



Annexure to 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.

Presently, EIL is having 12 Directors on its Board viz. C&MD, 5 whole time Executive Directors (Functional) and six Non-Executive Directors. The whole time Executive Directors (Functional) are reporting to the Chairman and Managing Director.

Clause 49 of the Listing Agreement stipulates that at least 50% of the directors should be Non-Executive independent directors, where Chairman is Executive. Since the Government of India appoints the Directors of the Company, request has been made to the Government of India to appoint the required number of non-executive independent directors and the Government of India has appointed two independent directors on the Board of the Company vide their letters dated 19.06.2007 & 04.01.2008 respectively. The company is constantly pursuing for appointment of requisite number of non-executive independent directors on the Board of the Company

b) Number of Board Meetings

As against the requirement of holding one meeting every three months and at least four such meetings in every year under Section 285 of the Companies Act 1956, the Board of Directors met 8 times during the year. The time gap between two meetings was not more than four months as stipulated in clause 49 of the listing agreement. The details of the Board Meetings are as under:

Sl. No.	Date of Meeting	Place	Board Strength	No. of Directors present
1.	April 29, 2009	New Delhi	11	11
2.	June 11, 2009	New Delhi	11	8
3.	July 28, 2009	New Delhi	11	11
4.	September 19, 2009	Gurgaon	11	10
5.	October 26, 2009	New Delhi	11	7
6.	December 15, 2009	New Delhi	11	9
7.	January 28, 2010	New Delhi	12	12
8.	March 23, 2010	New Delhi	11	8

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 year 2009-2010 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 AGM held on 18/09/09	Other Directorships	Committee Memberships**	Committee Chairmanships**
A) Executive Chairman and Managing Director					
A.K. Purwaha*-1	4	No	3	-	-
B) Whole-time Directors (Executive)					
I) Present Directors					
M.K. Joshi	8	Yes	1	-	-
R.K. Saxena	7	Yes	3	-	-
R.K. Grover	7	Yes	-	-	-
Ram Singh*-2	2	No	1	-	-
P.K. Rastogi*-3	-	-	-	-	-
C) Non-Executive Directors					
I) Present Directors					
L.N. Gupta	6	Yes	2	-	-
Dependra Pathak	8	Yes	-	-	-
U.N Bose	4	Yes	1	-	-
B. N. Bankapur	6	No	1	-	-
Avinash Chandra	7	No	2	-	-
A.K Purwar	6	Yes	9	3	2
II) Directors Retired/Resigned					
Mukesh Rohatgi*-4	4	Yes	-	-	-
D.K. Gupta*-5	7	Yes	-	-	-

Remarks:

- *-1 Shri A.K. Purwaha was appointed as Chairman & Managing Director of EIL w.e.f. 1.10.2009 and he was entrusted with additional charge of Director (Finance) and Director (Personnel) of EIL on ad-hoc basis w.e.f. 01.10.2009 vide MoP&NG Letter No. C-31018/4/08-CA and w.e.f 01.02.2010 vide MoP&NG Letter No. C-31018/1/2010-CA respectively. These respective additional charges were vacated consequent upon appointment of Director (Finance) and Director (Personnel).
- *-2 Shri Ram Singh was appointed as additional director in the capacity of Director (Finance) w.e.f. 28.01.2010.
- *-3 Shri P.K. Rastogi was appointed as additional Director in the capacity of Director (Personnel) w.e.f. 30.04.2010.
- *-4 Shri Mukesh Rohatgi retired as Chairman & Managing Director of the Company on attaining the age of superannuation on 30.09.2009.
- *-5 Shri D.K. Gupta retired as Director (Personnel) of the Company on attaining the age of superannuation on 31.01.2010.
- ** 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 Shareholders/ Investors Grievance Committee and based on disclosures received from Directors.



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. The Board meets at least once a quarter to review the quarterly performance and the financial results. The agenda for the meetings is prepared by the Company Secretary in consultation with the Chairman & Managing Director. 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. 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. The Committees prepare the groundwork for decision-making and report at the subsequent Board meeting.

e) Code of Conduct

The Board of Directors has laid down the code of conduct for all Board Members and Senior Management (General Managers and above) of the Company. The same has also been posted on the Website of the

Declaration as required under Clause 49 of the Listing Agreement

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for the Financial year ended on March 31, 2010.

May 27, 2010

New Delhi

(A.K. Purwaha)

Chairman & Managing Director

f) Compliance Reports

To the best of the knowledge and belief, the Company is complying all applicable laws as on date except the composition of Board of Directors with regard to independent 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.

3. Audit Committee

Presently, the Audit Committee comprises of Five Members viz. Shri U. N. Bose, Director, Shri B.N. Bankapur, Director, Dr. Avinash Chandra, Director, Shri A.K. Purwar, Director and Shri Dependra Pathak, Director (Govt. Nominee). The Audit Committee was reconstituted during the year by the Board of Directors in its meeting held on 28.07.2009 by appointing Shri A.K. Purwar as Chairman of the Committee in place of Shri U.N. Bose.

The Composition of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The details of meetings held during the financial year 2009-10 and

(Amount in Rupees)

S. No.	Date of the Meeting	Name of the Members S/Shri	Category	Attendance
1.	29.04.2009	U.N. Bose Dependra Pathak B.N. Bankapur Avinash Chandra A.K. Purwar	Non-Executive(Independent)-Chairman Non-Executive Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Present Present Present Present
2.	11.06.2009	U.N. Bose Dependra Pathak B.N. Bankapur Avinash Chandra A.K. Purwar	Non-Executive(Independent) Non-Executive Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)-Chairman of the meeting	Not Present Present Not Present Present Present

3.	28.07.2009	U.N. Bose Dependra Pathak B.N. Bankapur Avinash Chandra A.K. Purwar U.N. Bose	Non-Executive(Independent)-Chairman Non-Executive Non-Executive (Independent) Non-Executive (Independent) Non-Executive (Independent)	Present Present Present Present Present
4.	26.10.2009	Dependra Pathak B.N. Bankapur Avinash Chandra A.K. Purwar	Non-Executive(Independent) Non-Executive (Independent)-Chairman of the meeting Non-Executive Non-Executive (Independent) Non-Executive (Independent)	Not Present Present Present Present Not Present
5.	28.01.2010	U.N. Bose Dependra Pathak B.N. Bankapur Avinash Chandra	Non-Executive(Independent)-Chairman Non-Executive (Independent) Non-Executive Non-Executive (Independent) Non-Executive (Independent)	Present Present Present Present 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-in-Charge of Finance operations attend the meetings of the Audit Committee as invitees and the Company Secretary acts as Secretary to the Committee.

The scope of the Audit Committee includes-

- a) 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;
- b) Recommending audit fees payable to Statutory Auditors appointed by C&AG and approving payments for any other services.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with the Management, the periodical financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in draft Audit Report
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
- g) 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.
- h) Discussion with internal auditors of any significant findings and follow-up there on.
- i) Reviewing the findings of any internal investigations by the internal auditors 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.



- j) 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.
- k) 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.
- l) To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- m) Carrying out any other function, as mentioned in the terms of reference of the Audit Committee.

4. Subsidiary Companies

The Company is having two wholly owned subsidiaries viz. Certification Engineers International Limited (CEIL) and EIL Asia Pacific Sdn. Bhd, Malaysia (EILAP). Both the subsidiary companies do not fall under the category of "material non-listed subsidiary company" within the meaning of Clause 49 of the Listing Agreement.

The Audit Committee of EIL has reviewed the financial statements, in particular, the investments made by CEIL and EILAP.

The Minutes of the Board Meetings of CEIL have also been placed before the Board meetings of EIL.

5. Remuneration Committee/Remuneration of Directors

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company. The part-time official directors nominated on the Board do not draw any remuneration from the Company for their role as director. The sitting fees fixed for part-time (non official) independent directors of the Company is Rs. 10,000/- per meeting attended by them as fixed by the 42nd Annual General Meeting held on 17th September 2007 under the authority of the Articles of Association of the Company within the overall limit fixed by Rule 10-B of the Central Government General Rules and Forms, 1956. The non-executive directors are not holding any shares in the Company.

The whole-time 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, therefore, has not constituted a Remuneration Committee under Listing Agreement to decide on the Directors' remuneration policy.

However, a Remuneration Committee 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. Presently, Shri A.K. Purwar, Director and Dr. Avinash Chandra, Director are the members of the committee. Shri A.K. Purwar, Director is acting as Chairman of the committee. Shri D.K. Gupta, Director (Personnel) ceased to be member of the committee w.e.f. 31.1.2010 due to superannuation from the services of EIL. The committee met three times during the year on 10.07.2009, 19.09.2009 and 27.01.2010.

The details of remuneration paid to the whole-time Functional Directors during the year ended March 31, 2010 are as under:

(Amount in Rupees)

S.No	Name of Director S/Shri	Gross Salary	Benefits	Performance Related Pay/ Productivity Linked Reward	Stock Options during the year 2009-10	Total
1.	A.K. Purwaha	853080	141968	Nil	Nil	995048
2.	Mukesh Rohatgi	2946434	426536	877085	Nil	4250055
3.	M. K. Joshi	2072924	754710	629493	Nil	3457127
4.	R.K. Saxena	2033289	1263945	612119	Nil	3909353
5.	R.K. Grover	2074395	628636	604182	Nil	3307213
6.	Ram Singh	302412	47660	Nil	Nil	350072
7.	D.K. Gupta	3140136	751507	616681	Nil	4508324
8.	D.S. Chakrabarti	832782	60222	581032	Nil	1474036
9.	P. Mukerji	328572	6822	Nil	Nil	335394
	Total	14584024	4082006	3920592	Nil	22586622



Details of payments towards sitting fees to Independent Directors during the year 2009-10 are given below:-
(Amount in Rupees)

Name of Part-time(non-official) Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Dr. Avinash Chandra	70000	70000	140000
Shri A.K. Purwar	60000	80000	140000
Total	130000	150000	280000

*Gross Fees excluding Tax Deducted at Source as per applicable Tax Laws and Rules.

6. Accounting Treatment

The Financial statements have been prepared as per generally accepted accounting principles and in accordance with the prescribed Accounting Standards.

7. Risk Management

The company has a well defined Risk Management Policy and procedures to review the risk assessment and its minimization. The process is based on pre-identified risks and the risk events or factors which require regular assessment and response. Based on the probability and impact of the risk, the risks have been prioritized.

Risks, its root causes, controls and action plan are prepared by process owner regularly and are approved by Risk Management Committee (RMC). RMC consist of all Executive Directors, GM (ITs) and Company Secretary. HOD (CQA) is Member Secretary.

Action Plans are implemented at departmental level. Corporate Risk Group regularly audits action plans implementation status and conduct risk related training programmes. Findings of Risk Audits and Feed backs received are presented to the Board of Directors through the channels of the RMC and Audit Committee.

During the year 2009-10, the Board has reviewed the risk assessment procedures to ensure that executive management controls risks through means of properly defined framework.

8. Proceeds from Public Issues, Rights Issues and Preferential Issues

The company has not raised any money through Public Issues, Right Issues or any Preferential Issues.

9. Shareholders

A) A brief resume of Directors, retiring by rotation and eligible for re-appointment and other Directors being appointed are given below:

DIRECTORS RETIRING BY ROTATION AND PROPOSED TO BE REAPPOINTED

I Name	:	R.K. Grover
Father's Name	:	Shri Jagdish Raj Grover
Designation	:	Director (Projects)
Official Address	:	Engineers India Limited, 1, Bhikaiji Cama Place, R.K. Puram, New Delhi - 110 066
Date of Birth	:	26.01.1951
Qualification	:	B.E.(Mechanical) from DCE
Experience	:	August, 1972 to September, 1981- Bhabha Atomic Research Centre, Mumbai. October, 1981 to till date- EIL He has diverse experience of R&D, Technology development, Marketing and Project Management in the fields of Nuclear Power, Onshore and Offshore Hydrocarbon Projects.
Other Directorships	:	NIL
Committee Memberships	:	NIL



II	Name	:	U. N. Bose
	Father's Name`	:	Late Shri Nityanand Bose
	Designation	:	Director
	Official Address	:	Director (Technology & Field Services) ONGC Limited, Jeevan Bharati Building, Connaught Place, New Delhi - 110 001
	Date of Birth	:	07.11.1952
	Qualification	:	Bachelor Degree (1975) in Mechanical Engineering from Nagpur University
	Experience	:	1976-till date ONGC Limited He has vast experience in Deviation/Horizontal drilling in Offshore areas including deep water drilling. He has developed various drilling technologies and also implemented drilling programmes in high pressure/high dip/gas well in geologically complex area of Assam -Arakan fields. Also developed high-end training facility for Rig Supervisors which is unique in its kind. He has contributed many technical papers on drilling technologies in different conferences and technical publications.
	Other Directorships	:	i) ONGC
	Committee Memberships	:	Nil
	Shareholding in EIL	:	Nil
III	Name	:	B.N. Bankapur
	Father's Name	:	Late Shri Ningappa Mallappa Bankapur
	Designation	:	Director
	Official Address	:	Director (Refineries) Indian Oil Corporation Limited, Scope Complex, Lodhi Road, New Delhi - 110 001
	Date of Birth	:	27.08.1951
	Qualification	:	Chemical Engineer from Mysore University
	Experience	:	1975- till date Indian Oil Corporation Limited He has extensive experience of handling different Refineries and possess a rich experience of oil sector. He has been closely involved in strategic planning and growth of IOCL through capacity enhancement, value addition and diversification projects.
	Other Directorships	:	Indian Oil Corporation Limited
	Committee Memberships	:	NIL
	Shareholding in EIL	:	NIL

**ADDITIONAL DIRECTORS VACATING OFFICE AT AGM AND PROPOSED TO BE APPOINTED**

- I** Name : **Pradeep Kumar Rastogi**
Father's Name : Lt. Shri D.P. Rastogi
Designation : Director (Personnel)
Official Address : Engineers India Limited,
1, Bhikaiji Cama Place,
R.K. Puram,
New Delhi - 110 066
Date of Birth : 17/09/1952
Qualification : Bachelor's degree in Mechanical Engineering from University of Rajasthan
Experience : He has 36 years of experience in the field of engineering design, engineering management and project management, besides personnel and administrative functions. He has also been involved in human resource planning and recruitment, establishment, human resource training and development, performance appraisal and management development, industrial relations, human resource welfare and Corporate Social Responsibility activities. He is currently responsible for the general administration and management of personnel directorate of our company.
Other Directorships : NIL
Committee Memberships : NIL
- II** Name : **Ram Singh**
Father's Name : Shri Santokh Singh
Designation : Director (Finance)
Official Address : Engineers India Limited,
1, Bhikaiji Cama Place,
R.K. Puram,
New Delhi - 110 066
Date of Birth : 01/05/1957
Qualification : ICWA
Experience : He has extensive experience in the fields of Finance, Cost Accounting, Inventory Management, Accurate capitalisation of projects and Budgetary Management. He was actively associated with various government appointed committees as a member for conducting studies on pricing and oil markets. He also actively assisted various committees appointed by Government to review pricing of Petroleum Products. He has acted as Finance Head of Project Group at BPCL Mumbai Refinery during 1994-95. He has acted as officer on special duty (pricing) in MoP&NG during 1995-98 and also acted as Director (Finance)-OCC and Petroleum Planning and Analysis Cell. He also acted as a member of committee for selection of a US contractor for National Gas Grid Study Project. He has also contributed in the administration of various schemes of the Government etc. He has also been invited by International Energy Forums as a Guest Speaker.
Other Directorships : One
Committee Memberships : Nil



B) Means of Communication

Quarterly, Half Yearly and Yearly Results	Published in The Economic Times, Financial Express and Mint in English having wide circulation across the country and Navbharat Times and Hindustan in Hindi (Delhi Edition).
Displayed on Website	www.engineersindia.com and simultaneously posted on the Electronic Data Information Filing and Retrieval website namely www.sebiedifar.nic.in. The website is also accessible through a hyperlink 'edifar' from SEBI's official website, www.sebi.gov.in.
Whether it displays official news, releases and presentations made to media, analysis, institutional investors, etc.	Yes
Exclusive email id for redressal of investors complaints	company.secretary@eil.co.in

C) Shareholders'/Investors' Grievance Committee

The Company is having a Shareholders'/Investors' Grievance Committee. Presently, Shri Dendra Pathak is the Chairman & Shri R.K. Saxena, Director (Commercial) and Shri Ram Singh, Director (Finance) are the members of the Committee. Shri Ram Singh, Director (Finance) was inducted in the Committee w.e.f. 1.02.2010 in place of Shri D.K. Gupta, who ceased to be member of the Committee w.e.f. 31.01.2010 due to superannuation from the service of EIL. The Committee met 4 times during the year on 29.04.2009, 28.07.2009, 26.10.2009 and 28.01.2010.

D) Share Transfer Committee

In order to expedite the process of share transfer, the Board of Directors of the Company has delegated the power of share transfer to a Committee comprising of three members. This committee was reconstituted during the year due to cessation of Director (Personnel) as a member of the Committee w.e.f. 31.01.2010 and Director (Finance) was inducted in the Committee in his place w.e.f. 1.02.2010. Further, Shri A.K. Purwaha, Chairman & Managing Director was appointed as Chairman of the Committee in place of Shri Mukesh Rohatgi who ceased to be the member-chairman of the committee due to superannuation on 30.09.2009. Presently, the Share Transfer Committee comprises Shri A.K. Purwaha, Chairman & Managing Director, Shri R.K. Saxena, Director (Commercial) and Shri Ram Singh, Director (Finance). M/s. Mas Services Limited has been appointed as Registrar and Share Transfer Agents 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 Agents on priority basis. The Company Secretary is nominated as the Compliance Officer and the activities of the Registrar & Share Transfer Agents are under supervision of the Company Secretary and the same is being audited independently by a practicing Company Secretary.

The Share Transfer Committee met 24 times during the year 2009-2010 to transact all business concerning to transfer of shares and related issues.

E) Committee of Directors under Clause 41 of Listing Agreement

As per revised clause 41 of Listing Agreement, a committee of Directors was formed by the Board of Directors in its meeting held on 30.10.2007 for approval of Quarterly Financial Results of the company or for placing of Limited Review Report given by the Statutory Auditors on the Quarterly Financial Results of the Company before submission to the Stock Exchanges or for consideration of any other item under Clause 41 of Listing Agreement as amended from time to time. This committee was reconstituted during the year due to cessation of Shri Mukesh Rohatgi, C&MD as a member of the committee who superannuated w.e.f. 30.09.2009 and

Shri A.K. Purwaha, Chairman & Managing Director was inducted w.e.f. 01.10.2009 as a member of the committee. Further, Shri D.K. Gupta, Director (Personnel) also ceased to be the member of the committee due to superannuation w.e.f. 31.01.2010 and Shri Ram Singh, Director (Finance) was inducted as a member of the committee w.e.f. 01.02.2010.

Presently, Shri A.K. Purwaha, Chairman & Managing Director, Shri R.K. Saxena, Director (Commercial), Shri Ram Singh, Director (Finance), Shri Dependra Pathak, Director and Dr. Avinash Chandra, Independent Director are the members of the committee.

F) Investment Committee

The Board of Directors, in its meeting held on 28th July, 2009 constituted an Investment Committee to examine the proposals relating to Investments of surplus funds of the Company and recommend the same to the Board for its approval. Presently, Shri A.K. Purwar, Director, Dr. Avinash Chandra, Director and Shri Sudershan Gupta, Executive Director (F&A) are the members of the committee. Shri A.K. Purwar, Director is acting as Chairman of the committee.

G) HR Committee of the Board of Directors

The Board of Directors, in its meeting held on 15th December, 2009 constituted an HR Committee of the Board of Directors to deal with some specific HR issues including revision in HR Policies and Rules. Presently, all Functional Directors including C&MD of EIL and Shri A.K. Purwar, Director, Shri Dependra Pathak, Director and Shri B.N. Bankapur, Director are the members of the Committee. Shri A.K. Purwaha, C&MD is acting as Chairman of the committee. The committee met once during the year on 27.01.2010.

H) Committee of Directors (Bonus and Split Activities)

The Board of Directors, in its meeting held on 22nd April, 2010 constituted a Committee of the Board of Directors for handling Bonus and Split Activities. Presently, all Functional Directors including C&MD of EIL are the members of the Committee. The 1st meeting of this committee was held on 08.05.2010.

I) Compliance Officer

Dr. R.Soundararajan, Company Secretary is the Compliance Officer.

J) Status of Investor Complaints

Complaints pending on 01.04.2009	NIL
Complaints received during the financial year 2009-10	14
Complaints disposed off during the financial year 2009-10	14
Complaints pending as on 31.03.2010	NIL

As on 31st March, 2010, no transfer request was pending.

10. General Body Meetings

i) Annual General Meeting

The Annual General meeting 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
42nd	2006-2007	SCOPE Auditorium, CGO Complex, Lodhi Road, New Delhi - 110 003	17.09.2007	3.00 PM
43rd	2007-2008	SCOPE Auditorium, CGO Complex, Lodhi Road, New Delhi - 110 003	19.09.2008	3.00 PM
44th	2008-2009	SCOPE Auditorium, CGO Complex, Lodhi Road, New Delhi - 110 003	18.09.2009	3.00 PM



ii) Details of Special Resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
42nd	i).Approval for payment of sitting fees. ii).Amendment in the Articles of Association of the Company.
43rd	Amendments in Articles of Association of the Company.
44th	Nil

No special resolutions were put through ballot during the last year and no business is proposed to be conducted through postal ballot in current year.

iii) Procedure for Postal Ballot

The company will follow the procedure as laid down under section 192A of the Companies Act, 1956 in respect of passing of resolution by postal ballot as and when the need arises.

11. CEO/CFO Certification

The Chairman & Managing Director and whole time Director (Finance) 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 clause 49 (V) of the Listing Agreement.

12. Disclosures

- Details of transactions between the Company and its subsidiaries, associates, key managerial personnel during the year 2009-2010 are given in Notes to Accounts of schedule-J to the Annual Accounts for the year ended 31st March, 2010. These transactions do not have any potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any Stock Exchange or by SEBI or any statutory authority on any matters related to capital markets during the last three years except consent money of Rs.2.50 lakhs along with the consent order proposed by SEBI during the financial year 2004-05 with respect to non-compliance of disclosure under regulations 6(2), 6(4) and 8(3) of the SEBI (SAST) Regulations, 1997. The company has requested the SEBI to reduce/waive this amount and the reply from the SEBI is still awaited.
- The Company has formed the whistle Blower Policy and the Board has approved the same.
- The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement, save and except the composition of Board of Directors with regard to Independent Directors.

13. General Information

i) 45th Annual General Meeting

Date	: 14th September, 2010
Time	: 3.00 P.M.
Venue	: FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi - 110001.

ii) Financial Year

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

iii) Date of Book-closure

Tuesday, the 7th September, 2010 to Tuesday, the 14th September, 2010 (Both days inclusive)

iv) Dividend

The Board of Directors of the company during the year 2009-10 declared two Interim Dividends of Rs 106 per Share including special interim dividend of Rs. 100 per share (on the face value of Rs. 10 each) of the Company and same were paid on 24th December, 2009 and 30th March, 2010 respectively.



ix) Liquidity

EIL shares are actively traded on National Stock Exchange and The Bombay Stock Exchange Ltd.

x) Dematerialization/Rematerialization of Shares

Shareholding in Demat Mode as on 31.3.2010.

Depository	No. of Shares	Percentage
NSDL	4756139	8.46
CDSL	51247920	91.26
Total	56004059	99.72

President of India has held 90.401% of the total shares, all in dematerialised form. Out of the balance 9.599% shares held by others, 9.319 % have been held in dematerialised form as on March 31, 2010. 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 01.04.2009 to 31.03.2010.

	NSDL		CDSL	
	No. of Shares	Percentage	No. of Shares	Percentage
Dematerialised	12776	0.0228	300	0.0005
Rematerialised	38	0.0001	6	0.0000

xi) Distribution of Shareholding as on March 31, 2010.

The shareholding in EIL by major categories of Shareholders as at the end of March 31st 2010 is presented hereunder:

a) Shareholding Pattern

Category of Shareholders	No. of Shares held	% of Total
President of India	50765700	90.401
Mutual Funds and UTI	418643	0.745
Banks, Financial Institutions and Insurance Companies	2072259	3.690
Private Corporate Bodies	311718	0.555
Foreign Institutional Investors	547340	0.975
NRIs/OCBs/Trust	168444	0.30
Indian Public	1871996	3.334
Total	56156100	100.00

b) Distribution Schedule

S. No.	Category	No. of Shareholders	% to Total Shareholders	Amount (Rs.)	% of Total Amount
1	Upto 5000	44899	98.461	14176490	2.524
2	5001 to 10000	516	1.132	3512000	0.625
3	10001 to 20000	86	0.189	1236680	0.220
4	20001 to 30000	32	0.070	811100	0.144
5	30001 to 40000	10	0.022	367140	0.066
6	40001 to 50000	13	0.029	591600	0.105
7	50001 to 100000	15	0.032	1083370	0.194
8	100001 and above	30	0.065	539782620	96.122
	Total	45601	100.00	561561000	100.00

xii) Unclaimed/Unpaid Dividend

As per provision of Section 205A read with Section 205C of the Companies Act, 1956, 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 and Protection Fund (IEPF) set up by the Central Government. The Unpaid Dividend remaining unclaimed and unpaid for the financial year 2001-02 has accordingly been transferred to Investor Education & Protection Fund (IEPF) on 18.11.2009.

Unpaid/Unclaimed Dividend for the year 2002-2003 is due for transfer to Investor Education & Protection Fund (IEPF) established by the Government of India on or before 24.10.2010 (tentative). A final Notice dated 26.05.2010 was sent to all shareholders whose dividend were unpaid/unclaimed as on 31.3.2010. All shareholders, whose dividend is still unpaid/unclaimed are requested to lodge their claim with Company Secretary of EIL by submitting an application as per Company's procedure before 30th September, 2010. Kindly note that no claim will lie against the company or IEPF once the dividend is deposited in IEPF.

Given below are the proposed dates for transfer of the unpaid/unclaimed dividend to IEPF by the company:

Financial Year	Date of Declaration of Dividend	Proposed date for transfer to IEPF (Tentative Date)
2002-2003	25.09.2003	24.10.2010
2003-2004	15.09.2004	14.10.2011
2004-2005	15.09.2005	14.10.2012
2005-06 (Interim)	25.01.2006	24.02.2013
2005-06 (Final)	15.09.2006	14.10.2013
2006-07 (Interim)	31.01.2007	01.03.2014
2006-07(Final)	17.09.2007	16.10.2014
2007-08(Interim)	18.12.2007	17.01.2015
2007-08(Final)	19.09.2008	18.10.2015
2008-09(Interim)	19.12.2008	18.01.2016
2008-09(Final)	18.09.2009	17.10.2016
2009-10 (Interim)	15.12.2009	14.01.2017
2009-10 (Special Interim)	23.03.2010	22.04.2017

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 30 days from the date of lodgement of valid share transfer deed along with share certificate. M/s Mas Services Limited, Registrar and Share Transfer Agent has been appointed to effect the transfer of shares and other related jobs. The transfer of shares in physical form is approved by the Share transfer Committee comprising of C&MD, Director (Commercial) and Director (Finance). This committee was reconstituted during the year due to cessation of Shri D.K. Gupta, Director (Personnel) who retired on attaining the age of superannuation on 31.01.2010 and Shri Ram Singh, Director (Finance) was inducted w.e.f. 01.02.2010 as a member of the committee.

xiv) Registrar & Share Transfer Agents

Request for Share transfer & communication regarding share certificates, dividend, change of address, etc. may be addressed to:

Mas Services Limited
T-34, IIInd Floor
Okhla Industrial Area, Phase -II
New Delhi-110 020.

Phones :26387281/82/83
Fax No. : 26387384
E-Mail: info@masserv.com

**xv) Registered & Head Office**

Engineers India Bhavan,
1, Bhikaiji Cama Place,
New Delhi 110 066
Tel : 26762121
Fax: 26768210 E-mail: eil.mktg@eil.co.in
Website: www.engineersindia.com

xvi) Regional Offices

- A.G. Towers (5th Floor), 125/1,
Park Street Kolkata 700017
Tel: 033-22298995, 22277791,
22276304
Fax: 033-22278902
email: nk.saha@kol.eil.co.in
- 701-801, Heera Panna Towers,
Behind Alkapuri Arcade,
Alkapuri
Vadodara - 390 007
Tel: 0265-2340368, 2340369,
2340427, 2340517
Fax 0265-2340328
Email: rk.sehgal@vad.eil.co.in
- Talamuthu Natarajan Building,
CMDA Tower, 5th floor (West Wing)
Gandhi Irwin Salai, Egmore,
Chennai-600 008 (Tamil Nadu)
Tel : 044-28543083,
Fax: 044-28543080
Email: tbalraj@che.eil.co.in

xvii) 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: 022-27563066,
Email: rl.bhutiani@mum.eil.co.in

xviii) Overseas Offices

- 487, Great West Road, Hounslow,
London, TW5 OBS UK

- Flat No. 1703, 17th Floor,
Abdulla (ABN AMRO Building),
AL-Salam Street, P.O. Box No. 123592,
Abu Dhabi, U.A.E.
Tel: 00-971-2-6740101
Fax: 00-971-2-6740707
- C/o Sonatrach Aval,
Direction Engineering Zone Industrial,
Bethioua, Ain EL Bia,
31230, Oran, Algeria.
Tel : 00213-41-479741
Fax: 00213-41-479826

xix) Auditors

M/s. Jagdish Chand & Co.
Chartered Accountants
H-20, LGF, Green Park (Main)
New Delhi-110016
Tel. No.011-26511953,
Fax : 011-26533626

xx) 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 13(xiv) till further communication from the Company.

Place: New Delhi
Date: May 27, 2010



Auditors' Report on Corporate Governance

To,

The Members of

ENGINEERS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by ENGINEERS INDIA LIMITED for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management and subject to the following, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement:

- i) *Clause 49(1)(A) of the Listing Agreement requires that not less than fifty percent of total strength of Board of Directors of the Company should comprise of Non- Executive Directors being independent. However, during the year, the company did not have the required number of Non Executive Directors being independent on its Board.*

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that no Investor Grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee and as certified by the Registrar and Share Transfer Agents of the Company.

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 JAGDISH CHAND & CO.
CHARTERED ACCOUNTANTS

(JAGDISH CHAND GUPTA)
PARTNER

Place : New Delhi
Date : May 27, 2010

M.NO. 006107
Firm Registration No. 000129N



Management's Reply on Comments of the Auditor's on the Report on Corporate Governance (2009-10)

AUDITORS' COMMENTS	MANAGEMENT'S REPLY
<p>i) Clause 49 (I) (A) of the Listing Agreement requires that not less than fifty percent of the total strength of Board of Directors of the Company should comprise of Non-Executive Directors being independent. However, during the year, the Company did not have the required number of independent directors on its Board.</p>	<p>EIL is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India.</p> <p>In order to fulfil the requirement of the number of Non-Executive Independent Directors under the provisions of the Corporate Governance, the Company has already taken up the matter with the Ministry of Petroleum and Natural Gas (MOP&NG), Government of India for appointment of sufficient number of Non-Executive Independent Directors on the Board of the Company. Government of India vide letter dated 19th June, 2007 and 4th January, 2008 have appointed two Independent Directors on the Board of the Company during the financial year 2007-08. The Company is pursuing with the MOP&NG for the appointment of sufficient numbers of Non-Executive Independent Directors on the Board of the Company.</p>