

ENGINEERS INDIA LIMITED

39TH ANNUAL REPORT

वार्षिक रिपोर्ट 2003-2004

***Delivering Excellence
through People***

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इंजीनियर्स
इंडिया लिमिटेड



ENGINEERS
INDIA LIMITED



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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 efforts*.
- 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.

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Organisational Structure

Chairman & Managing Director
M.K. Dalal

- Company Secretary
- Corporate Quality Assurance
 - Vigilance

Director (Projects)
P. Mukerji

- 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 (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

Director (Commercial)
H.K. Kaul

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

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

Director (Personnel)
D.S. Chakrabarti (Addl. Charge)

- HR Management
- HR Planning & Acquisition
- HR Development
- Administration
- Official Language
- Corporate Affairs

Shri Prabh Das, Director
Govt. Nominee

Shri R. Soundararajan
Company Secretary



Ten Years' Performance At a Glance

Particulars/Years	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
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A OPERATING STATISTICS

Turnover*	2349127	2599806	2688328	3112046	3917336	6156705	7876293	5369944	8182692	10693208
Other Income	238268	314780	337460	413916	699709	776478	712927	700384	410096	480963
Expenditure	1546826	1836412	1909654	2383537	2739263	5001121	6632377	4945619	7481258	9873264
Profit before Tax	1040569	1078174	1140098	1142425	1877782	1932062	1956843	1124709	1111530	1300907
Tax	441754	395165	419641	410000	697192	670047	718299	382914	545249	541775
Deferred Tax Assets/(Liabilities)	0	0	0	0	0	0	0	73320	75365	42678
Profit after Tax @@	598815	683009	720457	732425	1180590	1262015	1238544	247088	641646	801810
Dividend @@@	36000	45000	59400	74231	311657	355475	376283	154440	224616	364947
Dividend tax	0	0	0	8125	0	78205	38381	0	28780	46768
Retained Surplus**	562815	638009	661057	650069	868933	828335	823880	92648	388250	390095

B FINANCIAL POSITION

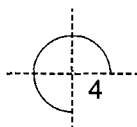
Capital Employed***	2566855	3199864	3870857	4609977	5479022	6307456	7131336	7124028	7512278	7902373
i) Fixed Assets****	485144	469262	482519	467319	476786	522241	558102	504559	440852	472979
ii) Net current Assets	1425544	2330435	2952988	2401680	2912074	3692910	4670328	5121093	5286928	5695871
Shareholders' Funds	2561855	3199864	3870857	4609977	5479022	6307456	7131336	7124028	7512278	7902373
i) Share Capital	180000	180000	180000	187173	187181	561562	561562	561562	561562	561562
ii) Reserve & Surplus@	2381855	3019864	3680921	4422804	5291841	5745894	6569774	6562466	6950716	7340811
Loans	5000	0	0	0	0	0	0	0	0	0

C RATIOS

PBT / Turnover	44.30%	41.47%	41.52%	36.71%	47.94%	31.38%	24.84%	20.94%	13.58%	12.17%
PBT / Capital Employed	40.54%	33.69%	28.83%	24.78%	34.27%	30.63%	27.44%	15.79%	14.80%	16.46%
PAT / Net Worth	23.37%	21.34%	18.66%	15.89%	21.55%	20.01%	17.37%	3.47%	8.54%	10.15%
Turnover / Net Worth (number of times)	0.92	0.81	0.69	0.68	0.71	0.98	1.10	0.75	1.09	1.35
Sundry Debts / Turnover (Month's Turnover)	5.97	7.28	6.26	4.23	3.76	3.13	3.38	4.43	3.15	2.06
Turnover to Total Assets (number of times)	0.44	0.43	0.41	0.37	0.35	0.40	0.61	0.46	0.48	0.73

NOTE :

- * 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 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 includes provision for diminution in the value of long term investments of Rs. 56.80 crores.
- @@@ Includes reversal of excess proposed dividend amounting to Rs. 0.68 lakhs for the earlier years made during the year 2003-2004.
- 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.
- Share holders 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 lakh towards share premium.



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NOTICE

Notice is hereby given that the 39th Annual General Meeting of the Members of Engineers India Limited will be held on Wednesday, the 15th September, 2004 at 3.00 P.M. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, Near Mandi House, New Delhi-110001 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 2004 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 H.K.Kaul, who retires by rotation and being eligible seeks re-appointment.
4. To appoint a Director in place of Shri D.S.Chakrabarti, who retires by rotation and being eligible seeks re-appointment.
5. To ratify the remuneration of Auditors amounting to Rs.3.79 lakh as fixed by the Board of Directors for the financial year 2003-2004.
6. To fix remuneration of Auditors for the financial year 2004-2005.

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 2004-2005".

By Order of the Board

R.Soundararajan
Company Secretary

Date : 16th August 2004

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. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 6th September to Wednesday, 15 September, 2004 (both days inclusive) for the purpose of ascertaining the entitlement of dividend.
4. Dividend, if any approved at the 39th 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 3rd September 2004 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 3rd September 2004.
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 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.
6. 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.
7. **No gifts shall be distributed in the AGM or afterwards.**

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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 Ninth Annual General Meeting of the Company at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, Near Mandi House, New Delhi-110001.

.....
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, Bhikaiji Cama Place, New Delhi-110066.

I/We.....
of.....
being a member/members of Engineers India Ltd. hereby appoint..... of.....
.....or failing him.....
..... of.....as my/our proxy to attend and
vote for me/us and on my/our behalf at the Thirty Ninth Annual General Meeting of the Company to be held on Wednesday, the
15th September, 2004 and any adjournment thereof.

Affix
Revenue
Stamp of
Rs.1.00

Signature

Folio No. :

DP Id* :

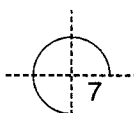
Client Id* :

No. of shares held :

Signed this.....Day of.....2004

- NOTE:
1. The Proxy need NOT be a members.
 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.






Brief Resume of the Directors proposed for re-appointment at 39th Annual General Meeting vide Items 3, 4 of the Notice

Name : Shri H.K. Kaul
Father's Name : Shri Jogendra Kishan
Designation : Director (Commercial)
Official Address : Engineers India Limited
Date of Birth : 05.9.1944
Qualification : Degree in Electrical Engg (1965), PG Degree in Electrical Engg (1967)
Experience : 1967 – 1971 - M/s. English Electric Company (I) Ltd.,
 1971 – till date - M/s. Engineers India Ltd.
 He has extensive experience in the fields of Design, Project Management, Procurement Services, Construction Management, Marketing.
Other Directorship(s) : EIL Asia Pacific Sdn. Bhd., Malaysia.

Name : Shri D.S. Chakrabarti
Position held : Director (Finance)
Father's Name : Late Shri Jatindranath Chakrabarti
Date of Birth : 01.01.1953
Qualification : Chartered Accountant (1977)
Experience : 1978 – 1979-M/s. Coal India Ltd., 1979 – 2001-M/s. IBP Company Ltd.,
 2001– till date-M/s. Engineers India Ltd.
 He has extensive experience in the fields of Financial Management, Financial Accounting, Cost Accounting, Budgetary & Cost Management and Internal Audit.
Other Directorship(s) : EIL Asia Pacific Sdn. Bhd., Malaysia.