45th ANNUAL REPORT
2009-10



ENGINEERS INDIA LIMITED

Delivering Excellence through People

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OUR VISION

To be a world-class globally competitive
EPC and total solutions Consultancy Organization.

THE MISSION

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

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

RISK MANAGEMENT POLICY

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

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

Organizational Structure

Chairman & Managing Director*
A.K. Purwaha

- Company Secretary
- Corporate Quality Assurance
- Vigilance

Director (Projects)
R.K. Grover

- Engineering
- Engineering Technology and Development
- Construction Management
- Refineries
- Petrochemicals
- Offshore Oil & Gas
- Onshore Oil & Gas
- Metallurgy
- Pipelines
- LSTK - Onshore
- LSTK - Offshore
- Sub-surface Projects
- Project Services
- Regional Project Offices
- Overseas Projects Offices

Director (Finance)
Ram Singh

- Financial Management
- Project Finance and Appraisal
- Financial Accounting & Budgeting
- Budgetary Control & Cost Management
- Disbursements
- Receivable Management
- Tax Planning & Management
- Internal Audit

Director (Commercial)
G.D. Goyal

- Marketing
- Procurement Services
- Contracts
- Infrastructure
- Regional Procurement Offices
- Overseas Offices

*Addl. Charge - Director (Technical)

Director (Personnel)
P.K. Rastogi

- Corporate Affairs
- Corporate Social Responsibility
- HR Planning & Management
- HR Welfare & Services
- HR Training & Development
- Administration & Estate Management
- Official Language

Director (Technical)

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

Non-Executive Directors

L.N. Gupta
Director (Govt. Nominee)

U.N. Bose
Director

B.N. Bankapur
Director

Dr. Avinash Chandra
Director

A.K. Purwar
Director

Adit Jain
Director

Dr. (Prof.) K.D.P. Nigam
Director

Dr. R. Soundararajan
Company Secretary

Ten Years' Performance at a Glance

(₹ in Lakhs)

PARTICULARS/YEARS	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
A. OPERATING STATISTICS										
Turnover*	78762.93	53699.44	81826.92	106953.03	91580.11	79048.04	57108.13	73775.21	153246.28	199379.70
Other Income	7129.27	7003.84	4100.96	4759.33	5786.74	6666.63	10778.65	13557.26	22152.52	18367.10
Expenditure	66323.77	49456.19	74812.58	98713.29	80073.64	65551.08	47450.86	57702.15	123351.90	151619.19
Prior Period Adjustments (Net)	–	–	–	–	627.63	185.67	(28.07)	242.27	0.13	79.82
Profit before Tax	19568.43	11247.09	11115.30	12999.07	16665.58	19977.92	20463.99	29388.05	52046.77	66047.79
Tax	7182.99	3829.14	5452.49	5407.75	6989.22	8025.57	8647.19	10904.48	19385.10	24972.04
Fringe Benefit Tax	–	–	–	–	–	255.00	275.00	270.20	286.67	–
Deferred Tax (Assets)/ Liability	–	(733.20)	(753.65)	(426.78)	(1,587.15)	(2,166.99)	(2757.61)	(1246.50)	(2,078.37)	(2,481.76)
Profit after Tax @@	12385.44	2470.88	6416.46	8018.10	11263.51	13864.34	14299.41	19459.87	34453.37	43,557.51
Amount transfer from General Reserve	–	–	–	–	–	–	–	–	–	56156.10
Dividend including Dividend Tax @@@	4146.64	1544.40	2533.96	4117.15	4811.75	5122.57	6183.11	7205.74	12124.72	69620.58
Retained Surplus	8238.80	926.48	3882.50	3900.95	6451.76	8741.77	8116.30	12254.13	22328.65	30093.03
B. FINANCIAL POSITION										
Capital Employed**	71313.36	71240.28	75122.78	79023.73	86292.27	95034.04	103150.34	115205.00	137533.65	111470.58
i) Fixed Assets***	5581.02	5045.59	4408.52	4729.79	4148.89	4001.49	3967.54	5035.89	6077.39	7189.38
ii) Net current Assets	46703.28	51210.93	52869.28	56958.71	63394.15	71017.71	77135.37	85856.47	104397.83	80056.68
Shareholders' Funds	71313.36	71240.28	75122.78	79023.73	86292.27	95034.04	103150.34	115205.00	137533.65	111470.58
i) Share Capital	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62	5615.62
ii) Reserve & Surplus@	65697.74	65624.66	69507.16	73408.11	80676.65	89418.42	97534.72	109589.38	131918.03	105854.96
C. RATIOS										
PBT / Turnover	24.84%	20.94%	13.58%	12.15%	18.20%	25.27%	35.83%	39.83%	33.96%	33.13%
PBT / Capital Employed	27.44%	15.79%	14.80%	16.45%	19.31%	21.02%	19.84%	25.51%	37.84%	59.25%
PAT / Net Worth	17.37%	3.47%	8.54%	10.15%	13.05%	14.59%	13.86%	16.89%	25.05%	39.08%
Turnover / Net Worth (number of times)	1.10	0.75	1.09	1.35	1.06	0.83	0.55	0.64	1.11	1.79
Sundry Debts / Turnover (Month's Turnover)	3.38	4.43	3.15	2.06	4.23	3.40	4.21	2.87	2.35	1.91
Turnover to Total Assets (number of times)	0.61	0.46	0.48	0.82	0.58	0.52	0.35	0.37	0.53	0.74

Notes :

* Turnover includes accretion / decretion to Work in Progress.

** Includes Investments.

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

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

@@ Profit after tax for 2001-2002 is after adjustment of provision for dimunition in the value of long term investments of Rs. 56.80 crores.

@@@ Includes exess/short provision of dividend / dividend tax for earlier years.

NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the Members of Engineers India Limited will be held on Tuesday, 14th day of September, 2010 at 3.00 p.m. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, 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 31st March, 2010 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri R.K. Grover, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri U.N. Bose, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri B.N. Bankapur, who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix remuneration of Auditors for the financial year 2010-2011 and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2010-2011."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

   "RESOLVED THAT Shri Ram Singh, who was appointed as an Additional Director, in the capacity of Director (Finance) by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from Shri Ram Singh himself in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

   "RESOLVED THAT Shri Pradeep Kumar Rastogi, who was appointed as an Additional Director, in the capacity of Director (Personnel), by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from Shri Pradeep Kumar Rastogi himself in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

   "RESOLVED THAT Shri Adit Jain, who was appointed as an Additional Director by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from a member in writing proposing the candidature of Shri Adit Jain for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."
9. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

   "RESOLVED THAT Dr. (Prof.) KDP Nigam, who was appointed as an Additional Director by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from a member in writing proposing the candidature of Dr. (Prof.) KDP Nigam for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."
10. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

    "RESOLVED THAT Shri G.D. Goyal, who was appointed as an Additional Director, in the capacity of Director (Commercial), by the Board of Directors of the Company and who, as per the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice from Shri G.D. Goyal himself in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

By order of the Board

Sd/-
(Dr. R. Soundararajan)
Company Secretary

Date: August 13, 2010
Place: New Delhi

NOTES

1. 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.
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of business under Item nos. 6 to 10 is annexed herewith.
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, September 7, 2010 to Tuesday, September 14, 2010 (both days inclusive) for the purpose of Annual General Meeting.
5. 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 Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020, Phone: 26387281, Fax: 26387384, 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.
6. The balance lying in the unpaid dividend account of the Company in respect of dividend declared on 25.09.2003 for the financial year 2002-2003 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 24.10.2010 (tentative date). Members who have not encashed their dividend warrants pertaining to the said year may approach to the Company or its Registrar & Share Transfer Agent for obtaining the payments thereof.
7. 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.
8. Pursuant to the requirements of Corporate Governance, a brief resume of the Directors proposed for appointment/re-appointment is included in the Corporate Governance Report attached to Directors' Report (except for S.Nos. 8 to 10 in respect of Shri Adit Jain, Dr. (Prof) KDP Nigam and Shri G.D. Goyal respectively, whose resume have been given in the Annexure to AGM Notice).
9. Members desirous of obtaining any information / clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of meeting to Company Secretary at the Registered Office of the Company so that the same may be attended to appropriately.
10. **No Gifts shall be distributed in the AGM or afterwards.**

By order of the Board

Sd/-

Date: August 13, 2010 (Dr. R. Soundararajan)

Place: New Delhi Company Secretary

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

ITEM NOS. 6 to10

The Board of Directors of the Company have appointed Additional Directors as per the following details:-

Name	Designation	w.e.f.
Shri Ram Singh	Director (Finance)	28.1.10
Shri P.K. Rastogi	Director (Personnel)	30.4.10
Shri Adit Jain	Director	09.7.10
Dr.(Prof.) KDP Nigam	Director	09.7.10
Shri G.D. Goyal	Director (Commercial)	20.7.10

In terms of Section 260 of the Companies Act, 1956, the above additional directors shall hold office up to the date of Annual General Meeting of the Company. The Company has received valid notices along with requisite deposits from the Directors/Members under Section 257 of the Companies Act, 1956 proposing their candidature for the office of Directors. In view of the background and vast experience, it will be in the interest of the Company that they continue as Directors of the Company. Brief resume of these Directors have been given in the Corporate Governance report attached to the Directors' Report and Annexure to the AGM Notice. Shri Adit Jain and Dr. (Prof.) KDP Nigam, non-executive Directors have disclosed that they are not holding any shares in the Company.

Your Directors recommend the resolutions for approval of members.

None of the Directors, except the directors who are proposed to be appointed, are interested in the resolutions.

By order of the Board

Sd/-

Date: August 13, 2010
Place: New Delhi

(Dr. R. Soundararajan)
Company Secretary

Annexure to AGM Notice

Brief Resume of Shri Adit Jain proposed for appointment at 45th Annual General Meeting vide item no. 8 of Notice.

Name	:	**Shri. Adit Jain**
Father's Name	:	Shri. Prakash Chandra Jain
Designation	:	Director
Official Address	:	F-63, Radhe Mohan Drive, Gadaipur Bandh Road, Chatarpur Mehrauli, New Delhi - 110074
Date of Birth	:	27th October, 1960
Qualifications	:	(a) Bachelor's degree in Mechanical Engineering from Birla Institute of Technology (b) MBA from Henley Management College, UK
Experience	:	He is the chairman and editorial director of IMA India, a business information company established in 1994. He has advised several multinational corporations towards the development of the India strategy and has successfully handled assignments in the areas of public policy, entry strategy planning, location audits, competitor analysis, scenario planning, joint venture etc. He has also authored many papers and articles on foreign policy, defence, the environment and business practices.
Other Directorships	:	(a) Shriram Transport Finance Company Limited (b) International Market Assessment India Private Limited (c) IMA Corporate Advisory Services Private Limited (d) EIU India Private Limited (e) PR Pundit Public Relations Private Limited (f) Mahanagar Telephone Nigam Limited (g) Indosolar Limited
Other Committee Memberships	:	(a) Indosolar Limited - Chairman - Audit Committee (b) Mahanagar Telephone Nigam Limited - Member - Audit Committee
Shareholding in EIL	:	NIL

Annexure to AGM Notice

Brief Resume of Dr. (Prof.) Krishna Deo Prasad Nigam proposed for appointment at 45th Annual General Meeting vide item no. 9 of Notice.

Name	:	**Dr. (Prof.) Krishna Deo Prasad Nigam**
Father's Name	:	Late Shri. Sukhdeo Prasad Nigam
Designation	:	Director
Official Address	:	69, New Campus, Indian Institute of Technology Hauz Khas, New Delhi - 110016
Date of Birth	:	1st January, 1947
Qualifications	:	(a) Bachelor's degree in Science from Agra University (b) Bachelor's degree in Chemical Engineering, HBTI Kanpur (c) Master's degree in Chemical Engineering Design, HBTI Kanpur (d) Ph.D in Technology from UDCT, Mumbai
Experience	:	He joined the faculty of Chemical Engineering, IIT Delhi, 1976. He has published over 120 Research papers in peer review International Journals and his research work has been widely acclaimed and referred in prestigeous journals of international repute. He has been visiting professor in various international schools in France, Germany, Australia, UK and USA. He is also an adjunct professor at Concordia University, Montreal Canada. He is also the Managing Director of the Foundation for Innovation & Technology Transfer, at Indian Institute of Technology, Delhi. He has also served as independent director at NFL during the year 2003-06 and member of the Scientific Advisory Committee, MoP&NG between 2001-2003.
Other Directorships	:	NIL
Other Committee Memberships	:	NIL
Shareholding in EIL	:	NIL