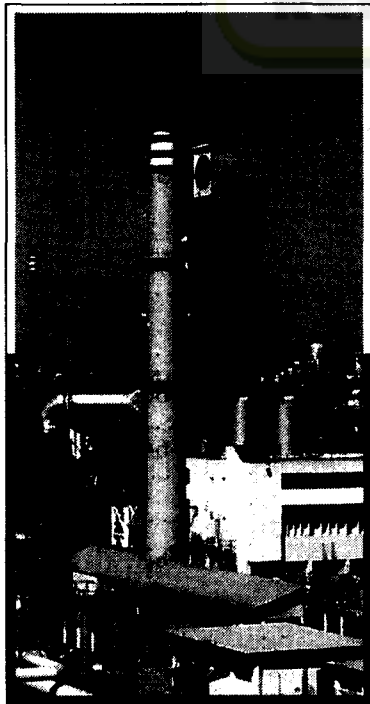


# Engineers India Limited

38<sup>th</sup> ANNUAL REPORT  
वार्षिक रिपोर्ट 2002-2003



***Delivering Excellence  
through People***

इंजीनियर्स  
इंडिया लिमिटेड



ENGINEERS  
INDIA LIMITED

## Table of Contents

1.	Our Vision, The Mission & Our Core Values .....	1
2.	Organisational Structure .....	2
3.	Ten Year's performance at a glance .....	3
4.	Notice - 38th AGM, Proxy Form & Attendance Slip .....	4-9
5.	Directors' Report .....	10-15
6.	Management Discussion & Analysis .....	16-18
7.	Report on Corporate Governance-Annexure to Directors' Report .....	19-29
8.	Particulars of Employees .....	30-32
9.	Auditors' Report .....	33-35
10.	Balance Sheet .....	36
11.	Profit & Loss Account .....	37
12.	Cash Flow Statement .....	38
13.	Schedules .....	39-48
14.	Significant Accounting Policies .....	49-51
15.	Notes Forming Part of the Accounts .....	52-57
16.	Statutory Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956 .....	58
17.	Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies .....	59-60
18.	CAG Comments and Review .....	61-64
19.	Annual Report of Certification Engineers International Ltd. for the Year 2002-03 .....	65-87
20.	Annual Report of EIL Asia Pacific Sdn. Bhd. for the year 2002 .....	88-99
21.	Consolidated Accounts with Auditor's Report .....	100-120



## Our Vision

**To become a globally  
Competitive EPC &  
Consultancy Organisation.**

## Our Core Values

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

## The Mission

1. To achieve international standards of excellence with a focus on customer satisfaction.
2. To provide high quality, safe & energy-efficient **services** in Process Design, Engineering, Procurement, Construction with overall Project Management in Hydrocarbon, Metallurgy, Power and Ports & Terminals as well as Information Technology and other selected sectors of Industry.
3. To achieve prominence in developing, adopting and **assimilating state-of-the-art technology** for competitive advantage.
4. To maximise creation of wealth, value and satisfaction for stake-holders.
5. To foster a culture of participation and innovation for employees' growth and contribution through a climate of fairness and transparency in operation.
6. To acquire and provide technology and services through sustained Research & Development and promote linkages among Engineering Organisations, Equipment Manufacturers, Operating Companies and R&D Organisations to upgrade technologies on a continuous basis.
7. To cultivate high standards of ethics and quality for a **strong Corporate identity and brand equity**.
8. To **help enrich the quality of life** of community and preserve ecological balance and heritage through services provided with a strong environmental conscience.



**Annual Report 2002-2003**  
**Engineers India Limited**

## Organizational Structure

### **CHAIRMAN & MANAGING DIRECTOR** **M. K. Dalal**

- Company Secretary
- Corporate Quality Assurance
- Vigilance

#### **Director (Projects)** **P. Mukerji w.e.f. 3.6.2003**

- Engineering
- Engineering Technology and Development
- Refineries
- Petrochemicals
- Offshore Oil & Gas
- Onshore Oil & Gas
- Metallurgy
- Pipelines
- Ports & Terminals
- Power
- LSTK - Onshore
- LSTK - Offshore
- Regional Offices
- Project Services
- Overseas Offices

#### **Director (Commercial)** **H. K. Kaul**

- Marketing
- Procurement Services
- Construction Management
- Contracts
- SBUs
- Zonal Offices & RPOs
- Overseas Offices

#### **Director (Personnel)** **Vijay K. Talwar**

- HR Management
- HR Planning & Acquisition
- HR Development & Change Management
- Infrastructure Management
- Official Language
- Corporate Communication

#### **Director (Technical)** **A. Soni**

- Process Design & Development
- Research & Development
- Heat and Mass Transfer
- Plant Operation and Safety
- Information Technology Services
- Environment
- Advanced Control & Optimisation
- Specialist Materials & Maintenance Services
- Library
- Corporate Planning

#### **Director (Finance)** **D. S. Chakrabarti**

- Employee Related Disbursement & Control
- Project Finance and Appraisal
- Invoicing and Receivable Management
- Corporate Accounting & Budgeting
- Tax Planning & Management
- Financial Management
- Internal Audit

**Shri Shivraj Singh, Director**  
(Govt. Nominee) upto 14.03.2003

**Dr. Avinash Chandra, Director**  
(Govt. Nominee)

**Shri Prabh Das, Director**  
(Govt. Nominee) w.e.f 16.04.2003

**Shri Sumanta Nayak,**  
Company Secretary



## Ten Years' performance at glance

PARTICULARS/YEARS	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003
	(Rupees in Thousand)									

### A OPERATING STATISTICS

Turnover*	2239573	2349127	2599806	2688328	3112046	3917336	6156705	7876293	5369944	8182692
Other Income	197858	238268	314780	337460	413916	699709	776478	712927	700384	410096
Expenditure	1436203	1546826	1836412	1909654	2383537	2739263	5001121	6632377	4945619	7481258
Profit before Tax	1001228	1040569	1078174	1140098	1142425	1877782	1932062	1956843	1124709	1111530
Tax	398119	441754	395165	419641	410000	697192	670047	718299	382914	545249
Deferred Tax Assets/(Liability)	0	0	0	0	0	0	0	0	73320	75365
Profit after Tax @@	603109	598815	683009	720457	732425	1180590	1262015	1238544	247088	641646
Dividend @@@	20000	36000	45000	59400	74231	311657	355475	376283	154440	224616
Dividend tax	0	0	0	0	8125	0	78205	38381	0	28780
Retained Surplus**	583109	562815	638009	661057	650069	868933	828335	823880	92648	388250

### B FINANCIAL POSITION

Capital Employed***	2016377	2566855	3199864	3870857	4609977	5479022	6307456	7131336	7124028	7512278
i) Fixed Assets****	442996	485144	469262	482519	467319	476786	522241	558102	504559	440852
ii) Net current Assets	1118363	1425544	2330435	2952988	2401680	2912074	3692910	4670328	5121093	5286928
Shareholders Funds	1999040	2561855	3199864	3870857	4609977	5479022	6307456	7131336	7124028	7512278
i) Share Capital	20000	180000	180000	180000	187173	187181	561562	561562	561562	561562
ii) Reserve & Surplus@	1979040	2381855	3019864	3680921	4422804	5291841	5745894	6569774	6562466	6950716
Loans	17337	5000	0	0	0	0	0	0	0	0

### C RATIOS

PBT / Turnover	44.71%	44.30%	41.47%	41.52%	36.71%	47.94%	31.38%	24.84%	20.94%	13.58%
PBT / Capital Employed	49.65%	40.54%	33.69%	28.83%	24.78%	34.27%	30.63%	27.44%	15.79%	14.80%
PAT / Net Worth	30.17%	23.37%	21.34%	18.66%	15.89%	21.55%	20.01%	17.37%	3.47%	8.54%
Turnover / Net Worth										
(number of times)	1.11	0.92	0.81	0.69	0.68	0.71	0.98	1.10	0.75	1.09
Sundry Debts / Turnover										
(Month's Turnover)	5.11	5.97	7.28	6.26	4.23	3.76	3.13	3.38	4.43	3.15
Turnover to Total Assets										
(number of times)	0.57	0.44	0.43	0.41	0.37	0.35	0.40	0.61	0.46	0.48

### NOTES :

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

\*\* Figure of Retained Surplus includes amount Written Back pertaining to Provision for Taxation.

\*\*\* Includes Investments.

\*\*\*\* Fixed Assets include capital Work-in-Progress.

@ Includes Capital Grand of Rs. 2 crores received in 1984-85 for R&D Centre.

@@ Profit after Tax for 2001-2002 includes provisions for diminution in the value of long term Investments of Rs. 56.80 Crores.

@@@ Includes Reversal of excess Proposed Dividend Amounting to Rs. 9000 for the earlier years made during the years 2002-2003.

— Profit after Tax for 1996-97 includes Surplus from Petroleum India International relating to previous period (upto 31.3.95) amounting to Rs. 239.64 lakhs.

— Shareholders funds include Share Application money of Rs. 99.36 lakhs received in 1996-97 made up of Rs. 7.20 lakhs towards share capital and Rs. 92.16 lakhs towards share premium.





Company is not liable for any loss or damage to the contents of the report.

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of Engineers India Limited will be held on Thursday, the 25<sup>th</sup> September, 2003 at 3.30 P.M at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, Near Mandi House, New Delhi-110 001 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March 2003 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To consider declaration of dividend.
3. To appoint a Director in place of Shri Vijay K. Talwar, who retires by rotation and being eligible seeks re-appointment.
4. To appoint a Director in place of Shri A. Soni, who retires by rotation and being eligible seeks re-appointment.
5. To ratify the remuneration of Auditors amounting to Rs. 0.431 Million as fixed by the Board of Directors for the financial year 2002-2003.
6. To fix remuneration of Auditors for the financial year 2003-2004.

To fix remuneration of Auditors and for that purpose to pass with or without modification, 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 2003-2004”.

#### **SPECIAL BUSINESS:**

##### **7. Appointment of Shri MK Dalal as a Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“Resolved that** Shri MK Dalal, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

##### **8. Appointment of Shri Prabh Das as a Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“Resolved that** Shri Prabh Das, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

##### **9. Appointment of Shri Pronob Mukerji as a Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“Resolved that** Shri Pronob Mukerji, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

**By Order of the Board**

Date: 29.08.2003  
Place: New Delhi

**Sumanta Nayak**  
Company Secretary

**Notes:**

1. Explanatory Statement prepared in pursuance of Section 173 of the Companies Act, 1956 in respect of Special Business is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
3. Members/proxies should bring their copy of Annual Report and attendance slip, duly filled in, to the meeting. Members holding shares in dematerialized form are requested to bring their Client Id and DP Id Numbers for easy identification of attendance at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16<sup>th</sup> September 2003 to Thursday, 25<sup>th</sup> September 2003 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.
5. Dividend, if any approved at the 38<sup>th</sup> Annual General Meeting of the Company will be paid to those shareholders, whose names appear: a) As Beneficial Owners as at the end of the business hours on 15<sup>th</sup> September 2003 as per the list to be furnished by the Depositories in respect of the 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 15<sup>th</sup> September 2003.
6. Members holding shares in physical form are requested to notify immediately Change of Address, if any, to the Registrar and Share Transfer Agent of the Company at the address: M/s. Mas Services Private Limited, AB-4, Safdarjung Enclave, New Delhi-110 029, Phone: 2610 4142, Fax: 2618 1081 quoting their Folio Number, 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.
7. Pursuant to the requirements of Corporate Governance, a brief resume of Directors proposed for appointment/re-appointment is attached herewith as Annexure to the Notice.
8. NO GIFTS SHALL BE DISTRIBUTED IN THE AGM OR AFTERWARDS.



**Annual Report 2002-2003**  
**Engineers India Limited**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **Item No.7**

Shri MK Dalal was nominated by the President of India as Chairman & Managing Director of the Company vide letter No.31016/1/2001-CA dt. September 25, 2002. As per the provisions of Section 260 of the Companies Act, 1956 Shri MK Dalal will hold office upto the date of 38<sup>th</sup> Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri MK Dalal as a Director liable to retire by rotation.

Your Directors recommend the Resolution for your approval. None of the Directors of the Company except Shri MK Dalal is interested or concerned in the resolution.

### **Item No.8**

Shri Prabh Das was nominated by the President of India as a Director of the Company vide letter No.31011/2/2003-CA dt. 3<sup>rd</sup> April 2003. As per the provisions of Section 260 of the Companies Act, 1956 Shri Prabh Das will hold office upto the date of 38<sup>th</sup> Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri Prabh Das as a Director liable to retire by rotation.

Your Directors recommend the Resolution for your approval. None of the Directors of the Company except Shri Prabh Das is interested or concerned in the resolution.

### **Item No.9**

Shri Pronob Mukerji was nominated by the President of India as Director (Projects) of the Company vide letter No.R-31016/10/2002-CA dt. June 3, 2003. As per the provisions of Section 260 of the Companies Act, 1956 Shri Pronob Mukerji will hold office upto the date of 38<sup>th</sup> Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 has been received proposing the appointment of Shri Pronob Mukerji as a Director liable to retire by rotation.

Your Directors recommend the Resolution for your approval. None of the Directors of the Company except Shri Pronob Mukerji is interested or concerned in the resolution.

**By Order of the Board**

**Sumanta Nayak**  
 Company Secretary

Date: 29.08.2003  
 Place: New Delhi





## ATTENDANCE SLIP

**ENGINEERS INDIA LIMITED**

Registered Office: 1, Bhikaiji Cama Place, New Delhi-110066.

Name of the Member/Proxy :

(in Block Letters)

Folio No. :

DP. Id\* :

Client Id\* :

No. of Shares held :

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the Thirty Eighth Annual General Meeting of the Company at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, Near Mandi House, New Delhi-110 001.

Member's /Proxy's Signature

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

2. NO GIFTS SHALL BE GIVEN AT THE MEETING.

3. THIS ATTENDANCE IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

\* Applicable for shares held in electronic form.

## PROXY FORM

**ENGINEERS INDIA LIMITED**

Registered Office: 1, Bhaikiji Cama Place, New Delhi-110066.

I/We.....

of.....

(Write the full address)

being a member/members of Engineers India Ltd hereby appoint.....of.....

.....or failing

(Write the full address)

him.....of.....

(Write the full address)

.....as my/our proxy to attend and vote for me/us and on my/our behalf at the thirty eighth Annual General Meeting of the Company to be held on Thursday, the 25<sup>th</sup> September, 2003 at 3.30 P.M and any adjournment thereof.Affix  
Revenue  
Stamp of  
Rs. 1.00

Signature

Folio No. :

DP Id\* :

Client Id\* :

No. of shares held :

Signed this ..... Day of .....2003

- NOTE:
1. The Proxy need NOT be a member.
  2. Proxy Form signed across revenue stamp should reach at least 48 hours before the scheduled time of meeting
  3. Please fill in full particulars
  4. Company reserves the right to ask for identification of the proxy.
  5. Proxy cannot speak at the meeting or vote on a show of hands.

\* Applicable for shares held in electronic form.



## ANNEXURE TO THE NOTICE

**Brief Resume of the Directors proposed for appointment/reappointment at 38<sup>th</sup> Annual General Meeting vide Items 3, 4, 7, 8 & 9 of the Notice.**

<b>Name</b>	: <b>Shri M.K.Dalal</b>
<b>Father's Name</b>	: <b>Shri Lakshmi Narayan Dalal</b>
<b>Designation</b>	: <b>C&amp;MD</b>
<b>Official Address</b>	: <b>Engineers India Limited, 1, Bhikaiji Cama Place, New Delhi-110066.</b>
<b>Date of Birth</b>	: <b>20.09.1945</b>
<b>Qualification</b>	: <b>Degree in Mechanical Engg (1965), MBA(1977)</b>
<b>Experience</b>	: <b>1965-1972-M/s. Simon Carves India Ltd 1972-till date - M/s. Engineers India Ltd.(EIL). He was nominated as Director (Projects) of EIL w.e.f. 11.12.1997. He held Additional Charge of C&amp;MD from 1.8.2002 to 24.9.2002 and was nominated as C&amp;MD w.e.f.25.9.2002. He has extensive experience in the fields of Project Formulation, Engineering Management, Design, Procurement, Construction and Integrated Project Management of multi-disciplinary Green-Field Projects.</b>
<b>Other Directorship(s)</b>	: <b>Nil</b>
<b>Name</b>	: <b>Shri Prabh Das</b>
<b>Father's Name</b>	: <b>Shri S.P. Mathur</b>
<b>Designation</b>	: <b>Director, Government Nominee</b>
<b>Official Address</b>	: <b>Ministry of Petroleum &amp; Natural Gas, Shastri Bhawan, New Delhi-110001.</b>
<b>Date of Birth</b>	: <b>30.10.1957</b>
<b>Qualification</b>	: <b>B.Tech.(Hons), IIT,Kharagpur, MBA-Southern Cross University, Australia</b>
<b>Experience</b>	: <b>Joined Indian Administrative Service in 1981 and allotted West Bengal Cadre. Worked in field as SDM/ADM/ District Magistrate for over 9 years. Worked as District Magistrate &amp; Collector in Midnapur &amp; Jalpaiguri Districts for total period of over 5 years. Deputy Secretary/Director in the Department of Ocean Development and Ministry of Commerce, Govt. of India from 1994 to 1999. Special Secretary (Transport), Govt. of West Bengal from 1999 for 2 years. Chief Executive Officer, Calcutta Metropolitan Development Authority from March 2001 for 2 years. Joined Ministry of Petroleum &amp; Natural Gas, Government of India as Joint Secretary on 20.3.2003. He has been nominated as Director of EIL w.e.f. 3.4.2003.</b>
<b>Other Directorship(s)</b>	: <b>Indian Oil Corporation Ltd, IBP Co. Limited, Chennai Petroleum Corporation Limited</b>
<b>Name</b>	: <b>Shri Vijay K Talwar,</b>
<b>Father's Name</b>	: <b>Dr. A.L. Talwar</b>
<b>Designation</b>	: <b>Director (Personnel)</b>
<b>Official Address</b>	: <b>Engineers India Limited, 1, Bhikaiji Cama Place, New Delhi-110066.</b>
<b>Date of Birth</b>	: <b>19.04.1944</b>
<b>Qualification</b>	: <b>Degree in Electrical Engg(1965)</b>
<b>Experience</b>	: <b>1965-1976-M/s. Bokaro Steel Ltd. 1976-till date-M/s. Engineers India Ltd. He was nominated as Director (Personnel) of EIL w.e.f. 5.5.1998. He has extensive experience in the fields of Human Resource Management, Construction Managements and Project Management.</b>
<b>Other Directorship(s)</b>	: <b>Nil</b>
<b>Name</b>	: <b>Shri A. Soni</b>
<b>Father's Name</b>	: <b>Shri Ved Parkash Soni</b>
<b>Designation</b>	: <b>Director (Technical)</b>
<b>Official Address</b>	: <b>Engineers India Limited, 1, Bhikaiji Cama Place, New Delhi-110066.</b>
<b>Date of Birth</b>	: <b>29.11.1944</b>
<b>Qualification</b>	: <b>Degree in Chemical Engg. (1966) MBA (1975)</b>
<b>Experience</b>	: <b>1966-1968 M/s. Larsen &amp; Toubro Ltd., 1968-1983 M/s. Engineers India Ltd. 1983-1984 M/s. Bakshi Steels Ltd. 1985-till date-M/s. Engineers India Ltd. He was nominated as Director (Technical) of EIL w.e.f. 1.5.2001. He has extensive experience in the fields of Technology related areas, Detailed Engineering, Engineering Technology Development, Project Management.</b>
<b>Other Directorship(s)</b>	: <b>Certification Engineers International Limited</b>
<b>Name</b>	: <b>Shri Pronob Mukerji</b>
<b>Father's Name</b>	: <b>Shri A. Mukerji</b>
<b>Designation</b>	: <b>Director (Projects)</b>
<b>Official Address</b>	: <b>Engineers India Limited, 1, Bhikaiji Cama Place, New Delhi-110066.</b>
<b>Date of Birth</b>	: <b>2.3.1947</b>
<b>Qualification</b>	: <b>Degree in Civil Engg. (1968) MBA (1980)</b>
<b>Experience</b>	: <b>1968-1969 PWD, 1969-1971 M/s. Rendel Palmer &amp; Triton, 1971-till date-Engineers India Ltd. He was nominated as Director (Projects) of EIL w.e.f. 3.6.2003. He has extensive experience in the fields of Project Management and Engineering.</b>
<b>Other Directorship(s)</b>	: <b>Nil</b>