



Leaping ahead

Projects - National Footprint



Chairman's Message

Dear Shareholders,

Warm Greetings.

It is my pleasure in communicating with you through the 26th annual report. I shall take this opportunity to give you highlights of our results for FY 2011-12, a brief about the orders that we had won and the outlook for the future of your company, BGR Energy Systems Limited.

Your company now holds the distinction of having established itself as a strong player in the EPC segment and joins the big league to be among the top three in the Indian Power sector. Our revenue for last year was ₹ 3452 Crores and we earned a net profit of ₹ 224 Crores. The drop in revenues compared to the previous year is attributable to the sluggish pace of order inflows. Yet, the good sign of growth from within comes from the fact that our capital goods businesses – Air Fin Cooler division (AFC), Environment Engineering Division (EED), Oil and Gas Equipment Division (OGED) and Electrical Projects Division (EPD) – contributed 11.71% to the revenue compared to 7.17% last year. The AFC, EED and EPD business registered significant growth over the previous year. We achieved a higher EBIDTA margin of 13.73% and your board is pleased to recommend a dividend of ₹ 7.00 per share. As of 31st March 2012, your company carried an order book of over ₹ 15000 Crores.

FY 2011-12 was a hallmark year for BGR Energy winning large orders for EPC and supply of Boiler, Turbine and Generator. On 15th September 2011, BGR Energy emerged as the successful bidder for NTPC's 9x800 MW Supercritical Steam Turbine and Generators. We would supply four TG units to 2x800 MW to Lara Super Thermal Power project in Chattisgarh and 2x800 MW Darlipali Super Thermal Power project in Orissa for an aggregate value of ₹ 2968 Crores. In quick sequence, we received an EPC contract for setting up 2x300 MW Thermal Power project in Chattisgarh by TRN Energy Private Limited with an order value of ₹ 1698 Crores.

On 29th February 2012, BGR Energy emerged as the successful bidder in NTPC's 660 MW super critical boiler tender. BGR Energy would supply six units to Solapur Super Thermal Power Project (2x660 MW) - Maharashtra, Meja Thermal Power Project (2x660 MW) - Uttar Pradesh and Raghunathpur Thermal Power Project, Phase II (2x660 MW) - West Bengal. The aggregate value of the contracts is about ₹ 5565 Crores.

BGR Energy's Electrical Projects Division was awarded a prestigious turnkey implementation contract by The Nuclear Power Corporation at two of its upcoming nuclear power plants. The order valued at ₹ 444 Crores involves supply, erection, testing and commissioning of main plant electrical systems including Nuclear island electricals at Kota, Rajasthan (2x700 MW) and Kakrapar, Gujarat (2x700 MW).

With great pleasure, I wish to inform you that last year, BGR Energy successfully completed the world's tallest natural draught cooling tower - 202 Metres tall having a diameter of 145 Metres at Kalisindh 1200 MW power project in Rajasthan.

Now, let me present you a quick summary of the Industrial context in which we were operating and the outlook. The Indian power industry was fraught with hurdles and challenges - coal availability, land availability and delay in approvals, lack of clarity in policies impacting



businesses – your company's strategy to stay on its course and FOCUS on growth has paid dividends.

The Government of India's policy to impose 21% duty hike on imported equipment is expected to offer a level playing field for domestic manufacturers. While Independent Power Producers (IPPs) rely on imported equipment, State and Central Government generation companies prefer reliable domestic equipment manufacturers.

Our BTG manufacturing facilities which are being established in JV with Hitachi are expected to become operational in 2013. To all of us at BGR Energy, it is a leap forward in the tracks of our growth.

I thank you all for your continued support and providing us the inspiration to leap ahead. Your company continues to stay competitive providing exceptional service to a growing marquee customers like NTPC. We continue to add skilled manpower to strengthen our domain expertise and allow them to perform at their best with customer delight as their most critical key result area.

Thanking you

B.G. Raghupathy

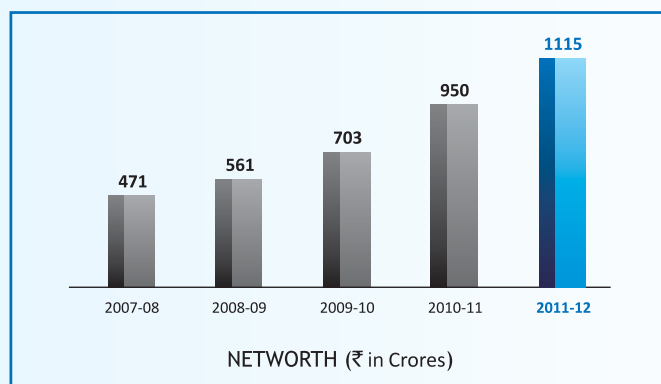
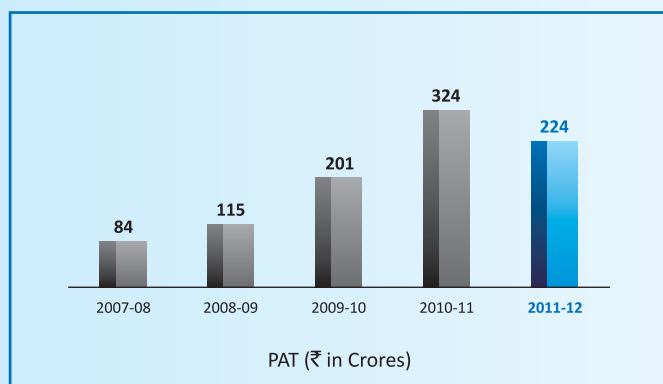
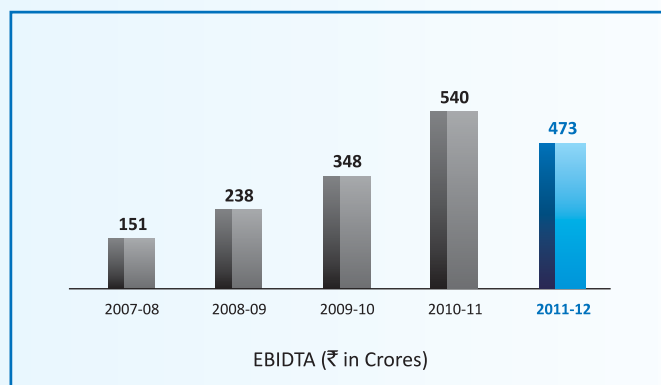
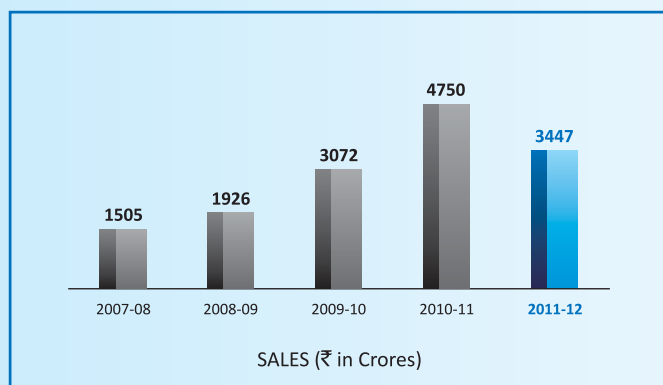
Chairman and Managing Director



Financial Highlights

(₹ in Crores except per share data)

DESCRIPTIONS	2007-08	2008-09	2009-10	2010-11	2011-12
SALES AND EARNINGS					
Sales	1505.40	1926.07	3072.04	4750.29	3447.05
Other Income	3.92	27.55	21.91	19.12	5.26
EBIDTA	151.01	237.80	348.04	540.17	473.10
Net Profit	84.44	115.09	201.02	324.20	223.52
ASSETS					
Fixed Assets	46.09	96.47	149.45	175.39	198.41
Investments	155.65	4.78	4.78	136.80	235.85
Other Asset (Net)	810.24	1246.19	1514.31	2285.56	2849.78
Total Assets	1011.98	1347.44	1668.54	2597.75	3284.04
FUNDED BY					
Equity Share Capital	72.00	72.00	72.00	72.16	72.16
Reserves & Surplus	399.32	489.15	631.20	877.60	1042.41
Deferred Taxes	39.33	78.49	158.91	311.68	401.35
Borrowings	501.33	707.80	806.43	1336.31	1768.12
Total Liabilities	1011.98	1347.44	1668.54	2597.75	3284.04
EPS (₹)	12.64	15.98	27.92	44.97	30.98
Dividend per equity share (₹)	2.00	3.00	7.00	10.00	7.00



Corporate Information

BOARD OF DIRECTORS

B. G. Raghupathy
Chairman & Managing Director

T. Sankaralingam
Managing Director

V. R. Mahadevan
Director - Technologies & HR

A. Swaminathan
Director - Sales & Marketing

M. Gopalakrishna
Director

S. A. Bohra
Director

S. R. Tagat
Director

M. S. Sundara Rajan
Director

Gnana Rajasekaran
Director

Heinrich Bohmer
Director

Sasikala Raghupathy
Director

COMPANY SECRETARY

R. Ramesh Kumar

CHIEF FINANCIAL OFFICER

P. R. Easwar Kumar

STATUTORY AUDITORS

Manohar Chowdhry & Associates
Chartered Accountants
No.27, Subramanian Street
Abhiramapuram, Chennai 600018

INTERNAL AUDITORS

J V Associates
V Krishnan & Co.
Ramachandran & Murali
Brahmayya & Co.
Venkatesh & Co.

BANKERS

State Bank of India
State Bank of Hyderabad
State Bank of Travancore
State Bank of Patiala
State Bank of Bikaner & Jaipur
State Bank of Mysore
IDBI Bank Limited
Indian Bank
Corporation Bank
Punjab National Bank
Bank of India
Axis Bank Limited
The Karur Vysya Bank Limited
Vijaya Bank Limited
Indian Overseas Bank
Central Bank of India
Allahabad Bank
Syndicate Bank
Andhra Bank
ING Vysya Bank Limited

REGISTERED OFFICE

A-5 Pannamgadu Industrial Estate,
Ramapuram Post, Sullurpet Taluk,
Nellore District, Andhra Pradesh 524401

CORPORATE OFFICE

443 Anna Salai, Teynampet,
Chennai 600018, India

REGIONAL OFFICES

New Delhi

Plot No.1, Sector -16A, Film City
Noida 201301, Uttar Pradesh

Mumbai

Unit No. 171, Building No.1
7th Floor, Solitaire Corporate Park,
Chakala, Andheri (East),
Mumbai 400093

Hyderabad

Plot No.44, Sagar Society,
Road No.2 Banjara Hills,
Hyderabad 500034

WEB SITE

www.bgrcorp.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W)
Mumbai 400078

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Directors' Report

To the Members of BGR ENERGY SYSTEMS LIMITED

Your directors are pleased to present Twenty Sixth Annual Report together with the audited financial statements for the year ended March 31, 2012.

FINANCIAL RESULTS

During FY 2011-12, your company has achieved total income of ₹ 3452.31 Crores. The highlights of the financial performance of the Company during the financial year ended March 31, 2012 as compared with the previous financial year ended March 31, 2011 are summarized below:

(₹ Crores)

Description	2011-12	2010-11
Income from operations	3447	4750
Other income	5	19
Total Income	3452	4769
Earnings before Interest, Depreciation, Tax and Amortization	473	540
Profit before tax	327	482
Tax Expense	103	158
Net Profit	224	324
Amount available for appropriation	224	324
Less :		
a) Dividend	51	72
b) Tax on dividend	8	12
c) Transfer to general reserve	22	32
Balance carried to Balance Sheet	143	208

DIVIDEND

Your Board of Directors have recommended a dividend of ₹ 7 per equity share of ₹ 10 each subject to the approval of the Members at the forthcoming 26th Annual General Meeting. This will result in dividend payment of ₹ 50.51 Crores and payment of dividend tax of ₹ 8.20 Crores. The dividend will be paid to members whose names appear on the Register of Members as on September 21, 2012 and as informed to the Company by National Securities Depository Limited and Central Depository Services Limited, in respect of shares held in demat mode. Your directors wish to carry an amount of ₹ 142.46 Crores to the Balance Sheet after appropriation towards dividend, corporate dividend tax and transfer to general reserve. Your directors kept in view of the requirement of resources to finance increased working capital, equity contribution for setting up of Steam Generator, Steam Turbine and Generator manufacturing facilities and decline in profit in FY 2011-12.

BUSINESS PERFORMANCE

The Power Projects business of your Company is executing EPC and BoP turnkey project contracts for State electricity utilities and private sector IPPs. The projects have rated capacity of 500 MW, 600 MW and 660 MW and are of Sub critical and Super Critical technologies. The capital goods businesses are engaged in Electrical, Environment, Oil and Gas sector in India and abroad for executing turnkey contracts for supply of high tech equipment and installation of power equipment.

An overview and major milestones of operations during the year are as under;

- An Engineering, Procurement and Construction ("EPC") contract for 2 x 300 MW coal based thermal power project located in Chattisgarh from TRN Energy Private Limited, for a value of ₹ 1,698 Crores was secured.
- Your company has emerged as the lowest bidder in the tender called for by NTPC for supply of 9 x 800 MW super critical Steam Turbine and Generators units and would supply 4 units of 2 x 800 MW to Lara Super Thermal Power project and 2 x 800 MW Darlipali Super Thermal Power project for an aggregate value of ₹ 2,968 Crores.
- Your company has also emerged as the lowest bidder in NTPC's 11 x 660 MW Super critical boiler tender. This tender is for supply of 11 Super critical boilers of 660 MW capacity. Your Company would supply 6 units to 2 x 660 MW Solapur Super Thermal power project, 2 x 660 MW Meja Thermal Power project and 2 x 660 MW Raghunathpur Thermal Power project for an aggregate value of ₹ 5,565 Crores.
- Your Company successfully completed, perhaps, the World's largest and tallest natural draught cooling tower with height of 202 meters and diameter of 145 meters at Kalisindh 1200 MW power project in Rajasthan.
- Electrical Project Division has bagged a large EPC contract for Electrical systems for 4 units of 700 MW of Nuclear Power projects for a value of ₹ 444.48 Crores from Nuclear Power Corporation. Electrical Projects business is qualified to implement large OPGW live-line projects and has installed over 2400 KM in various States for Power Grid Corporation. This division has executed projects for supply and installation of Gas Insulated Switch gear for PSU customers.
- Air Fin Cooler division has achieved ever highest turnover of ₹ 178 Crores registering over 36% growth over the previous year and closed the year with healthy order book position of ₹ 180 Crores. Your Company made significant expansion of export markets in Kuwait, Oman and Qatar. Despite stiff competition and challenges in international markets, Air Fin Cooler business has achieved secular improvement in its performance.
- Environment Engineering division is engaged in the business of supply of Deaerators, Condensate Polishing Unit ("CPU") and Water Treatment Plant. During the year, significant success was made in Deaerator business and your company firmly established its market position in CPU business.
- Despite drop in sales over the previous year, the Oil & Gas Equipment division has profitably executed contracts for supply of Oil storage tanks, Mobile Test separator, scrupper launching / receiving stations and gas processing units. The USD 80.5 Million contract with SCOP, Iraq for Akash and Al-Mansuriya gas field development was terminated with mutual consent of the company and client and contractual claims will be settled with mutual agreement. This termination of contract became necessary in view of the client's decision to award gas development projects to private companies.

PROGRESS AND STATUS OF JOINT VENTURE

The joint venture companies established in strategic partnership with Hitachi Japan and Germany for Super Critical Steam Turbine and Generators and Steam Generators ("BTG") are progressing well and are gearing up to commence the manufacturing during the

Directors' Report

first half of FY 2013–14. The strategic tie up through joint venture has positioned your company as a full service EPC company with capability design, engineering and manufacture of BTG and BoP equipment and civil works in the same platform with BHEL and L&T.

BGR BOILERS PRIVATE LIMITED

Your Company invested ₹ 94.90 Crores towards equity contribution constituting 70 % in the equity capital of BGR Boilers Private Limited. The Joint venture with Hitachi Power Europe, Germany has acquired lands for setting up of manufacturing facility for Super critical steam generators of 660 MW, 800 MW and 1000 MW capacity. Towards implementation of the project, technology transfer and technical training from Hitachi Power are progressing and the JV company has also placed orders for purchase of long lead capital equipment. The Joint venture company is expected to achieve financial closure for the manufacturing facility during the current financial year.

BGR TURBINES COMPANY PRIVATE LIMITED

Your Company has so far invested ₹ 136.16 Crores towards equity contribution constituting 74 % in the equity capital of BGR Turbines Company Private Limited. The joint venture with Hitachi, Japan has acquired lands required for setting up of manufacturing facility for Steam Turbines and Generators. During the year, technology transfer and technical training have commenced. The JV company has placed orders for purchase of long lead capital equipment. The Joint venture company is expected to achieve financial closure for the manufacturing facility during the current financial year.

INDIAN POWER SECTOR SCENARIO

The Indian power sector is making slow but steady progress even with peak shortage of 10.3% during FY 2011 – 12. The growth of power sector is synonymous with the sustenance and the drive to keep up growth momentum of GDP. The Government of India, State and Central utilities continue to give greater importance of adopting Super critical technology in all fossil fuel based power plants, with high efficiencies and lower emission. India made a modest beginning in deploying Super critical technology based power equipment of large unit sizes viz., Boilers, Turbine and Generators with increased visible presence only in recent years. In 12th plan period, about 60% of the coal based power projects are of Super critical technology and in 13th plan period all coal based projects are likely to be based on super critical technology.

The increase in variable cost and interest rate has adversely affected the cost of power generation for Central, State utilities & independent power producers and it has in turn laid thrust on more efficient power plants in future to save on cost of fuel. The Integrated Energy Policy envisages coal to be the predominant fuel till 2031 – 32. With Central Electricity Authority directive of blending of 30% of imported coal and coal shortage, has further increased the importance of efficiency of power plants and proven technology products from BTG suppliers, with ability to handle variety of coal combinations. During the year under review, there has been a slow down and delays in award of contracts for large power projects by Central and State utilities and Independent power producers on account of variety of reasons including natural gas availability, coal linkage, abnormal increase in price of imported coal, land acquisition, environmental clearance and poor financial health of State Discorns. These factors adversely affected the economics of power generation, which in turn has drastically reduced the market potential for power plant EPC contractors and equipment manufacturers in the last fiscal year.

Your company's capital goods business service Power and Process sector in India and abroad. These businesses also have witnessed

slowdown and delays in capacity addition by industries.

FUTURE OUTLOOK, THE YEAR AHEAD

In Supercritical technology based power projects, many customers are opting for complete range of Engineering, Procurement and Construction ("EPC") route over the multiple package route. The in-house capability to manufacture Super critical BTG have enabled your company to equip with proven, efficient and cost competitive technology solutions to customers. Your company is one of the three Indian EPC companies to manufacture both Super critical boilers and steam turbine generators, which has a distinct advantage in offering a competitive and complete EPC package due to the vast experience in turnkey Balance of Plant. Your company have an added advantage of continuous improvements in in-house engineering standards, augmentation, retention of human resources, adoption of best practices in construction, in-house manufacturing, increased mechanization and augmentation of construction equipment for faster execution.

The Capital goods business segment would continue to lay thrust on domestic and international markets. GIS sub stations, OPGW, LNG terminal, Hydro Carbon sector and export markets would offer significant growth opportunities for these business segment.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standard (AS-21) on Consolidated Financial Statements read with Accounting Standard AS-27 on financial reporting of interest in Joint Ventures, the audited Consolidated Financial Statements are annexed to this annual report.

In accordance with the general Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not attached with the financial statements of the Company. The Company will make available the Annual financial statements of the subsidiary companies and related information to the members of the Company who may be interested in obtaining the same. The Annual reports of the subsidiary companies will be open for inspection by shareholders at the Registered and Corporate Office of the Company and Subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

HUMAN RESOURCES

The Company's business has been growing at a rapid pace and in order to ensure a vibrant organization which is capable of coping up with the challenges of growth thrust areas in FY 2011 – 12 have been ;

- Building highly competent and committed team of people.
- Inculcating a performance driven culture.
- Identifying and developing employee potential through adequate training and developmental interventions.

Building an organization of highly competent work force has been of vital importance and consequently talent acquisition across different levels, functions and business verticals has been the most significant effort. The Company, over a period of time, has established itself as a visible, respected brand in the industry thereby attracting talent at senior levels from across leading companies in the country. Your Company added 930 employees, mostly engineers and professionals during the year. Your company has set up Engineering & Project Management Centre of Excellence at New Delhi Regional Office, in addition to its existing infrastructure in Chennai.

Directors' Report

In addition to lateral induction across various levels, your company has taken steps to build talent pool through Graduate and Post Graduate trainee programme so as to sustain and manage organizational challenges over period of times. These graduates are recruited from premier campuses across the country and are imparted comprehensive tailor made training.

The Company laid stress on performance reward driven culture thereby creating and nurturing an environment that fosters highly motivated work force. In order to ensure overall employee growth, your company imparts in-house as well as external training in the areas of technical, techno commercial and behavioral skills. In the coming years, in order to enhance knowledge and skill levels to cope-up with the changing business needs and the training would focus on project management, communication and leadership besides technical training.

EMPLOYEE STOCK OPTION SCHEME

The Company has implemented the Employee Stock Option Scheme 2007 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme. The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2012 are attached as Annexure – I of this report.

STATUTORY INFORMATION

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy are not applicable to your Company. The particulars relating to technology absorption are enclosed as Annexure – II of this report. During the FY 2011-12, the Foreign exchange earnings and outgo were ₹ 454.51 Crores and ₹ 686.95 Crores respectively. In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the annual report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such information, may write to the Company Secretary of the Company.

BOARD OF DIRECTORS

Mr.S. Rathinam, Director – Finance relinquished his office with effect from February 7, 2012. Your directors wish to place on record their appreciation for valuable service and guidance rendered by Mr.Rathinam during his tenure on the Board of the Company. The Board also wish to convey its gratitude to Mr.Rathinam for the invaluable contribution and wise counsel rendered by him during his two decades of service with the company.

Mr.S.R. Tagat and Mr.V.R. Mahadevan, Directors, retire by rotation and being eligible for re-appointment, offer themselves for re-appointment. The Board recommends their re-appointment. Profiles of these directors are given in the notice convening the 26th annual general meeting of the Company.

On November 14, 2011, Mr.M.S. Sundara Rajan has been co-opted as an independent director on the Board and he holds office up to the date of the forthcoming annual general meeting in terms of Section 257 of the Companies Act, 1956. The Company received a notice proposing Mr.M.S. Sundara Rajan for appointment to the office of director. The profile of Mr.M.S. Sundara Rajan is given in the notice convening the 26th annual general meeting of the Company. The Board recommends his appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' responsibility statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the Financial year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the Financial year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts for the year ended March 31, 2012 on a going concern basis.

STATUTORY AUDITORS' AND AUDITORS' REPORT

Manohar Chowdhry & Associates, Chartered Accountants, Statutory auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Manohar Chowdhry & Associates, Chartered Accountants confirmed that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment in terms of Section 226 of the Companies Act, 1956.

CORPORATE GOVERNANCE

The Company is committed to maintain and comply with the standards of Corporate Governance as set out in Clause 49 of the Listing Agreement and your Directors are pleased to attach a report on Corporate Governance together with the following Certificates / Declarations.

- Chief Executive Officer and Chief Financial Officer certificate.
- Declaration on code of conduct.
- Certificate from the Company's Auditors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report for the financial year under review, is presented in a separate section forming part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the patronage, support and co-operation received from the customers, vendors, consortium of banks, collaborators, business partners / associates, statutory authorities, Central and State Governments during the year under review. Your Directors place on record their sincere appreciation of the contribution made by the employees of the Company at all levels through their hard work, dedication and performance.

For and on behalf of the Board

Place : Chennai
Date : May 30, 2012

B. G. RAGHUPATHY
Chairman & Managing Director

Directors' Report

ANNEXURE – I

DISCLOSURE IN THE DIRECTORS' REPORT AS PER SEBI GUIDELINES:

Particulars	2011-12
Options Outstanding in the Beginning of the Year	335,851
a Options granted	-
b Pricing formula	85% of Issue Price ₹ 408/-
c Options Vested	32,444
d Options Exercised	-
e Total no. of shares arising as result of exercise of Options	-
f Options lapsed	44,851
g Variation in terms of Options	None
h Money realised by exercise of Options	-
i Total number of options in force	291100*
* 100 Options added since application for allotment of shares was withdrawn.	
j employee wise details of options granted to	
(i) Senior Managerial Personnel	None
(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None
(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None
k Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share'	30.98
Pro Forma Adjusted Net Income and Earning Per Share	
Particulars	Rs. in Million
Net Income	
As Reported	2235.22
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	-2.23
Adjusted Pro Forma Net Income	2237.45
Earning Per Share	
: Basic	
As Reported	30.98
Adjusted Pro Forma	30.94
Earning Per Share	
: Diluted	
As Reported	30.98
Adjusted Pro Forma	30.94
l Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.
m Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	N.A.
n A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	
(i) risk-free interest rate	N.A.
(ii) expected life	N.A.
(iii) expected volatility	N.A.
(iv) expected dividends and	N.A.
(v) the price of the underlying share in market at the time of option grant.	N.A.

ANNEXURE – II

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1	Efforts, in brief, made towards technology absorption, adaptation and innovation.	Under implementation
2	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	N.A.
3	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:	
	(a) Technology imported	Technology relating to Design, engineering and manufacture of Heat Recovery Steam Generators
	(b) Year of import	2010
	(c) Has technology been fully absorbed	Under implementation
	(d) If not fully absorbed areas where this has not taken place, reasons there for and future plans of action.	Under implementation