, Jabal had incurred losses to the tune of SR 5,388,789, of which the Group's share of SR 1,669,470 (equivalent Indian ₹ 202.62 Lakhs at historical conversion rate) which has been accounted for in investments using equity method.

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.

c) <u>Ramagundam Fertilizers and Chemicals Limited ('RFCL')</u>

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%

State Government of Telangana: 11%

Others: 26% (untied as on 31 March 2018)

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 company in regard to facility area (land admeasuring approximately 1284 acre) for financing, designing, engineering, procurement, construction, development, operation and maintenance of the project. Shareholding of 11% to FCIL is in consideration of FCIL granting concession rights in the land, opportunity cost and value of the useable assets at Ramagundam to RFCL. However, pending compliance of conditions precedent of the Concession agreement, no shares were allotted to the FCIL in the previous year.

During the year, all the conditions precedent to the concession agreement has been completed. Pursuant to which, the company has received rights in leasehold land and certain other assets from the Fertilizer Corporation of India. As per terms of the concession agreement, the Company shall be issuing equity shares equal to 11% of the total equity portion of the capital expenditure of the project at the time of commencement of commercial production (presently ₹ 14,449.27 Lakhs) in phased manner. The Company has allotted 9,25,16,291 share (₹ 9,251.63 Lakhs) against leasehold land and other assets received. Remaining shares shall be issued to FCIL in a phased manner, in proportion to contribution to be received from NFL and EIL in future.

The paid up capital by Joint Venture Partners as on 31 March 2018 is as under: **(in Lakhs)**

Shareholder	31 March 2018		31 March 2017	
	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	2,186.90	2,1869.00	1,254.40	₹ 12,544.00
NFL	2,186.90	2,1869.00	1,254.40	₹ 12,544.00
FCIL	925.26	9,252.63	0.10	₹ 1.00
State Government of Telangana	722.10	7,221.00	-	-
Total	**6,021.16**	**₹ 60,211.63**	**2,508.90**	**₹ 25,089.00**

Summarised financial information for Joint Venture is set out below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Cash and cash equivalents	277.09	1.69
Current assets	**1,303.92**	**2,752.55**
Current assets (A)	**1,581.01**	**2,754.24**
Non-current assets (B)	**191,915.42**	**31,648.75**
Current liabilities (excluding trade payables and provisions)	22,680.11	4,107.09
Trade payables and provisions	-	-
Current liabilities (C)	**22,680.11**	**4,107.09**
Non-current liabilities (D)	**111,045.56**	**-**
Net assets (A+B-C-D)	**59,770.76**	**30,295.90**
Net assets recognised in consolidated financial statements	**21,708.88**	**15,147.49**

Summarised Statement of profit and loss

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Other income	192.05	30.98
Total revenue (A)	**192.05**	**30.98**
Other expense	195.61	79.44
Total expenses (B)	**195.61**	**79.44**
Profit before tax (C = A-B)	(3.56)	(48.46)
Tax expense (D)	-	-
Loss for the year (E = C-D)	**(3.56)**	**(48.46)**
Other comprehensive income (F)	-	-
Total comprehensive income (E-F)	**(3.56)**	**(48.46)**

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 Conibution Plan

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

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Contributory Provident Fund and Employees' Pension Scheme, 1995	4,851.56	4,242.16
Employees Defined Contributory Superannuation Scheme	2,700.21	5,130.84

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 2018 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 2018 and 31 March 2017.

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 variation 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	20,698.36	21,042.81	15,710.21	20,072.27	19,642.27	17,618.70
Fair value of plan assets as at the end of the year	11,887.44	11,590.58	1,3884.63	16,909.34	17,680.45	12,660.71
Funded status	(8,810.92)	(9,452.23)	(1,825.58)	(3,162.93)	(1,961.82)	(4,957.99)
Net (asset)/liability recognized in balance sheet	**8,810.92**	**9,452.23**	**1,825.58**	**3,162.93**	**1,961.82**	**4,957.99**

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	1,377.07	1,439.21	2,745.44	3,479.52	393.93	356.68
Past service cost	-	8,911.92	-	-	(318.54)	-
Interest cost on defined benefit obligation	1,557.17	905.23	1,485.35	1,321.12	1,303.78	1,022.59
Interest income on plan assets	(857.70)	(881.04)	(1,251.29)	(1,120.99)	(936.89)	(916.33)
Re-measurements	-	-	(1,154.20)	(516.93)	-	-
Expenses recognized in statement of profit and loss	**2076.54**	**10,375.32**	**1,825.30**	**3,162.72**	**442.28**	**462.94**

c) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Return on plan assets	(26.81)	(60.87)	-	-	(280.44)	(98.64)
Actuarial (gains)/loss	(2,135.36)	(860.52)	-	-	1,799.92	4,593.58
Expenses recognized in other comprehensive income	**(2,162.17)**	**(921.39)**	**-**	**-**	**1,519.48**	**4,494.94**

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	21,042.81	11,458.64	20,072.27	167,22.98	17,618.70	12,944.16
Interest cost	1,557.17	905.23	1,485.35	13,21.12	1,303.78	1,022.59
Current service cost	1,377.07	1,439.21	2,745.44	3,479.51	393.93	356.68
Actuarial (gains)/losses arising from						
Changes in demographic assumptions	-	-	-	-	-	-
Changes in financial assumptions	(482.93)	420.49	(231.81)	(498.32)	331.17	1,907.65
Experience adjustments	(1,652.43)	(1,281.00)	(904.79)	148.73	1,468.75	2,685.93
Past service cost	-	8,911.92	-	-	(318.54)	-
Benefits paid	(1,143.33)	(811.68)	(7,456.25)	(1,101.76)	(1155.52)	(1,298.31)
Present value of obligations as at end of year	**20,698.36**	**21,042.81**	**15,710.21**	**20,072.27**	**19,642.27**	**17,618.70**

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fair value of plan assets as on beginning of year	11,590.58	11,152.44	16,909.34	14,189.78	12,660.71	11,599.12
Interest income	857.70	881.04	1,251.29	1,120.99	936.89	916.33
Re-measurement gain/ (loss) – return on plan assets excluding amounts included in net interest expense	26.81	60.87	17.59	167.35	280.44	98.64
Contributions from the employer	555.68	307.91	3162.66	2,532.98	4957.93	1,344.93
Benefits paid	(1,143.33)	(811.68)	(7,456.25)	(1,101.76)	(1,155.52)	(1,298.31)
Fair value of plan assets at the end of year	11,887.44	11,590.58	13884.63	16,909.34	17,680.45	12,660.71

f) Actuarial Assumptions

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.70%	7.40%	7.70%	7.40%	7.70%	7.40%
Expected rate of future salary increase	9.00%	9.00%	9.00%	9.00%	-	-
Increase in compensation levels	-	-	-	-	8.50%	8.00%
Retirement age	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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation	14 years	15 years				
Duration of defined benefit obligation Duration (years)						
1	2,890.39	2,725.66	2,888.94	3,363.86	976.11	921.47
2	2,378.44	2,404.51	2,316.70	2,874.56	972.78	913.34
3	1,912.35	2,103.83	1,884.76	2,412.54	958.92	896.49
4	1,273.10	1,703.81	1,340.38	1,987.43	948.49	876.36
5	1,255.79	1,115.82	1,215.29	1,450.53	906.68	848.75
Above 5	10,988.29	10,989.18	6,064.14	7,983.35	14,879.29	13,162.29
Total	20,698.36	21,042.81	15,710.21	20,072.27	19,642.27	17,618.70
Duration of defined benefit payments Duration (years)						
1	2,999.61	2,824.71	2,998.10	3,486.10	1,013.00	954.95
2	2,658.37	2,676.29	2,589.37	3,199.47	1,087.27	1,016.58
3	2,302.01	2,514.90	2,268.80	2,883.93	1,154.31	1,071.66
4	1,650.51	2,187.44	1,737.73	2,551.57	1,229.66	1,125.11
5	1,753.43	1,538.56	1,696.88	2,000.08	1,265.98	1,170.31
Above 5	35,300.01	34,636.84	14,091.57	18,151.23	86,426.98	69,199.17
Total	**46,663.94**	**46,378.74**	**25,382.45**	**32,272.38**	**92,177.20**	**74,537.78**

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

	Gratuity (funded)		Leave encashment (funded)		Post-retirement medical benefits (funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fund managed by insurer	100%	100%	100%	100%	100%	100%

i) Sensitivity analysis

(₹ in Lakhs)

Sensitivity analysis in respect of gratuity						
Particulars	Change in Assumption		Increase in defined benefit obligation		Decrease in defined benefit obligation	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	1,703.27	1,755.58	1,458.17	1,497.56
Expected rate of future salary increase	+/-1%	+/-1%	331.64	380.56	381.77	429.86

(₹ 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	802.76	1,066.73	722.27	957.67
Expected rate of future salary increase	+/-1%	+/-1%	785.07	1,040.12	720.36	952.62

(₹ 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	2,863.96	2,547.75	2,279.93	2,033.14
Expected rate of future salary increase	+/-1%	+/-1%	2,474.58	2,201.90	1,987.16	1,772.64

***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 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	601.67	626.31	268.85	279.68
Funded status	(601.67)	(626.31)	(268.85)	(279.68)
Net (asset)/liability recognized in balance sheet	601.67	626.31	268.85	279.68

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	38.30	39.37	13.43	14.21
Past Service Cost	-	-	-	-
Interest cost	46.35	48.38	20.70	21.42
Re-measurements	9.51	28.04	-	-
Expenses recognized in statement of profit and loss	**94.16**	**115.79**	**34.13**	**35.63**

c) Expenses recognized in other comprehensive income

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Return on plan assets	-	-	-	-
Actuarial (gains)/losses	-	-	(6.17)	0.09
Expenses recognized in other comprehensive income	-	-	(6.17)	0.09

d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at beginning of year	626.31	612.45	279.68	271.21
Interest cost	46.35	48.38	20.70	21.42
Current service cost	38.30	39.37	13.43	14.21
Actuarial (gains)/losses arising from				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	(10.29)	16.58	(5.88)	9.54
Experience adjustments	19.80	11.46	(0.29)	(9.45)
Past service cost, including losses/(gains) on Curtailments	-	-	-	-
Benefits paid	(118.80)	(101.94)	(38.79)	(27.25)
Present value of obligations as at end of year	**601.67**	**626.30**	**268.85**	**279.68**

e) Actuarial Assumptions

	Long service award (unfunded)		Other benefits on retirement (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.70%	7.40%	7.70%	7.40%
Increase in compensation levels	-	-	5.00%	5.00%

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 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation				
Duration of defined benefit obligation				
Duration (years)				
1	101.01	105.01	41.60	38.13
2	65.64	89.08	33.67	34.89
3	51.46	57.64	27.38	30.59
4	46.75	45.23	15.44	25.29
5	56.58	40.73	16.53	14.02
Above 5	280.23	288.61	134.23	136.76
Total	601.67	626.30	268.85	279.68
Duration of defined benefit payments				
Duration (years)				
1	104.82	108.83	43.18	39.51
2	73.37	99.15	37.63	38.83
3	61.94	68.90	32.95	36.56
4	60.61	58.07	20.01	32.46
5	79.00	56.16	23.08	19.33
Above 5	675.26	667.38	427.38	416.69
Total	1055.00	1,058.49	584.23	583.38

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	35.77	36.26	31.82	32.24

(₹ 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Increase/(Decrease) in discount rate	+/-1%	+/-1%	20.75	21.46	17.79	18.41
Expected rate of future salary increase	+/-1%	+/-1%	21.11	21.76	18.37	18.97

***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)

Particular	31 March 2018	31 March 2017
Contributory Provident Fund and Employees' Pension Scheme, 1995	93.91	66.84

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 2018 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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Present value of obligations as at the end of year	296.35	270.09	390.83	325.98	17.97	18.94
Fair value of plan assets as at the end of the year	182.81	171.30	-	-	-	-
Funded status	(113.54)	(98.79)	(390.83)	(325.98)	(17.97)	(18.94)
Net (asset)/liability recognized in balance sheet	**113.54**	**98.79**	**390.83**	**325.98**	**17.97**	**18.94**

b) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (unfunded)		Long service awards (unfunded)	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Current service cost	23.70	11.53	85.21	95.25	2.53	2.33
Past service cost	-	96.99	(22.65)	-	-	-
Interest on net benefitasset/liability	7.04	0.62	23.33	29.35	1.21	1.14
Re-measurements gains/losses	-	-	53.85	(106.12)	(0.42)	2.32
Expenses recognized in statement of profit and loss	**30.74**	**109.14**	**139.75**	**18.44**	**3.32**	**5.79**

c) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (unfunded)		Long service awards (unfunded)	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Actuarial (gains)/loss	-	-	-	-	-	-
Change in financial assumption	(13.15)	(19.61)	-	-	-	-
Change in demographic assumption	(0.70)	-	-	-	-	-
Experience adjustments	5.37	(2.90)	-	-	-	-
Actual return on plan assets	(0.72)	(1.11)	-	-		
Expenses recognized in other comprehensive income	**(9.20)**	**(23.62)**	**-**	**-**	**-**	**-**

d) Reconciliation of opening and closing balances of defined benefit obligation

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (unfunded)		Long service awards (unfunded)	
	31 March 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Present value of obligations as at beginning of year	270.09	173.10	325.98	419.59	18.94	15.60
Interest cost	19.84	12.66	23.33	29.35	1.21	1.14
Current service cost	23.70	11.52	85.21	95.21	2.53	2.33
Past service cost	-	96.99	(22.65)	-	-	-
Actuarial (gain)/loss on obligations	(8.48)	(22.51)	53.85	(106.12)	(0.42)	2.32
Benefit paid	(8.81)	(1.66)	(74.89)	(112.06)	(4.30)	(2.45)
Present value of obligations as at end of year	**296.35**	**270.09**	**390.83**	**325.98**	**17.97**	**18.94**

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 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Fair value of plan assets as on beginning of year	171.30	159.81	-	-	-	-
Interest on plan assets	12.81	12.03	-	-	-	-
Re-measurements due to actual return on plan assets less interest on plan assets	0.72	1.11	-	-	-	-
Contributions	6.79	-	-	-	-	-
Benefits paid	(8.81)	(1.66)	-	-	-	-
Fair value of plan assets at the end of year	**182.81**	**171.30**	**-**	**-**	**-**	**-**

f) Actuarial Assumptions

	Gratuity (funded)		Leave encashment (unfunded)		Long service awards (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Discount rate	7.80%	7.50%	7.80%	7.50%	7.80%	7.50%
Expected rate of future salary increase	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Retirement age	60 years	60 years	60 years	60 years	60 years	60 years

4) Mortality rates inclusive of provision for disability -100% of IALM (2006 –08)

5) Rates of leaving service at specimen ages are as shown below-:

Age (Years)	Rates (p.a.)
21 – 30	0%
31 – 40	2.3%
41 – 50	1.4%
51 – 59	0%

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

g) **Maturity profile of defined benefit obligation**

(₹ in Lakhs)

	Gratuity (funded)		Leave encashment (Earned leave) (unfunded)		Leave encashment (Half Pay Leave) (unfunded)		Long service awards (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Weighted average of the defined benefit obligation	14.38 years	12.87 years	9.51 years	9.10 years	7.82 years	7.47 years	5.46 years	4.46 years
Duration of defined benefit obligation								
Duration (years)								
1	6.06	11.12	22.06	18.92	9.17	10.97	3.00	5.50
2	6.35	11.10	22.00	18.64	9.31	10.88	0.66	2.76
3	25.94	11.17	34.87	18.43	9.46	10.82	2.35	0.57
4	6.64	29.04	21.30	27.45	8.97	10.77	0.75	2.04
5	6.38	10.95	21.20	17.23	9.12	9.99	4.40	0.63
6	6.08	10.87	21.16	16.99	9.30	9.96	2.04	3.38
7	6.39	10.62	21.52	16.79	9.48	9.95	0.55	1.68
8	6.57	10.95	21.84	16.76	9.68	9.95	1.79	0.43
9	6.89	11.32	22.21	16.78	9.88	9.97	0.64	1.40
Above 10	1023.18	741.40	534.60	352.81	114.35	109.31	13.20	9.40

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

	Gratuity (funded)		Leave encashment (unfunded)		Long service awards (unfunded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Fund managed by insurer	100%	100%	--	--	--	–

i) Sensitivity analysis

Gratuity (funded)

(₹ in Lakhs)

Particulars	Discount rate		Salary escalation rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Impact of increase in 50 bps on defined benefit obligation	-6.87%	-6.16%	2.53%	3.95%
Impact of decrease in 50 bps on defined benefit obligation	7.54%	6.73%	-3.20%	-4.25%

Leave encashment (Earned Leave) (unfunded)

Particulars	Discount rate		Salary escalation rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Impact of increase in 50 bps on defined benefit obligation	-4.58%	-4.39%	4.86%	4.63%
Impact of decrease in 50 bps on defined benefit obligation	4.94%	4.72%	-4.56%	-4.35%

Leave encashment (Half Pay Leave) (Unfunded

Particulars	Discount rate		Salary escalation rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Impact of increase in 50 bps on defined benefit obligation	-3.79%	-3.62%	3.97%	3.78%
Impact of decrease in 50 bps on defined benefit obligation	4.04%	3.86%	-3.77%	-3.59%

Long service awards (unfunded)

Particulars	Discount rate		Salary escalation rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Impact of increase in 50 bps on defined benefit obligation	-2.56%	-2.00%	-2.81%	-2.24%
Impact of decrease in 50 bps on defined benefit obligation	2.68%	2.10%	2.57%	2.34%

Note : 49

The wage revision in respect of employees is due w.e.f. 01.01.2017. In terms of approval of Board of Directors of the Parent company and Presidential Directive dated 01.02.2018 received from MoP&NG, the wage revision in respect of Board level and below Board level executives have been paid/provided for in the books of accounts. For unionized staff, wage revision liability has been provided for on estimated basis in the books of accounts.

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 2018 is as follows-:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Revenue expenditure	681.37	255.88
Drywell written off	1,961.77	193.59
Capital expenditure	1,043.54	3220.17

In block No. CB-ONN-2010/08 one and CB-ONN-2010/11 two 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 ₹ 791.40 Lakhs (previous year: 31 March 2017 : ₹ 526.60 Lakhs) 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 2018	31 March 2017
Segment revenue		
Consultancy and engineering projects	1,41,602.31	119,615.03
Turnkey projects	40,829.02	28,357.56
Total	**1,82,431.33**	**147,972.59**
Segment profit		
Consultancy and engineering projects	44,513.10	37,165.07
Turnkey projects	7,536.97	10,355.12
Total (a)	**52,050.07**	**47,520.19**
Interest	58.47	318.40
Other un-allocable expenditure *	11,700.16	18,361.09
Total (b)	**11,758.63**	**18,679.49**
Other income (c)	**17,617.91**	**22,243.40**
Profit before tax (a-b+c)	**57,909.35**	**51,084.10**
Income Tax Expense	19,574.83	18,063.79
Profit after Tax	**38,334.52**	**33,020.31**
Less: Share of Loss in joint venture entities	3.52	19.83
Profit for the Year	**38,331.00**	**33,000.48**
Capital employed**	**2,34,122.25**	**2,84,485.51**

* Financial year 2017-18 includes expenditure on Oil and Gas exploration blocks including dry well written off amounting to ₹ 2,643.14 Lakhs (previous year : ₹ 449.47 Lakhs).

Financial year 2016-17 includes ₹ 9062.88 Lakhs on account of provisions 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 2018	**31 March 2017**	**31 March 2018**	**31 March 2017**
India	115,345.28	86,447.02	40,829.02	28,357.56
Nigeria	13,262.59	17,776.44	-	-
United Arab Emirates (UAE)	1,283.97	2,543.07	-	-
Algeria	3,653.28	4,104.64	-	-
Oman	1,783.48	2,064.76	-	-
Others	2,600.63	3,570.82	-	-
Total	**137,929.23**	**116,506.75**	**40,829.02**	**28,357.56**

Segment revenue with major customers of Parent Company

During the year 31 March 2018, ₹ 42,387.44 Lakhs (previous year 31 March 2017: ₹ 38,754.01 Lakhs) of the Company's revenues, each individually exceeding 10% in the consultancy and engineering projects segment was generated from two (previous year 31 March 2017: two) customers.

During the year 31 March 2018, ₹ 37,959.27 Lakhs (previous year 31 March 2017: ₹ 28,109.56 Lakhs) of the Company's revenues, each individually exceeding 10% in the turnkey projects segment was generated from three (previous year 31 March 2017: four) customers.

Note – 52

(a) In one of the turnkey project executed by the Group in previous years, the client had levied the price reduction due to delay in completion of the project and accordingly reduced contract price was recognized as revenue in terms of accounting principles. During the year, the settlement in respect of time extension has been completed with the client and accordingly revenue from operations, segment revenue from turnkey projects and profits includes an amount of ₹ 3,756.98 lakhs towards settlement of price reduction.

(b) The Group during the year has received change orders from two of its clients in Consultancy and engineering Projects. The cumulative impact of these change orders on turnover and operating profit during the year was ₹ 7,002.66 lakhs and ₹ 6,505.94 lakhs respectively.

Note – 53

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 years 2015-16 and 2016-17.

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. Arbitral Tribunal has been constituted. Contractor has filed its statement of claim amounting to ₹ 40,960.75 Lakhs. Group has also filed its reply along with its counter claim and application to implead the parent company of contractor, arguments on which are being heard by arbitral tribunal. The Management does not consider any possible obligation on this account requiring future probable outflow of resources of the Group.

Note – 54

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 .

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 2017 : ₹ 1,350.00 Lakhs) as its share out of total amount of ₹ 14,136.00 Lakhs (Previous Year 31 March 2017: ₹ 14,136.00 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 – 55

In terms of Indian Accounting Standard (Ind AS 37) "Provisions, contingent liabilities and contingent assets", the requisite disclosures are as under:

The movement in provisions are as under

(₹ in Lakhs)

S.No.	Particulars	Class of provision			
		Contractual obligations		Expected losses	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
1	Opening balance	27,057.38	28,839.25	713.28	1,504.89
2	Additional provision during the year	8,773.02	4,923.04	257.04	175.75
3	Provision used during the year	-	-	401.39	914.17
4	Provision reversed during the year	2,369.51	6,704.91	194.75	53.19
5	**Closing balance**	**33,460.89**	**27,057.38**	**374.18**	**713.28**

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 – 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.

Note – 57

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the Group is given below:

(₹ in Lakhs)

S. No.	Particulars	31 March 2018	31 March 2017
I	Amount due and payable at the year end		
	- Principal	1020.56	869.26
	- Interest on above Principal	-	-
Ii	The amount of interest paid along with the amounts of the payment after the due date-	-	
Iii	The amount of interest due and payable for principals already paid	-	-
Iv	The amount of interest accrued and remaining unpaid at the year end	-	-
V	The amount of interest which is due and payable which is carried forward from last year	-	-

Note – 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 ₹ 1,323.22 Lakhs (previous year 31 March 2017: ₹ 1,267.04 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

Pursuant to Public Announcement published on June 17, 2017 and letter of offer dated July 17, 2017, the Group has bought back its 41,961,780 number of Equity shares of Face value of ₹ 5 each fully paid up, at a buyback price of ₹ 157/- per share through tender offer route under Stock Exchange Mechanism and extinguished these shares on August 16, 2017.

Further, President of India, acting through DIPAM and Ministry of Petroleum and Natural Gas, Government of India, has sold 1,35,88,409 equity shares of the Group to BHARAT 22 ETF through a New Fund Offer (NFO) in terms of Scheme framed in this regard. Pursuant to above, Government of India (Promoter) Shareholding was reduced from 57.02 % to 52.02%.

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

Previous year’s figures have been regrouped/reclassified to make them comparable to the figures of the current year.

Note – 67

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	87.64	205172.51	99.02	37954.51	98.60	459.61	99.01	38414.12
Subsidiaries:								
Indian:								
Certification Engineers International Limited	3.09	7230.91	0.99	380.01	1.40	6.52	1.00	386.53
Joint Ventures (Investment as per the equity method)								
Indian:								
Ramagundam Fertilizers and Chemicals Limited	9.27	21708.88	-	(1.29)	-	-	-	(1.29)
TEIL Projects Limited	-	9.95	(0.01)	(2.23)	-	-	(0.01)	(2.23)

Note – 68

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, 2018
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	₹ 7,415.11 Lakhs
7	Total assets	₹ 8,907.67 Lakhs
8	Total Liabilities	₹ 1,392.56 Lakhs
9	Investments	-
10	Turnover	₹ 5,029.16 Lakhs
11	Profit before taxation	₹ 1,796.97 Lakhs
12	Provision for taxation	₹ 551.92 Lakhs
13	Profit after taxation	₹ 1245.05 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	Audited 31 March 2016	Liquidator Statement as on 31 March 2018	Audited 31 March 2018
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	21,86,90,002 Equity shares of ₹ 10 each fully paid up
	Amount of Investment in Associates/ Joint Venture	₹599.00 Lakhs	₹ 550.00 Lakhs	₹21,869.00 Lakhs
	Extend of Holding %	33.333%	50.00%	36.3202%
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/ Liquidator Statement	-	₹ 9.95 Lakhs	₹ 21708.88 Lakhs
6	Profit/(Loss) for the year:			
i.	Considered in Consolidation	-	₹ (2.23) Lakhs	₹ (1.29) Lakhs
ii.	Not Considered in Consolidation	-	₹ (2.23) Lakhs	₹ (2.27) Lakhs

Name of Joint Ventures which are yet to commence operations:- Nil

Name of Subsidiaries which have been liquidated or sold during the year:- Nil

For Arun K Agarwal and Associates
Chartered Accountants
FRN No. 003917N

For and on behalf of Engineers India Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Arun Agarwal	Rajan Kapur	Sanjay Jindal	V. C. Bhandari	J C Nakra
Partner	**Company Secretary**	**C.G.M. [F&A]**	**Director [HR]& CFO**	**Chairman & Managing Director & CEO**
Membership No. 082899	PAN : AAIPK0926B	PAN : AAIPJ4986E	DIN : 07550501	DIN : 07676468

Place : New Delhi
Date : 25 May 2018

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 31 March, 2018

The preparation of Consolidated Financial Statements of Engineers India Limited for the year ended 31 March 2018 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are 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 25 May 2018.

I, on 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 2018. We conducted a supplementary audit of Engineers India Limited, Certification Engineers International Ltd (Subsidiary) and Ramagundam Fertlizers and Chemicals Limited (Joint Venture) for the year ended on that date. Further, Section 139 (5) and Section 143 (6) (b) of the Act are not applicable to Jabal Eiliot Co. Ltd. (Joint Venture) being private entity incorporated in foreign country under the respective laws and TEIL Projects Limited (Joint Venture) being private entity, for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, CAG 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 auditor's 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: New Delhi
Date: 25.07.18

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):		E-mail ID:	
Registered Address:		Folio No./* DP & Client Id:	

I/We, being the member(s) of ....shares of the above named Company, hereby appoint:

(1) Name: ....Address: ....
E-mail Id: ....Signature: ...., or failing him/her;

(2) Name: ....Address: ....
E-mail Id: ....Signature: ...., or failing him/her;

(3) Name: ....Address: ....
E-mail Id: ....Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Wednesday, 19th September, 2018 at 3.00 p.m. at Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi - 110049 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, 2018 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 Vipin Chander Bhandari (DIN: 07550501), who retires by rotation and being eligible, offers himself for reappointment.		
4.	To appoint a Director in place of Shri Rakesh Kumar Sabharwal (DIN: 07484946), who retires by rotation and being eligible, offers himself for reappointment.		
5.	To fix remuneration of Auditors for the financial year 2018-19.		
	SPECIAL BUSINESS		
6.	To appoint Shri Chaman Kumar (DIN: 02064012) as Non-official Independent Director of the Company.		
7.	To appoint Shri Rajesh Kumar Gogna (DIN: 07944627) as Non-official Independent Director of the Company.		
8.	To appoint Shri Jagdish Chander Nakra (DIN: 07676468) as Chairman & Managing Director of the Company.		
9.	To appoint Shri Lalit Kumar Vijh (DIN: 07261231) as Director (Technical) of the Company.		

Signed this................................ day of.. 2018.

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 53rd Annual General Meeting.

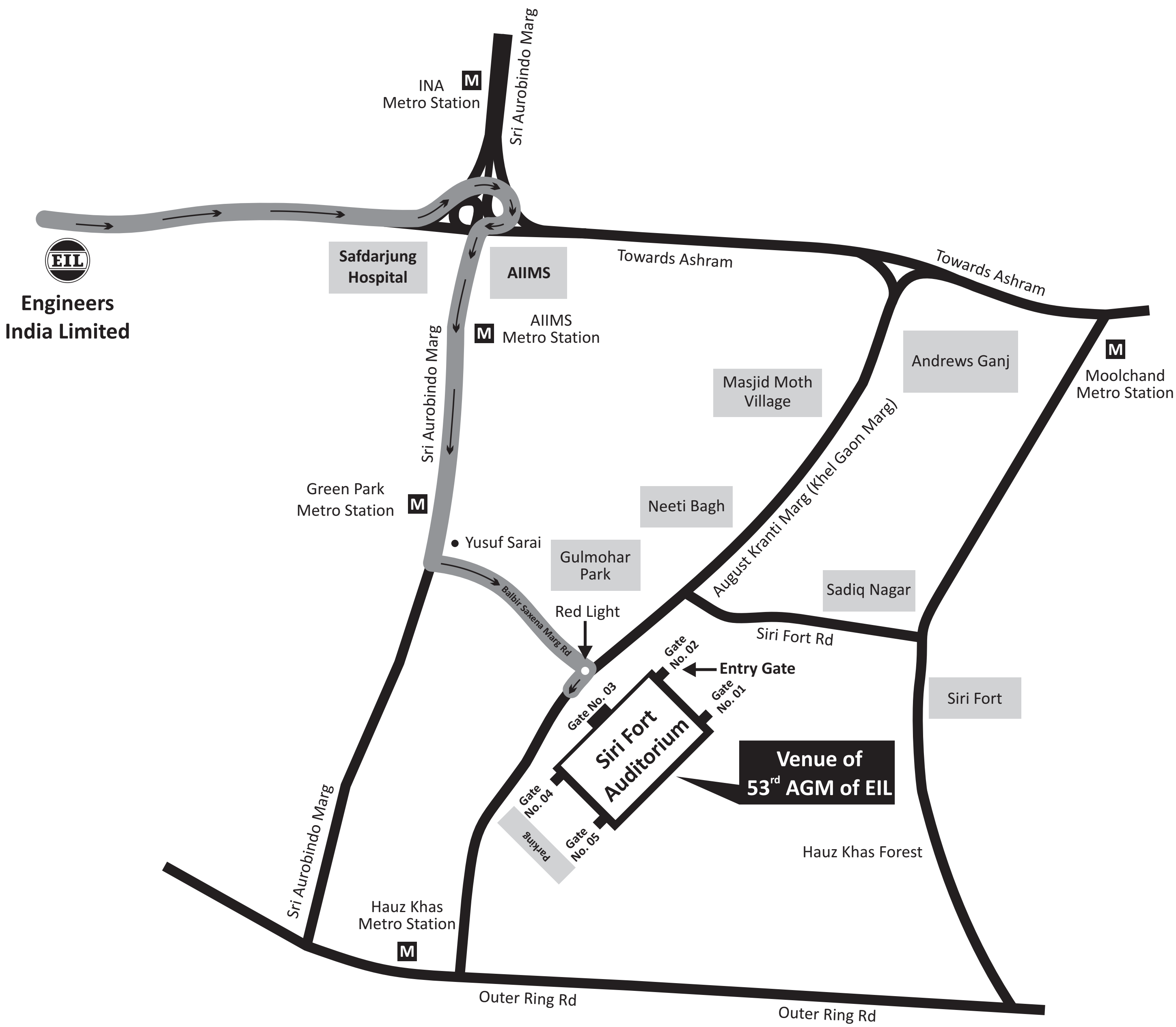
(4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(5) ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave '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 53rd AGM



Address of Venue:
Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110049

Nearest Landmark:
Green Park Metro Station

*Map not to scale

Notes

Notes

Corporate Information

COMPANY SECRETARY

Rajan Kapur (till 26.07.2018)
Narendra Kumar (w.e.f 09.08.2018)

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

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

EIL OFFICES

REGISTERED & HEAD OFFICE
Engineers India House,
1, Bhikaiji 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

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
E-mail : eil.bo@eil.co.in

REGIONAL OFFICES
A.G. Towers (5th Floor), 125/1, Park Street Kolkata – 700 017
Tel. : 0-33-22298995, 22276304, Fax : 0-33-22277692
E-mail : eil.rok@eil.co.in

4th & 5th Floor, Meghdhanush Complex, Race Course Road
Near Transpek Circle, Vadodara – 390 015
Tel. : 0-265-2340326, 2340368, Fax : 0-265-2340328
E-mail : 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
E-mail : eil.roc@eil.co.in

OVERSEAS OFFICES
17th Floor, Business Avenue Tower, Salam Street, P.O.Box 126592, Abu Dhabi, U.A.E
Tel. : +971-2-6740101, Fax : + 971-2-6740707
E-mail : cooeilad@eiluae.ae

487, Great West Road, Middlesex, London , UK (TW5 OBS)
Tel. : 0044-208-570-5530(O), Hand phone: 044-7404608246
E-mail : eillondon@btconnect.com

Milan Apartment Rental
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
E-mail : eilitalymilan@gmail.com

Room No. 1632, 16th Floor, Asian Biz Centre, Orient Century Palza,
345 Xian Xia Road, Near Gubei Road, Shanghai - 200 336, China
Phone: 0086- 2122157403, 2122157405
E-mail : eilshanghai@eil.co.in

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

Delivering Excellence through People